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New Mountain Finance Corp
Form 10-Q
November 07, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarter Ended September 30, 2018

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number	Exact name of registrant as specified in its charter, address of principal executive offices, telephone numbers and states or other jurisdictions of incorporation or organization	I.R.S. Employer Identification Number
814-00832	New Mountain Finance Corporation 787 Seventh Avenue, 48th Floor New York, New York 10019 Telephone: (212) 720-0300 State of Incorporation: Delaware	27-2978010

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 (the "Exchange Act") during the preceding 12 months 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 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, smaller reporting company, or an emerging growth company. See 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 (Do not check if a smaller reporting company) 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 Exchange Act).
Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock.

Description	Shares as of November 7, 2018
Common stock, par value \$0.01 per share	76,106,372

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

New Mountain Finance Corporation

Consolidated Statements of Assets and Liabilities

(in thousands, except shares and per share data)

(unaudited)

	September 30, 2018	December 31, 2017
Assets		
Investments at fair value		
Non-controlled/non-affiliated investments (cost of \$1,754,348 and \$1,438,889, respectively)	\$ 1,755,572	\$ 1,462,182
Non-controlled/affiliated investments (cost of \$178,262 and \$180,380, respectively)	190,569	178,076
Controlled investments (cost of \$328,406 and \$171,958, respectively)	348,618	185,402
Total investments at fair value (cost of \$2,261,016 and \$1,791,227, respectively)	2,294,759	1,825,660
Securities purchased under collateralized agreements to resell (cost of \$30,000 and \$30,000, respectively)	25,200	25,212
Cash and cash equivalents	146,345	34,936
Interest and dividend receivable	49,964	31,844
Receivable from unsettled securities sold	1,283	—
Receivable from affiliates	295	343
Other assets	3,928	10,023
Total assets	\$ 2,521,774	\$ 1,928,018
Liabilities		
Borrowings		
Holdings Credit Facility	\$ 465,963	\$ 312,363
Unsecured Notes	335,000	145,000
Convertible Notes	270,329	155,412
SBA-guaranteed debentures	165,000	150,000
NMFC Credit Facility	135,000	122,500
Deferred financing costs (net of accumulated amortization of \$20,646 and \$16,578, respectively)	(16,906)	(15,777)
Net borrowings	1,354,386	869,498
Payable for unsettled securities purchased	80,781	—
Management fee payable	16,058	7,065
Incentive fee payable	13,210	6,671
Interest payable	8,919	5,107
Deferred tax liability	1,880	894
Payable to affiliates	988	863
Other liabilities	12,022	2,945
Total liabilities	1,488,244	893,043
Commitments and contingencies (See Note 9)		
Net assets		
Preferred stock, par value \$0.01 per share, 2,000,000 shares authorized, none issued	—	—
Common stock, par value \$0.01 per share, 100,000,000 shares authorized, 76,106,372 and 75,935,093 shares issued and outstanding, respectively	761	759
Paid in capital in excess of par	1,055,796	1,053,468
Accumulated undistributed net investment income	40,227	39,165

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Accumulated undistributed net realized losses on investments	(79,830) (76,681)
Net unrealized appreciation (depreciation) (net of provision for taxes of \$1,880 and \$894, respectively)	16,576	18,264	
Total net assets	\$ 1,033,530	\$ 1,034,975	
Total liabilities and net assets	\$ 2,521,774	\$ 1,928,018	
Number of shares outstanding	76,106,372	75,935,093	
Net asset value per share	\$ 13.58	\$ 13.63	

The accompanying notes are an integral part of these consolidated financial statements.

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New Mountain Finance Corporation

Consolidated Statements of Operations

(in thousands, except shares and per share data)

(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2018	2017	2018	2017
Investment income				
From non-controlled/non-affiliated investments:				
Interest income	\$38,332	\$ 38,511	\$112,278	\$ 107,905
Dividend income	—	—	486	159
Non-cash dividend income	1,491	59	4,254	72
Other income	4,669	1,196	8,550	5,545
From non-controlled/affiliated investments:				
Interest income	817	718	1,129	2,077
Dividend income	787	816	2,423	2,662
Non-cash dividend income	4,024	3,994	12,050	8,625
Other income	315	294	1,529	888
From controlled investments:				
Interest income	1,771	409	4,342	1,293
Dividend income	5,925	3,659	14,755	11,739
Non-cash dividend income	1,721	1,342	4,683	3,016
Other income	617	238	1,477	581
Total investment income	60,469	51,236	167,956	144,562
Expenses				
Incentive fee	6,780	6,573	19,644	18,430
Management fee	10,018	8,422	28,011	24,311
Interest and other financing expenses	14,759	9,509	38,873	26,930
Professional fees	2,053	819	3,455	2,391
Administrative expenses	846	652	2,607	2,022
Other general and administrative expenses	437	346	1,365	1,214
Total expenses	34,893	26,321	93,955	75,298
Less: management and incentive fees waived (See Note 5)	(1,766)	(1,483)	(4,583)	(6,124)
Less: expenses waived and reimbursed (See Note 5)	—	—	(276)	(474)
Net expenses	33,127	24,838	89,096	68,700
Net investment income before income taxes	27,342	26,398	78,860	75,862
Income tax expense	225	106	286	341
Net investment income	27,117	26,292	78,574	75,521
Net realized gains (losses):				
Non-controlled/non-affiliated investments	3,254	(14,216)	(3,149)	(39,843)
Net change in unrealized appreciation (depreciation):				
Non-controlled/non-affiliated investments	(4,048)	19,755	(22,069)	54,365
Non-controlled/affiliated investments	829	(3,807)	10,908	(4,401)
Controlled investments	(390)	(1,305)	10,471	(1,264)
Securities purchased under collateralized agreements to resell	—	(1,549)	(12)	(2,382)
(Provision) benefit for taxes	(2)	(394)	(986)	525
Net realized and unrealized gains (losses)	(357)	(1,516)	(4,837)	7,000
Net increase in net assets resulting from operations	\$26,760	\$ 24,776	\$73,737	\$ 82,521

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Basic earnings per share	\$0.35	\$ 0.33	\$0.97	\$ 1.12
Weighted average shares of common stock outstanding - basic (See Note 11)	76,106,377	75,688,429	75,994,068	73,618,794
Diluted earnings per share	\$0.32	\$ 0.31	\$0.91	\$ 1.04
Weighted average shares of common stock outstanding - diluted (See Note 11)	89,388,999	85,512,556	86,983,697	83,442,921
Distributions declared and paid per share	\$0.34	\$ 0.34	\$1.02	\$ 1.02

The accompanying notes are an integral part of these consolidated financial statements.

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New Mountain Finance Corporation

Consolidated Statements of Changes in Net Assets
(in thousands, except shares and per share data)
(unaudited)

	Nine Months Ended	
	September 30,	September 30,
	2018	2017
Increase (decrease) in net assets resulting from operations:		
Net investment income	\$78,574	\$ 75,521
Net realized losses on investments	(3,149	) (39,843
Net change in unrealized (depreciation) appreciation of investments	(690	) 48,700
Net change in unrealized depreciation of securities purchased under collateralized agreements to resell	(12	) (2,382
(Provision) benefit for taxes	(986	) 525
Net increase in net assets resulting from operations	73,737	82,521
Capital transactions		
Net proceeds from shares sold	—	81,478
Deferred offering costs	—	(172
Distributions declared to stockholders from net investment income	(77,512	) (75,132
Reinvestment of distributions	2,330	4,907
Other	—	(81
Total net (decrease) increase in net assets resulting from capital transactions	(75,182	) 11,000
Net (decrease) increase in net assets	(1,445	) 93,521
Net assets at the beginning of the period	1,034,975	938,562
Net assets at the end of the period	\$1,033,530	\$ 1,032,083
Capital share activity		
Shares sold	—	5,750,000
Shares issued from the reinvestment of distributions	171,279	299,632
Shares reissued from repurchase program in connection with the reinvestment of distributions	—	37,573
Net increase in shares outstanding	171,279	6,087,205

The accompanying notes are an integral part of these consolidated financial statements.

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New Mountain Finance Corporation

Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	Nine Months Ended	
	September 30, 2018	September 30, 2017
Cash flows from operating activities		
Net increase in net assets resulting from operations	\$ 73,737	\$ 82,521
Adjustments to reconcile net (increase) decrease in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realized losses on investments	3,149	39,843
Net change in unrealized (appreciation) depreciation of investments	690	(48,700)
Net change in unrealized depreciation of securities purchased under collateralized agreements to resell	12	2,382
Amortization of purchase discount	(3,924)	(6,458)
Amortization of deferred financing costs	4,068	3,054
Amortization of premium on Convertible Notes	(83)	(83)
Non-cash investment income	(13,469)	(6,236)
(Increase) decrease in operating assets:		
Purchase of investments and delayed draw facilities	(1,046,015)	(810,119)
Proceeds from sales and paydowns of investments	599,218	542,563
Cash received for purchase of undrawn portion of revolving credit or delayed draw facilities	978	339
Cash paid for purchase of drawn portion of revolving credit facilities	(11,631)	—
Cash paid on drawn revolvers	(19,609)	(11,387)
Cash repayments on drawn revolvers	21,514	12,929
Interest and dividend receivable	(18,120)	(9,967)
Receivable from unsettled securities sold	(1,283)	(2,506)
Receivable from affiliates	48	7
Other assets	5,350	(2,954)
Increase (decrease) in operating liabilities:		
Payable for unsettled securities purchased	80,781	64,759
Management fee payable	8,993	1,087
Incentive fee payable	6,539	828
Interest payable	3,812	2,926
Deferred tax liability	986	(525)
Payable to affiliates	125	650
Other liabilities	9,416	585
Net cash flows used in operating activities	(294,718)	(144,462)
Cash flows from financing activities		
Net proceeds from shares sold	—	81,478
Distributions paid	(75,182)	(70,225)
Offering costs paid	—	(441)
Proceeds from Holdings Credit Facility	382,500	435,750
Repayment of Holdings Credit Facility	(228,900)	(393,100)
Proceeds from Convertible Notes	115,000	—
Proceeds from Unsecured Notes	190,000	55,000
Proceeds from SBA-guaranteed debentures	15,000	22,255

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Proceeds from NMFC Credit Facility	255,000	251,100	
Repayment of NMFC Credit Facility	(242,500)	(242,100))
Deferred financing costs paid	(4,791)	(1,456))
Other	—	(81))
Net cash flows provided by financing activities	406,127	138,180	
Net increase (decrease) in cash and cash equivalents	111,409	(6,282))
Cash and cash equivalents at the beginning of the period	34,936	45,928	
Cash and cash equivalents at the end of the period	\$ 146,345	\$ 39,646	
Supplemental disclosure of cash flow information			
Cash interest paid	\$ 30,162	\$ 20,064	
Income taxes paid	213	175	
Non-cash operating activities:			
Non-cash activity on investments	\$ 1,346	\$ 12,858	
Non-cash financing activities:			
Value of shares issued in connection with the distribution reinvestment plan	\$ 2,330	\$ 4,347	
Value of shares reissued from repurchase program in connection with the distribution reinvestment plan	—	560	
Accrual for offering costs	335	944	
Accrual for deferred financing costs	373	158	

The accompanying notes are an integral part of these consolidated financial statements.

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New Mountain Finance Corporation

Consolidated Schedule of Investments

September 30, 2018

(in thousands, except shares)

(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Non-Controlled/Non-Affiliated Investments								
Funded Debt Investments - Canada								
Dentalcorp Perfect Smile ULC**								
Healthcare Services	Second lien (3)	9.74% (L) + 7.50%/M)	6/1/2018	6/8/2026	\$ 19,630	\$ 19,466	\$ 19,753	
	Second lien (3)(11) - Drawn	9.74% (L) + 7.50%/M)	6/1/2018	6/8/2026	1,247	1,236	1,254	
Total Funded Debt Investments - Canada					20,877	20,702	21,007	2.03 %
Funded Debt Investments - United Kingdom					\$ 20,877	\$ 20,702	\$ 21,007	2.03 %
Shine Acquisition Co. S.à.r.l / Boing US Holdco Inc.**								
Consumer Services	Second lien (3)	9.84% (L) + 7.50%/Q)	9/25/2017	10/3/2025	\$ 43,853	\$ 43,610	\$ 43,990	4.26 %
Air Newco LLC**								
Software	First lien (2)	6.88% (L) + 4.75%/M)	5/25/2018	5/31/2024	20,176	20,127	20,377	1.97 %
Total Funded Debt Investments - United Kingdom					\$ 64,029	\$ 63,737	\$ 64,367	6.23 %
Funded Debt Investments - United States								
Benevis Holding Corp.								
Healthcare Services	First lien (2)(10)	8.51% (L) + 6.32%/M)	3/15/2018	3/15/2024	\$ 58,676	\$ 58,676	\$ 58,676	
	First lien (3)(10)	8.51% (L) + 6.32%/M)	3/15/2018	3/15/2024	20,639	20,639	20,639	

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					79,315	79,315	79,315	7.67 %
Integro Parent Inc.								
Business Services	First lien (2)	8.07% (L + 5.75%/Q)	10/9/2015	10/31/2022	51,377	51,066	51,377	
	Second lien (3)	11.57% (L + 9.25%/Q)	10/9/2015	10/30/2023	10,000	9,927	9,950	
	First lien (3)(11) - Drawn	6.86% (L + 4.50%/Q)	6/8/2018	10/30/2021	464	461	464	
					\$61,841	\$61,454	\$61,791	5.98 %
CentralSquare Technologies, LLC								
Software	Second lien (3)	9.74% (L + 7.50%/M)	8/15/2018	8/31/2026	55,338	54,632	55,891	5.41 %
PhyNet Dermatology LLC								
Healthcare Services	First lien (2)	7.66% (L + 5.50%/M)	9/17/2018	8/16/2024	51,007	50,500	50,497	4.89 %
NM GRC Holdco, LLC								
Business Services	First lien (2)(10)	7.89% (L + 5.50%/Q)	2/9/2018	2/9/2024	38,833	38,655	38,639	
	First lien (3)(10)(11) - Drawn	7.89% (L + 5.50%/Q)	2/9/2018	2/9/2024	10,792	10,739	10,766	
					49,625	49,394	49,405	4.78 %
Nomad Buyer, Inc.								
Healthcare Services	First lien (2)	7.10% (L + 5.00%/M)	8/3/2018	8/1/2025	49,075	47,615	47,358	4.58 %
Associations, Inc.								
Consumer Services	First lien (2)(10)	11.25% (P + 3.00% + 3.00% PIK/Q)*	7/30/2018	7/30/2024	40,828	40,579	40,573	
	First lien (3)(10)(11) - Drawn	11.25% (P + 3.00% + 3.00% PIK/Q)*	7/30/2018	7/30/2024	3,624	3,601	3,601	
					44,452	44,180	44,174	4.27 %
Quest Software US Holdings Inc.								
Software	Second lien (2)	10.57% (L + 8.25%/Q)	5/17/2018	5/18/2026	43,697	43,272	43,468	4.21 %

The accompanying notes are an integral part of these consolidated financial statements.

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New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)

September 30, 2018

(in thousands, except shares)

(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Tenawa Resource Holdings LLC (13) Tenawa Resource Management LLC								
Energy	First lien (3)(10)	10.50% (Base + 8.00%/Q)	5/12/2014	10/30/2024	\$ 39,600	\$39,541	\$39,600	3.83 %
Salient CRGT Inc.								
Federal Services	First lien (2)	7.99% (L + 5.75%/M)	1/6/2015	2/28/2022	38,541	38,166	39,119	3.78 %
Frontline Technologies Group Holdings, LLC								
Education	First lien (4)(10)	8.74% (L + 6.50%/M)	9/18/2017	9/18/2023	22,443	22,299	22,443	
	First lien (2)(10)	8.74% (L + 6.50%/M)	9/18/2017	9/18/2023	16,624	16,517	16,624	
					39,067	38,816	39,067	3.78 %
Peraton Holding Corp. (fka MHVC Acquisition Corp.)								
Federal Services	First lien (2)	7.64% (L + 5.25%/Q)	4/25/2017	4/29/2024	38,963	38,799	38,768	3.75 %
Trader Interactive, LLC								
Business Services	First lien (2)(10)	8.74% (L + 6.50%/M)	6/15/2017	6/17/2024	37,353	37,130	37,353	3.61 %
Kronos Incorporated								
Software	Second lien (2)	10.59% (L + 8.25%/Q)	10/26/2012	11/1/2024	36,000	35,547	36,939	3.57 %
TDG Group Holding Company								
Consumer Services	First lien (2)(10)	7.89% (L + 5.50%/Q)	5/22/2018	5/31/2024	30,188	30,044	30,037	
	First lien (3)(10)(11) -	7.89% (L + 5.50%/Q)	5/22/2018	5/31/2024	3,363	3,346	3,346	

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	Drawn								
	First lien	7.74% (L +	5/22/2018	5/31/2024	2,055	2,045	2,045		
	(3)(10)	5.50%/M)							
					35,606	35,435	35,428	3.43 %	
Finalsite Holdings, Inc.									
Software	First lien (4)	7.72% (L +	9/28/2018	9/25/2024	22,500	22,331	22,331		
		5.50%/M)							
	First lien (2)	7.72% (L +	9/28/2018	9/25/2024	11,113	11,030	11,030		
		5.50%/M)							
					33,613	33,361	33,361	3.23 %	
Navicure, Inc.									
Healthcare Services	Second lien (3)	9.74% (L +	10/23/2017	10/31/2025	31,970	31,890	31,970	3.09 %	
		7.50%/M)							
iCIMS, Inc.									
Software	First lien (2)	8.64% (L +	9/12/2018	9/12/2024	31,636	31,322	31,320	3.03 %	
		6.50%/M)							
Ansira Holdings, Inc.									
Business Services	First lien (2)	7.99% (L +	12/19/2016	12/20/2022	25,725	25,629	25,661		
		5.75%/M)							
	First lien (3)	7.99% (L +	4/16/2018	12/20/2022	2,092	2,083	2,086		
		5.75%/M)							
	First lien (3)(11) - Drawn	7.99% (L +	12/19/2016	12/20/2022	1,793	1,797	1,788		
		5.75%/M)							
					29,610	29,509	29,535	2.86 %	
Brave Parent Holdings, Inc.									
Software	Second lien (5)	9.89% (L +	4/17/2018	4/17/2026	22,500	22,391	22,613		
		7.50%/Q)							
	Second lien (3)	9.89% (L +	7/18/2018	4/17/2026	6,837	6,803	6,871		
		7.50%/Q)							
					29,337	29,194	29,484	2.85 %	
Wirepath LLC									
Distribution & Logistics	First lien (2)	6.74% (L +	7/31/2017	8/5/2024	27,523	27,403	27,712	2.68 %	
		4.50%/M)							
EN Engineering, LLC									
Business Services	First lien (2)(10)	6.71% (L +	7/30/2015	6/30/2021	23,407	23,275	23,407		
		4.50%/M)							
	First lien (2)(10)	6.71% (L +	7/30/2015	6/30/2021	1,354	1,346	1,354		
		4.50%/M)							
					24,761	24,621	24,761	2.40 %	

The accompanying notes are an integral part of these consolidated financial statements.

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New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)

September 30, 2018

(in thousands, except shares)

(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Keystone Acquisition Corp. Healthcare Services	First lien (2)	7.64% (L + 5.25%/Q)	5/10/2017	5/1/2024	\$ 19,800	\$19,633	\$19,936	
	Second lien (3)	11.64% (L + 9.25%/Q)	5/10/2017	5/1/2025	4,500	4,460	4,539	
					24,300	24,093	24,475	2.37 %
SW Holdings, LLC								
Business Services	Second lien (4)(10)	11.14% (L + 8.75%/Q)	6/30/2015	12/30/2021	18,161	18,044	18,161	
	Second lien (3)(10)	11.14% (L + 8.75%/Q)	4/16/2018	12/30/2021	6,181	6,126	6,181	
					24,342	24,170	24,342	2.36 %
iPipeline, Inc. (Internet Pipeline, Inc.)								
Software	First lien (4)(10)	7.00% (L + 4.75%/M)	8/4/2015	8/4/2022	17,451	17,344	17,451	
	First lien (4)(10)	7.00% (L + 4.75%/M)	6/16/2017	8/4/2022	4,543	4,525	4,543	
	First lien (2)(10)	7.00% (L + 4.75%/M)	9/25/2017	8/4/2022	1,152	1,148	1,152	
	First lien (4)(10)	7.00% (L + 4.75%/M)	9/25/2017	8/4/2022	507	505	507	
					23,653	23,522	23,653	2.29 %
AAC Holding Corp.								
Education	First lien (2)(10)	10.36% (L + 8.25%/M)	9/30/2015	9/30/2020	22,592	22,440	22,184	2.15 %
CRCI Longhorn Holdings, Inc.								
Business Services	Second lien (3)	9.37% (L + 7.25%/M)	8/2/2018	8/10/2026	21,849	21,767	21,958	2.12 %
Avatar Topco, Inc. (23)								
EAB Global, Inc.								

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Education Help/Systems Holdings, Inc.	Second lien (3)	10.00% (L + 7.50%/Q)	11/17/2017	11/17/2025	21,450	21,153	21,236	2.05 %
Software DCA Investment Holding, LLC	Second lien (5)	9.99% (L + 7.75%/M)	3/23/2018	3/27/2026	20,231	20,134	20,332	1.97 %
Healthcare Services	First lien (2)(10)	7.64% (L + 5.25%/Q)	7/2/2015	7/2/2021	17,319	17,232	17,319	
	First lien (3)(10)(11) - Drawn	7.64% (L + 5.25%/Q)	12/20/2017	7/2/2021	2,901	2,784	2,901	
SSH Group Holdings, Inc.					20,220	20,016	20,220	1.96 %
Education DiversiTech Holdings, Inc.	Second lien (2)	10.59% (L + 8.25%/Q)	7/26/2018	7/30/2026	20,116	20,017	20,116	1.95 %
Distribution & Logistics FR Arsenal Holdings II Corp.	Second lien (3)	9.89% (L + 7.50%/Q)	5/18/2017	6/2/2025	19,500	19,328	19,403	1.88 %
Business Services AgKnowledge Holdings Company, Inc.	First lien (2)(10)	9.63% (L + 7.25%/Q)	9/29/2016	9/8/2022	18,592	18,443	18,592	1.80 %
Business Services Integral Ad Science, Inc.	Second lien (2)(10)	10.50% (L + 8.25%/M)	7/23/2014	7/23/2020	18,500	18,433	18,500	1.79 %
Software BackOffice Associates Holdings, LLC	First lien (3)(10)	9.50% (L + 6.00% + 1.25% PIK/Q)*	7/19/2018	7/19/2024	18,617	18,436	18,431	1.78 %
Business Services Navex Topco, Inc.	First lien (2)(10)	9.75% (L + 7.50%/M)	8/25/2017	8/25/2023	18,388	18,251	16,470	1.59 %
Software TIBCO Software Inc.	Second lien (2)	9.12% (L + 7.00%/M)	8/9/2018	9/4/2026	16,807	16,723	16,933	1.64 %
Software Hill International, Inc.**	Subordinated (3)	11.38%/S	11/24/2014	12/1/2021	15,000	14,759	16,031	1.55 %

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Business Services	First lien (2)(10)	8.14% (L + 5.75%/Q)	6/21/2017	6/21/2023	15,603	15,538	15,603	1.51 %
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The accompanying notes are an integral part of these consolidated financial statements.

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QC McKissock Investment, LLC (14) McKissock, LLC								
Education	First lien (2)(10)	8.14% (L + 5.75%/Q)	8/6/2014	8/5/2021	\$ 6,367	\$6,344	\$6,367	
	First lien (2)(10)	8.14% (L + 5.75%/Q)	8/24/2018	8/5/2021	3,658	3,623	3,658	
	First lien (2)(10)	8.14% (L + 5.75%/Q)	8/6/2014	8/5/2021	3,035	3,026	3,035	
	First lien (2)(10)	8.14% (L + 5.75%/Q)	8/6/2014	8/5/2021	980	976	980	
	First lien (2)(10)	8.14% (L + 5.75%/Q)	8/3/2018	8/5/2021	844	836	844	
	First lien (2)(10)	8.14% (L + 5.75%/Q)	5/23/2018	8/5/2021	574	565	574	
					15,458	15,370	15,458	1.50 %
OEConnection LLC								
Business Services	Second lien (3)	10.25% (L + 8.00%/M)	11/22/2017	11/22/2025	15,160	14,966	15,160	1.47 %
Netsmart Inc. / Netsmart Technologies, Inc.								
Healthcare Information Technology Xactly Corporation	Second lien (2)	9.84% (L + 7.50%/Q)	4/18/2016	10/19/2023	15,000	14,716	14,925	1.44 %
Software	First lien (4)(10)	9.50% (L + 7.25%/M)	7/31/2017	7/29/2022	14,690	14,570	14,690	1.42 %
Transcendia Holdings, Inc.								
Packaging	Second lien (3)	10.24% (L + 8.00%/M)	6/28/2017	5/30/2025	14,500	14,324	14,391	1.39 %
NorthStar Financial Services Group, LLC								

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Software TW-NHME Holdings Corp. (20) National HME, Inc.	Second lien (5)	9.56% (L + 7.50%/M)	5/23/2018	5/25/2026	13,450	13,418	13,652	1.32 %
Healthcare Services Alegeus Technologies Holding Corp.	Second lien (3)(10)	11.55% (L + 9.25%/Q)(24)	7/14/2015	7/14/2022	27,300	27,073	13,650	1.32 %
Healthcare Services Castle Management Borrower LLC	First lien (2)	8.37% (L + 6.25%/Q)	9/5/2018	9/5/2024	13,444	13,376	13,376	1.29 %
Business Services Project Accelerate Parent, LLC	First lien (2)(10)	8.57% (L + 6.25%/Q)	5/31/2018	2/15/2024	13,380	13,316	13,313	1.29 %
Business Services Ministry Brands, LLC	Second lien (3)(10)	10.62% (L + 8.50%/M)	1/2/2018	1/2/2026	13,473	13,315	13,305	1.29 %
Software	Second lien (3)(10)	11.75% (L + 9.25%/Q)	12/7/2016	6/2/2023	7,840	7,794	7,840	
	First lien (3)	6.24% (L + 4.00%/M)	12/7/2016	12/2/2022	2,970	2,959	2,970	
	Second lien (3)(10)	11.75% (L + 9.25%/Q)	12/7/2016	6/2/2023	2,160	2,147	2,160	
	First lien (3)(10)(11) - Drawn	9.25% (P + 4.00%/Q)	12/7/2016	12/2/2022	300	299	300	
PPVA Black Elk (Equity) LLC					13,270	13,199	13,270	1.28 %
Business Services CHA Holdings, Inc.	Subordinated (3)(10)	—	5/3/2013	—	14,500	14,500	12,180	1.18 %
Business Services	Second lien (4)	11.14% (L + 8.75%/Q)	4/3/2018	4/10/2026	7,012	6,944	7,117	
	Second lien (3)	11.14% (L + 8.75%/Q)	4/3/2018	4/10/2026	4,453	4,410	4,519	
					11,465	11,354	11,636	1.13 %

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Zywave, Inc.								
Software	Second lien (4)(10)	11.31% (L + 9.00%/Q)	11/22/2016	11/17/2023	\$ 11,000	\$ 10,934	\$ 11,000	
	First lien (3)(10)(11) - Drawn	7.24% (L + 5.00%/M)	11/22/2016	11/17/2022	150	149	150	
					11,150	11,083	11,150	1.08 %
Vectra Co.								
Business Products	Second lien (3)	9.49% (L + 7.25%/M)	2/23/2018	3/8/2026	10,788	10,750	10,802	1.05 %
Amerijet Holdings, Inc.								
Distribution & Logistics	First lien (4)(10)	10.24% (L + 8.00%/M)	7/15/2016	7/15/2021	9,133	9,091	9,143	
	First lien (4)(10)	10.24% (L + 8.00%/M)	7/15/2016	7/15/2021	1,522	1,515	1,524	
					10,655	10,606	10,667	1.03 %
Masergy Holdings, Inc.								
Business Services	Second lien (2)	9.89% (L + 7.50%/Q)	12/14/2016	12/16/2024	10,500	10,451	10,544	1.02 %
FPC Holdings, Inc.								
Distribution & Logistics	Second lien (3)	11.39% (L + 9.00%/Q)	3/28/2018	5/19/2023	10,116	9,740	10,318	1.00 %
VT Topco, Inc.								
Business Services	Second lien (4)	9.34% (L + 7.00%/Q)	8/14/2018	7/31/2026	10,000	9,975	10,150	0.98 %
Idera, Inc.								
Software	Second lien (4)	11.25% (L + 9.00%/M)	6/27/2017	6/27/2025	10,000	9,866	10,125	0.98 %
Affinity Dental Management, Inc.								
Healthcare Services	First lien (2)(10)	8.57% (L + 6.00%/Q)	9/15/2017	9/15/2023	4,344	4,307	4,344	
	First lien (3)(10)(11) - Drawn	8.50% (L + 6.00%/Q)	9/15/2017	9/15/2023	5,277	5,239	5,277	
					9,621	9,546	9,621	0.93 %

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WD Wolverine Holdings, LLC								
Healthcare Services	First lien (2)	7.74% (L + 5.50%/M)	2/22/2017	8/16/2022	9,575	9,342	9,503	0.92 %
J.D. Power (fka J.D. Power and Associates)								
Business Services	Second lien (3)	10.74% (L + 8.50%/M)	6/9/2016	9/7/2024	9,333	9,238	9,380	0.91 %
JAMF Holdings, Inc.								
Software	First lien (3)(10)	10.32% (L + 8.00%/Q)	11/13/2017	11/11/2022	8,757	8,683	8,670	0.84 %
Pathway Vet Alliance LLC (fka Pathway Partners Vet Management Company LLC)								
Consumer Services	Second lien (4)	10.24% (L + 8.00%/M)	10/4/2017	10/10/2025	7,597	7,562	7,559	
	Second lien (4)	10.24% (L + 8.00%/M)	10/4/2017	10/10/2025	403	401	401	
					8,000	7,963	7,960	0.77 %
Autodata, Inc. (Autodata Solutions, Inc.)								
Business Services	Second lien (3)	9.49% (L + 7.25%/M)	12/12/2017	12/12/2025	7,406	7,388	7,489	0.72 %
MH Sub I, LLC (Micro Holding Corp.)								
Software	Second lien (3)	9.67% (L + 7.50%/M)	8/16/2017	9/15/2025	7,000	6,936	7,092	0.69 %

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DG Investment Intermediate Holdings 2, Inc. (aka Convergint Technologies Holdings, LLC)								
Business Services	Second lien (3)	8.99% (L + 6.75%/M)	1/29/2018	2/2/2026	\$6,732	\$6,701	\$6,783	0.66 %
CP VI Bella Midco, LLC								
Healthcare Services	Second lien (3)	8.99% (L + 6.75%/M)	1/25/2018	12/29/2025	6,732	6,701	6,713	0.65 %
Restaurant Technologies, Inc.								
Business Services	Second lien (4)	8.90% (L + 6.50%/M)	9/24/2018	10/1/2026	6,722	6,705	6,705	0.65 %
DealerSocket, Inc.								
Software	First lien (2)	6.99% (L + 4.75%/M)	4/16/2018	4/26/2023	6,694	6,649	6,627	0.64 %
First American Payment Systems, L.P.								
Business Services	First lien (2)	6.87% (L + 4.75%/M)	1/3/2017	1/5/2024	6,500	6,448	6,549	0.63 %
Solera LLC / Solera Finance, Inc.								
Software	Subordinated (3)	10.50%/S	2/29/2016	3/1/2024	5,000	4,809	5,488	0.53 %
Applied Systems, Inc.								

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Software	Second lien (3)	9.39% (L + 7.00%/Q)	9/14/2017	9/19/2025	4,923	4,923	5,045	0.49	%
ADG, LLC									
Healthcare Services	Second lien (3)(10)	11.24% (L + 9.00%/M)	10/3/2016	3/28/2024	5,000	4,940	4,684	0.45	%
York Risk Services Holding Corp.									
Business Services	Subordinated (3)	8.50%/S	9/17/2014	10/1/2022	3,000	3,000	2,648	0.25	%
Ensemble S Merger Sub, Inc.									
Software	Subordinated (3)	9.00%/S	9/21/2015	9/30/2023	2,000	1,951	2,095	0.20	%
Education Management Corporation(12)									
Education Management II									
Education	First Lien (2)	10.75% (P + 5.50%/Q) (24)	1/5/2015	7/2/2020	211	205	24		
	First Lien (3)	10.75% (P + 5.50%/Q) (24)	1/5/2015	7/2/2020	119	116	14		
	First Lien (2)	13.75% (P + 8.50%/Q) (24)	1/5/2015	7/2/2020	475	437	4		
	First Lien (3)	13.75% (P + 8.50%/Q) (24)	1/5/2015	7/2/2020	268	246	2		
					1,073	1,004	44	—	%
Total Funded Debt Investments - United States					\$1,630,057	\$1,617,214	\$1,610,653	155.84	%
Total Funded Debt Investments Equity - Hong Kong					\$1,714,963	\$1,701,653	\$1,696,027	164.10	%
Bach Special Limited (Bach Preference Limited)**									
Education	Preferred shares	—	9/1/2017	—	64,530	\$6,373	\$6,453	0.62	%

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	(3)(10)(22)								
Total Shares - Hong Kong Equity - United States Avatar Topco, Inc.					6,373	6,453	0.62	%	
Education	Preferred shares (3)(10)(23)	—	11/17/2017	—	35,750	\$38,908	\$38,781	3.75	%

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Tenawa Resource Holdings LLC (13) QID NGL LLC									
Energy	Preferred shares (7)(10)	—	10/30/2017	—	1,241,412	\$1,241	\$2,782		
	Ordinary shares (7)(10)	—	5/12/2014	—	5,290,997	5,291	11,266		
						6,532	14,048	1.36	%
Ancora Acquisition LLC									
Education	Preferred shares (6)(10)	—	8/12/2013	—	372	83	393	0.04	%
Education Management Corporation (12)									
Education	Preferred shares (2)	—	1/5/2015	—	3,331	200	—		
	Preferred shares (3)	—	1/5/2015	—	1,879	113	—		
	Ordinary shares (2)	—	1/5/2015	—	2,994,065	100	4		
	Ordinary shares (3)	—	1/5/2015	—	1,688,976	56	2		
						469	6	—	%
TW-NHME Holdings Corp. (20)									
Healthcare Services	Preferred shares (3)(10)	—	7/14/2015	—	100	1,000	—		
	Preferred shares (3)(10)	—	1/5/2016	—	16	158	—		
	Preferred shares (3)(10)	—	6/30/2016	—	6	68	—		
	Preferred shares (3)(10)	—	3/29/2018	—	40	162	—		

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						1,388	—	—	%
Total Shares -						\$47,380	\$53,228	5.15	%
United States						\$53,753	\$59,681	5.77	%
Total Shares									
Warrants -									
United States									
ASP LCG									
Holdings, Inc.									
Education	Warrants	—	5/5/2014	5/5/2026	622	\$37	\$495	0.05	%
	(3)(10)								
Ancora									
Acquisition LLC									
Education	Warrants	—	8/12/2013	8/12/2020	20	—	—	—	%
	(6)(10)								
Total Warrants -						\$37	\$495	0.05	%
United States									
Total Funded						\$1,755,443	\$1,756,203	169.92	%
Investments									
Unfunded Debt									
Investments -									
Canada									
Dentalcorp									
Perfect Smile									
ULC**									
Healthcare	Second lien	—	6/1/2018	6/6/2020	\$ 3,661	\$2	\$23	—	%
Services	(3)(11) -								
	Undrawn								
Total Unfunded					\$ 3,661	\$2	\$23	—	%
Debt Investments									
- Canada									
Unfunded Debt									
Investments -									
United States									
DCA Investment									
Holding, LLC									
Healthcare	First lien	—	7/2/2015	7/2/2021	\$ 2,100	\$(21) \$—		
Services	(3)(10)(11) -								
	Undrawn								
	First lien	—	12/20/2017	12/20/2019	10,563	—	—		
	(3)(10)(11) -								
	Undrawn				12,663	(21) —	—	%

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iPipeline, Inc. (Internet Pipeline, Inc.)								
Software	First lien (3)(10)(11) - Undrawn	—	8/4/2015	8/4/2021	\$ 1,000	\$(10)	\$ —	—%
Ministry Brands, LLC								
Software	First lien (3)(10)(11) - Undrawn	—	12/7/2016	12/2/2022	700	(4)	—	—%
Zywave, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	11/22/2016	11/17/2022	1,850	(14)	—	—%
Trader Interactive, LLC								
Business Services	First lien (3)(10)(11) - Undrawn	—	6/15/2017	6/15/2023	1,673	(13)	—	—%
Xactly Corporation								
Software	First lien (3)(10)(11) - Undrawn	—	7/31/2017	7/29/2022	992	(10)	—	—%
Integro Parent Inc.								
Business Services	First lien (3)(11) - Undrawn	—	6/8/2018	10/30/2021	6,279	(31)	—	—%
Affinity Dental Management, Inc.								
Healthcare Services	First lien (3)(10)(11) - Undrawn	—	9/15/2017	3/15/2019	6,307	(16)	—	
	First lien (3)(10)(11) - Undrawn	—	9/15/2017	3/15/2023	1,737	(17)	—	
					8,044	(33)	—	—%
Frontline Technologies Group Holdings, LLC								
Education		—	9/18/2017	9/18/2019	7,738	(58)	—	—%

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	First lien (3)(10)(11) - Undrawn							
NM GRC Holdco, LLC								
Business Services	First lien (3)(10)(11) - Undrawn	—	2/9/2018	2/9/2020	771	(2)	(2)	—%
Salient CRGT Inc.								
Federal Services	First lien (3)(11) - Undrawn	—	6/26/2018	11/29/2021	6,125	(490)	(4)	—%
DealerSocket, Inc.								
Software	First lien (3)(11) - Undrawn	—	4/16/2018	4/26/2023	560	(4)	(6)	—%
JAMF Holdings, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	11/13/2017	11/11/2022	750	(8)	(8)	—%
Ansira Holdings, Inc.								
Business Services	First lien (3)(11) - Undrawn	—	12/19/2016	4/16/2020	5,433	(27)	(14)	—%
Integral Ad Science, Inc.								
Software	First lien (3)(10)(11) - Undrawn	—	7/19/2018	7/19/2023	1,429	(14)	(14)	—%
TDG Group Holding Company								
Consumer Services	First lien (3)(10)(11) - Undrawn	—	5/22/2018	5/31/2024	2,989	(15)	(15)	—%
Finalsite Holdings, Inc.								
Software	First lien (3)(11) - Undrawn	—	9/25/2018	9/25/2024	2,521	(19)	(19)	—%
iCIMS, Inc.								
Software	First lien (3)(11) - Undrawn	—	9/12/2018	9/12/2024	1,977	(20)	(20)	—%

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Associations, Inc.								
Consumer Services	First lien (3)(10)(11) - Undrawn	—	7/30/2018	7/30/2021	\$6,556	\$(41)	\$(41))
	First lien (3)(10)(11) - Undrawn	—	7/30/2018	7/30/2024	2,033	(13)	(13))
					8,589	(54)	(54)	) (0.01)
PhyNet Dermatology LLC								
Healthcare Services	First lien (3)(11) - Undrawn	—	9/17/2018	8/16/2020	45,305	(227)	(227)	) (0.02)
BackOffice Associates Holdings, LLC								
Business Services	First lien (3)(10)(11) - Undrawn	—	8/25/2017	8/25/2023	2,586	(23)	(271)	) (0.03)
Total Unfunded Debt Investments - United States					\$119,974	\$(1,097)	\$(654)	) (0.06)
Total Unfunded Debt Investments					\$123,635	\$(1,095)	\$(631)	) (0.06)
Total Non-Controlled/Non-Affiliated Investments						\$1,754,348	\$1,755,572	169.8
Non-Controlled/Affiliated Investments (25)								
Funded Debt Investments - United States								
Permian Holdco 1, Inc.								
Permian Holdco 2, Inc.								
Permian Holdco 3, Inc.								
Energy	First lien (3)(10)(11) - Drawn	8.62% (L + 6.50%/M)	6/14/2018	6/30/2022	\$15,000	\$15,000	\$15,000	
	First lien (3)(10)	14.84% (L + 7.50% +	6/14/2018	6/30/2022	9,975	9,975	9,975	

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		5.00%							
		PIK/Q)*							
	Subordinated	14.00%	10/31/2016	10/15/2021	2,225	2,225	2,225		
	(3)(10)	PIK/Q*							
	Subordinated	14.00%	10/31/2016	10/15/2021	1,146	1,146	1,146		
	(3)(10)	PIK/Q*							
					28,346	28,346	28,346		2.74
Total Funded Debt Investments					\$28,346	\$28,346	\$28,346		2.74
- United States									
Equity - United States									
HI Technology Corp.									
Business Services	Preferred		3/21/2017	—	2,768,000	\$105,155	\$117,080		11.33
	shares	—							
	(3)(10)(21)								
NMFC Senior Loan Program I									
LLC**									
Investment Fund	Membership		6/13/2014	—	—	23,000	23,000		2.23
	interest	—							
	(3)(10)								
Sierra Hamilton Holdings									
Corporation									
Energy	Ordinary		7/31/2017	—	25,000,000	11,501	11,271		
	shares	—							
	(2)(10)								
	Ordinary		7/31/2017	—	2,786,000	1,281	1,256		
	shares	—							
	(3)(10)								
						12,782	12,527		1.21
Permian Holdco 1, Inc.									
Energy	Preferred		10/31/2016	—	1,714,735	7,629	9,431		
	shares	—							
	(3)(10)(16)								
	Ordinary		10/31/2016	—	1,366,452	1,350	185		
	shares	—							
	(3)(10)								
						8,979	9,616		0.93
Total Shares - United States						\$149,916	\$162,223		15.70
Total Funded Investments						\$178,262	\$190,569		18.44

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated Schedule of Investments (Continued)

September 30, 2018

(in thousands, except shares)

(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Unfunded Debt Investments - United States Permian Holdco 3, Inc.	First lien (3)(10)(11) - Undrawn	—	6/14/2018	6/30/2022	\$ 5,000	\$—	\$—	— %
Total Unfunded Debt Investments - United States					\$ 5,000	\$—	\$—	— %
Total Non-Controlled/Affiliated Investments						\$ 178,262	\$ 190,569	18.44 %
Controlled Investments (26)								
Funded Debt Investments - United States Edmentum Ultimate Holdings, LLC (15) Edmentum, Inc. (fka Plato, Inc.) (Archipelago Learning, Inc.)	First lien (2)	10.84% (L + 4.50% + 4.00% PIK/Q)*	8/6/2018	6/9/2021	\$ 8,428	\$ 7,076	\$ 7,121	
Education	Second lien (3)(10)	7.00% PIK/Q*	2/23/2018	12/9/2021	10,987	10,325	10,164	
	Second lien (3)(10)(11) - Drawn	5.00% PIK/Q*	6/9/2015	12/9/2021	156	156	156	
	Subordinated (3)(10)	8.50% PIK/Q*	6/9/2015	6/9/2020	4,787	4,783	4,787	
	Subordinated (2)(10)	10.00% PIK/Q*	6/9/2015	6/9/2020	18,063	18,063	14,451	
			6/9/2015	6/9/2020	4,444	4,444	3,555	

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	Subordinated (3)(10)	10.00% PIK/Q*			46,865	44,847	40,234	3.89	%
UniTek Global Services, Inc.									
Business Services	First lien (2)(10)	7.89% (L + 5.50%/Q)	6/29/2018	8/20/2024	12,573	12,573	12,573	1.22	%
Total Funded Debt Investments - United States Equity - Canada NM APP Canada Corp.**					\$ 59,438	\$ 57,420	\$ 52,807	5.11	%
Net Lease	Membership interest (8)(10)	—	9/13/2016	—	—	\$ 7,345	\$ 8,517	0.82	%
Total Shares - Canada Equity - United States NMFC Senior Loan Program II LLC**						\$ 7,345	\$ 8,517	0.82	%
Investment Fund	Membership interest (3)(10)	—	5/3/2016	—	—	\$ 79,400	\$ 79,400	7.68	%
UniTek Global Services, Inc.									
Business Services	Preferred shares (2)(10)(17)	—	1/13/2015	—	24,030,774	1,651	22,399		
	Preferred shares (3)(10)(17)	—	1/13/2015	—	6,640,963	5,983	6,190		
	Preferred shares (3)(10)(19)	—	8/17/2018	—	6,733,852	6,734			
	Preferred shares (3)(10)(18)	—	6/30/2017	—	12,486,341	12,486	12,486		
	Ordinary shares (2)(10)	—	1/13/2015	—	2,096,477	1,925	10,610		
	Ordinary shares (3)(10)	—	1/13/2015	—	1,993,749	532	10,090		
						49,311	68,509	6.63	%

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Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
NMFC Senior Loan Program III LLC**								
Investment Fund	Membership interest (3)(10)	—	5/4/2018	—	—	\$66,800	\$66,800	6.46 %
NM NL Holdings LP**								
Net Lease	Membership interest (8)(10)	—	6/20/2018	—	—	20,065	19,901	1.93 %
NM GLCR LLC								
Net Lease	Membership interest (8)(10)	—	2/1/2018	—	—	14,750	14,653	1.42 %
NM CLFX LP								
Net Lease	Membership interest (8)(10)	—	10/6/2017	—	—	12,538	12,540	1.21 %
NM KRLN LLC								
Net Lease	Membership interest (8)(10)	—	11/15/2016	—	—	7,510	8,554	0.83 %
NM DRVT LLC								
Net Lease	Membership interest (8)(10)	—	11/18/2016	—	—	5,152	5,547	0.54 %
NM APP US LLC								
Net Lease	Membership interest (8)(10)	—	9/13/2016	—	—	5,080	5,401	0.52 %
NM JRA LLC								
Net Lease	Membership interest (8)(10)	—	8/12/2016	—	—	2,043	2,251	0.22 %
Edmentum Ultimate Holdings, LLC (15)								
Education	Ordinary shares (3)(10)	—	6/9/2015	—	123,968	11	320	
	Ordinary shares (2)(10)	—	6/9/2015	—	107,143	9	276	
						20	596	0.06 %
NM GP Holdco LLC**								
Net Lease	Membership interest (8)(10)	—	6/20/2018	—	—	203	197	0.02 %

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Total Shares - United States						\$262,872	\$284,349	27.51	%
Total Shares						\$270,217	\$292,866	28.34	%
Warrants - United States									
Edmentum Ultimate Holdings, LLC (15) Education	Warrants (3)(10)	—	2/23/2018	5/5/2026	1,141,846	\$769	\$2,945	0.28	%
UniTek Global Services, Inc. Business Services	Warrants (3)(10)	—	6/30/2017	12/31/2018	526,925	—	—	—	%
Total Warrants - United States						\$769	\$2,945	0.28	%
Total Funded Investments						\$328,406	\$348,618	33.73	%
Unfunded Debt Investments - United States									
UniTek Global Services, Inc.	First lien								
Business Services	(3)(10)(11) - Undrawn	—	6/29/2018	2/20/2019	\$ 2,515	\$—	\$—	—	%

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(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Edmentum Ultimate Holdings, LLC (15) Edmentum, Inc. (fka Plato, Inc.) (Archipelago Learning, Inc.)	Second lien (3)(10)(11) - Undrawn	—	6/9/2015	12/9/2021	\$ 7,434	\$—	\$—	— %
Total Unfunded Debt Investments - United States					\$ 9,949	\$—	\$—	— %
Total Controlled Investments						\$328,406	\$348,618	33.73 %
Total Investments						\$2,261,016	\$2,294,759	222.03 %

(1) New Mountain Finance Corporation (the “Company”) generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”). These investments are generally subject to certain limitations on resale, and may be deemed to be “restricted securities” under the Securities Act.

(2) Investment is pledged as collateral for the Holdings Credit Facility, a revolving credit facility among the Company as Collateral Manager, New Mountain Finance Holdings, L.L.C. (“NMF Holdings”) as the Borrower, Wells Fargo Securities, LLC as the Administrative Agent, and Wells Fargo Bank, National Association, as the Lender and Collateral Custodian. See Note 7. Borrowings, for details.

(3) Investment is pledged as collateral for the NMFC Credit Facility, a revolving credit facility among the Company as the Borrower and Goldman Sachs Bank USA as the Administrative Agent and the Collateral Agent and Goldman Sachs Bank USA, Morgan Stanley Bank, N.A. and Stifel Bank & Trust as Lenders. See Note 7. Borrowings, for details.

(4) Investment is held in New Mountain Finance SBIC, L.P.

(5) Investment is held in New Mountain Finance SBIC II, L.P.

(6) Investment is held in NMF Ancora Holdings, Inc.

(7) Investment is held in NMF QID NGL Holdings, Inc.

(8) Investment is held in New Mountain Net Lease Corporation.

(9) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate (L), the Prime Rate (P)

and the alternative base rate (Base) and which resets monthly (M), quarterly (Q), semi-annually (S) or annually (A). For each investment the current interest rate provided reflects the rate in effect as of September 30, 2018.

(10) The fair value of the Company's investment is determined using unobservable inputs that are significant to the overall fair value measurement. See Note 4. Fair Value, for details.

Par Value amounts represent the drawn or undrawn (as indicated in type of investment) portion of revolving credit facilities or delayed draws. Cost amounts represent the cash received at settlement date net of the impact of paydowns and cash paid for drawn revolvers or delayed draws.

(12) The Company holds investments in Education Management Corporation and one related entity of Education Management Corporation. The Company holds series A-1 convertible preferred stock and common stock in Education Management Corporation and holds a tranche A first lien term loan and a tranche B first lien term loan in Education Management II LLC, which is an indirect subsidiary of Education Management Corporation.

(13) The Company holds investments in two related entities of Tenawa Resource Holdings LLC. The Company holds 4.77% of the common units in QID NGL LLC (which at closing represented 98.1% of the ownership in the common units in Tenawa Resource Holdings LLC), class A preferred units in QID NGL LLC and a first lien investment in Tenawa Resource Management LLC, a wholly-owned subsidiary of Tenawa Resource Holdings LLC.

(14) The Company holds investments in QC McKissock Investment, LLC and one related entity of QC McKissock Investment, LLC. The Company holds a first lien term loan in QC McKissock Investment, LLC (which at closing represented 71.1% of the ownership in the Series A common units of McKissock Investment Holdings, LLC) and holds first lien term loans and a delayed draw term loan in McKissock, LLC, a wholly-owned subsidiary of McKissock Investment Holdings, LLC.

(15) The Company holds investments in Edmentum Ultimate Holdings, LLC and its related entities. The Company holds subordinated notes, ordinary equity, and warrants in Edmentum Ultimate Holdings, LLC and holds a first lien term loan, second lien revolver and a second lien term loan in Edmentum, Inc. and Archipelago Learning, Inc., which are wholly-owned subsidiaries of Edmentum Ultimate Holdings, LLC.

(16) The Company holds preferred equity in Permian Holdco 1, Inc. that is entitled to receive cumulative preferential dividends at a rate of 12.0% per annum payable in additional shares.

(17) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 13.5% per annum payable in additional shares.

(18) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 19.0% per annum payable in additional shares.

(19) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to received cumulative preferential dividends at a rate of 20.0% per annum payable in additional shares.

The accompanying notes are an integral part of these consolidated financial statements.

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New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)

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- (20) The Company holds equity investments in TW-NHME Holdings Corp., and holds a second lien term loan investment in National HME, Inc., a wholly-owned subsidiary of TW-NHME Holdings Corp.
- (21) The Company holds convertible preferred equity in HI Technology Corp that is accruing dividends at a rate of 15.0% per annum.
- (22) The Company holds preferred equity in Bach Special Limited (Bach Preference Limited) that is entitled to receive cumulative preferential dividends at a rate of 12.25% per annum payable in additional shares.
- The Company holds preferred equity in Avatar Topco, Inc., and holds a second lien term loan investment in EAB
- (23) Global, Inc., a wholly-owned subsidiary of Avatar Topco, Inc. The preferred equity is entitled to receive cumulative preferential dividends at a rate of L + 11.00% per annum.
- (24) Investment or a portion of the investment is on non-accrual status. See Note 3. Investments, for details.
- Denotes investments in which the Company is an "Affiliated Person", as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), due to owning or holding the power to vote 5.0% or more of the outstanding
- (25) voting securities of the investment but not controlling the company. Fair value as of September 30, 2018 and December 31, 2017, along with transactions during the nine months ended September 30, 2018 in which the issuer was a non-controlled/affiliated investment, is as follows:

Portfolio Company	Fair Value at December 31, 2017	Gross Additions (A)	Gross Redemptions (B)	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value at September 30, 2018	Interest Income	Dividend Income	Other Income
Edmentum Ultimate Holdings, LLC/Edmentum Inc.	\$ 24,858	\$ —	\$ (24,858)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
HI Technology Corp.	105,155	—	—	—	11,925	117,080	—	11,250	—
NMFC Senior Loan Program I LLC	23,000	—	—	—	—	23,000	—	2,423	891
Permian Holdco 1, Inc. / Permian Holdco 2, Inc. / Permian Holdco 3, Inc.	12,733	26,468	(25)	—	(1,214)	37,962	1,129	800	638
Sierra Hamilton Holdings Corporation	12,330	—	—	—	197	12,527	—	—	—
Total									
Non-Controlled/Affiliated Investments	\$ 178,076	\$ 26,468	\$ (24,883)	\$ —	\$ 10,908	\$ 190,569	\$ 1,129	\$ 14,473	\$ 1,529

Gross additions include increases in the cost basis of investments resulting from new portfolio investments, (A) payment-in-kind ("PIK") interest or dividends, the amortization of discounts, reorganizations or restructurings and the movement of an existing portfolio company into this category from a different category.

Gross redemptions include decreases in the cost basis of investments resulting from principal collections related to (B) investment repayments or sales, reorganizations or restructurings and the movement of an existing portfolio company out of this category into a different category.

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Consolidated Schedule of Investments (Continued)

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(in thousands, except shares)

(unaudited)

(26) Denotes investments in which the Company is in “Control”, as defined in the 1940 Act, due to owning or holding the power to vote 25.0% or more of the outstanding voting securities of the investment. Fair value as of September 30, 2018 and December 31, 2017, along with transactions during the nine months ended September 30, 2018 in which the issuer was a controlled investment, is as follows:

Portfolio Company	Fair Value at December 31, 2017	Gross Additions (A)	Gross Redemptions (B)	Net Realized Gains (Losses) (C)	Net Change in Appreciation (Depreciation) (D)	Fair Value at September 30, 2018	Interest Income	Dividend Income	Other Income
Edmentum Ultimate Holdings, LLC/Edmentum Inc.	\$—	\$48,856	\$(6,921)	\$—	-\$1,840	\$43,775	\$2,795	\$—	\$422
NM APP CANADA CORP	7,962	—	—	—	555	8,517	—	617	—
NM APP US LLC	5,138	—	—	—	263	5,401	—	423	—
NM CLFX LP	12,538	—	—	—	2	12,540	—	1,146	—
NM DRVT LLC	5,385	—	—	—	162	5,547	—	379	—
NM JRA LLC	2,191	—	—	—	60	2,251	—	163	—
NM GLCR LLC	—	14,750	—	—	(97)	14,653	—	1,205	—
NM KRLN LLC	8,195	—	—	—	359	8,554	—	554	—
NM NL Holdings, L.P.	—	20,064	—	—	(163)	19,901	—	765	—
NM GP Holdco, LLC	—	203	—	—	(6)	197	—	—	—
NMFC Senior Loan Program II LLC	79,400	—	—	—	—	79,400	—	8,543	—
NMFC Senior Loan Program III LLC	—	66,800	—	—	—	66,800	—	960	—
UniTek Global Services, Inc.	64,593	32,216	(23,223)	—	7,496	81,082	1,547	4,683	1,055
Total Controlled Investments	\$185,402	\$182,889	\$(30,144)	\$—	-\$10,471	\$348,618	\$4,342	\$19,438	\$1,477

Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK (A) interest or dividends, the amortization of discounts, reorganizations or restructurings and the movement of an existing portfolio company into this category from a different category.

Gross redemptions include decreases in the cost basis of investments resulting from principal collections related to (B) investment repayments or sales, reorganizations or restructurings and the movement of an existing portfolio company out of this category into a different category.

* All or a portion of interest contains PIK interest.

** Indicates assets that the Company deems to be “non-qualifying assets” under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70.0% of the Company’s total assets at the time of acquisition of any additional non-qualifying assets. As of September 30, 2018, 12.1% of the Company’s total investments were non-qualifying assets.

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Investment Type	September 30, 2018	
	Percent of Total	Investments at Fair Value
First lien	44.88	%
Second lien	29.72	%
Subordinated	2.82	%
Equity and other	22.58	%
Total investments	100.00	%

Industry Type	September 30, 2018	
	Percent of Total	Investments at Fair Value
Business Services	27.98	%
Software	19.35	%
Healthcare Services	14.48	%
Education	9.06	%
Investment Fund	7.37	%
Consumer Services	5.73	%
Energy	4.54	%
Federal Services	3.39	%
Net Lease	3.38	%
Distribution & Logistics	2.97	%
Healthcare Information Technology	0.65	%
Packaging	0.63	%
Business Products	0.47	%
Total investments	100.00	%

Interest Rate Type	September 30, 2018	
	Percent of Total	Investments at Fair Value
Floating rates	88.86	%
Fixed rates	11.14	%
Total investments	100.00	%

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Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Non-Controlled/Non-Affiliated Investments								
Funded Debt Investments - United Kingdom								
Air Newco LLC**								
Software	Second lien (3)	10.94% (L + 9.50%/Q)	1/30/2015	1/31/2023	\$40,000	\$39,033	\$39,000	3.77 %
Shine Acquisition Co. S.à.r.l / Boing US Holdco Inc.**								
Consumer Services	Second lien (3)	8.88% (L + 7.50%/Q)	9/25/2017	10/3/2025	40,353	40,056	40,656	3.93 %
Total Funded Debt Investments - United Kingdom					\$80,353	\$79,089	\$79,656	7.70 %
Funded Debt Investments - United States								
AmWINS Group, Inc.								
Business Services	Second lien (3)	8.32% (L + 6.75%/M)	1/19/2017	1/25/2025	\$57,000	\$56,804	\$57,606	5.57 %
Alegeus Technologies, LLC								
Healthcare Services	Second lien (3)(10)	10.19% (L + 8.50%/Q)	4/28/2017	10/30/2023	23,500	23,500	23,500	
	Second lien (4)(10)	10.19% (L + 8.50%/Q)	4/28/2017	10/30/2023	22,500	22,500	22,500	
					46,000	46,000	46,000	4.44 %
PetVet Care Centers LLC								
Consumer Services	First lien (2)(10)	7.69% (L + 6.00%/Q)	6/8/2017	6/8/2023	34,527	34,409	34,872	
	First lien (3)(10)(11) - Drawn	7.55% (L + 6.00%/Q)	6/8/2017	6/8/2023	8,646	8,616	8,733	
	First lien (3)(10)(11) +	9.50% (P +)	6/8/2017	6/8/2023	2,200	2,192	2,200	

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	- Drawn	5.00%/Q)			45,373	45,217	45,805	4.43 %
Integro Parent Inc.								
Business Services	First lien (2)	7.16% (L + 5.75%/Q)	10/9/2015	10/31/2022	34,873	34,601	34,786	
	Second lien (3)	10.63% (L + 9.25%/Q)	10/9/2015	10/30/2023	10,000	9,920	9,800	
					44,873	44,521	44,586	4.31 %
Severin Acquisition, LLC								
Software	Second lien (4)(10)	10.32% (L + 8.75%/M)	7/31/2015	7/29/2022	15,000	14,891	15,000	
	Second lien (3)(10)	10.32% (L + 8.75%/M)	2/1/2017	7/29/2022	14,518	14,361	14,518	
	Second lien (4)(10)	10.32% (L + 8.75%/M)	11/5/2015	7/29/2022	4,154	4,123	4,154	
	Second lien (4)(10)	10.82% (L + 9.25%/M)	2/1/2016	7/29/2022	3,273	3,248	3,273	
	Second lien (3)(10)	10.57% (L + 9.00%/M)	10/14/2016	7/29/2022	2,361	2,341	2,361	
	Second lien (3)(10)	10.82% (L + 9.25%/M)	8/8/2016	7/29/2022	1,825	1,810	1,825	
	Second lien (4)(10)	10.82% (L + 9.25%/M)	8/8/2016	7/29/2022	300	298	300	
					41,431	41,072	41,431	4.00 %
Salient CRGT Inc.								
Federal Services	First lien (2)	7.32% (L + 5.75%/M)	1/6/2015	2/28/2022	40,894	40,421	41,251	3.99 %
Tenawa Resource Holdings LLC (13) Tenawa Resource Management LLC								
Energy	First lien (3)(10)	10.50% (Base + 8.00%/Q)	5/12/2014	10/30/2024	39,900	39,835	39,900	3.86 %

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Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
VetCor Professional Practices LLC Consumer Services	First lien (4)	7.69% (L + 6.00%/Q)	5/15/2015	4/20/2021	\$ 19,111	\$ 18,996	\$ 19,134	
	First lien (2)	7.69% (L + 6.00%/Q)	5/15/2015	4/20/2021	7,714	7,603	7,724	
	First lien (3)(11) - Drawn	7.69% (L + 6.00%/Q)	2/24/2017	4/20/2021	6,005	5,891	6,013	
	First lien (4)	7.69% (L + 6.00%/Q)	5/15/2015	4/20/2021	2,650	2,632	2,654	
	First lien (2)	7.69% (L + 6.00%/Q)	6/24/2016	4/20/2021	1,632	1,606	1,634	
	First lien (4)	7.69% (L + 6.00%/Q)	3/31/2016	4/20/2021	495	487	496	
	First lien (3)(11) - Drawn	7.69% (L + 6.00%/Q)	5/15/2015	4/20/2021	1,426	1,412	1,428	
					39,033	38,627	39,083	3.78 %
Frontline Technologies Group Holdings, LLC Education	First lien (2)(10)	8.09% (L + 6.50%/Q)	9/18/2017	9/18/2023	16,750	16,629	16,625	
	First lien (4)(10)	8.09% (L + 6.50%/Q)	9/18/2017	9/18/2023	22,613	22,450	22,444	
					39,363	39,079	39,069	3.77 %
Kronos Incorporated Software	Second lien (2)	9.63% (L + 8.25%/Q)	10/26/2012	11/1/2024	36,000	35,508	37,449	3.62 %
Valet Waste Holdings, Inc. Business Services	First lien (2)(10)	8.57% (L + 7.00%/M)	9/24/2015	9/24/2021	29,325	29,078	29,325	

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	First lien (2)(10)	8.57% (L + 7.00%/M)	7/27/2017	9/24/2021	3,731	3,697	3,731	
					33,056	32,775	33,056	3.19 %
Evo Payments International, LLC								
Business Services	Second lien (2)	10.57% (L + 9.00%/M)	12/8/2016	12/23/2024	25,000	24,824	25,250	
	Second lien (3)	10.57% (L + 9.00%/M)	12/8/2016	12/23/2024	5,000	5,052	5,050	
					30,000	29,876	30,300	2.93 %
Wirepath LLC Distribution & Logistics								
Ansira Holdings, Inc.	First lien (2)	6.87% (L + 5.25%/Q)	7/31/2017	8/5/2024	27,731	27,598	28,112	2.72 %
Business Services	First lien (2)	8.19% (L + 6.50%/Q)	12/19/2016	12/20/2022	25,920	25,809	25,855	
	First lien (3)(11) - Drawn	8.19% (L + 6.50%/Q)	12/19/2016	12/20/2022	2,107	2,097	2,102	
					28,027	27,906	27,957	2.70 %
TW-NHME Holdings Corp. (20)								
National HME, Inc.								
Healthcare Services	Second lien (4)(10)	10.95% (L + 9.25%/Q)	7/14/2015	7/14/2022	21,500	21,301	21,646	
	Second lien (3)(10)	10.95% (L + 9.25%/Q)	7/14/2015	7/14/2022	5,800	5,737	5,839	
					27,300	27,038	27,485	2.66 %
Navicure, Inc. Healthcare Services Trader Interactive, LLC								
Business Services	First lien (2)(10)	7.50% (L + 6.00%/M)	6/15/2017	6/17/2024	27,190	26,999	26,986	2.61 %
Marketo, Inc.								
Software	First lien (3)(10)	11.19% (L + 9.50%/Q)	8/16/2016	8/16/2021	26,820	26,509	26,820	2.59 %
Keystone Acquisition Corp.								
Healthcare Services	First lien (2)	6.94% (L + 5.25%/Q)	5/10/2017	5/1/2024	19,950	19,764	20,087	
	Second lien (3)	10.94% (L + 9.25%/Q)	5/10/2017	5/1/2025	4,500	4,457	4,511	
					24,450	24,221	24,598	2.38 %

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Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
iPipeline, Inc. (Internet Pipeline, Inc.)								
Software	First lien (4)(10)	8.82% (L + 7.25%/M)	8/4/2015	8/4/2022	\$ 17,589	\$17,464	\$ 17,589	
	First lien (4)(10)	7.74% (L + 6.25%/M)	6/16/2017	8/4/2022	4,577	4,556	4,554	
	First lien (2)(10)	7.74% (L + 6.25%/M)	9/25/2017	8/4/2022	1,161	1,155	1,155	
	First lien (4)(10)	7.74% (L + 6.25%/M)	9/25/2017	8/4/2022	511	508	508	
					23,838	23,683	23,806	2.30 %
AAC Holding Corp.								
Education	First lien (2)(10)	9.62% (L + 8.25%/M)	9/30/2015	9/30/2020	23,161	22,953	23,161	2.24 %
BackOffice Associates Holdings, LLC								
Business Services	First lien (2)(10)	8.06% (L + 6.50%/M)	8/25/2017	8/25/2023	22,869	22,679	22,669	2.19 %
TWDiamondback Holdings Corp. (15) Diamondback Drugs of Delaware, L.L.C. (TWDiamondback II Holdings LLC)								
Distribution & Logistics	First lien (4)(10)	10.49% (L + 8.75%/Q)	11/19/2014	11/19/2019	19,895	19,895	19,895	

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	First lien (3)(10)	10.44% (L + 8.75%/Q)	11/19/2014	11/19/2019	2,158	2,158	2,158	
	First lien (4)(10)	10.44% (L + 8.75%/Q)	11/19/2014	11/19/2019	605	605	605	
EN Engineering, LLC					22,658	22,658	22,658	2.19 %
Business Services	First lien (2)(10)	7.69% (L + 6.00%/Q)	7/30/2015	6/30/2021	20,893	20,760	20,893	
	First lien (2)(10)	7.69% (L + 6.00%/Q)	7/30/2015	6/30/2021	1,208	1,200	1,208	
Avatar Topco, Inc (23)					22,101	21,960	22,101	2.14 %
EAB Global, Inc.								
Education	Second lien (3)	8.99% (L + 7.50%/M)	11/17/2017	11/17/2025	21,450	21,132	21,236	2.05 %
DigiCert Holdings, Inc.								
Business Services	Second lien (3)	9.38% (L + 8.00%/Q)	9/20/2017	10/31/2025	20,176	20,077	20,347	1.97 %
DiversiTech Holdings, Inc.								
Distribution & Logistics	Second lien (3)	9.20% (L + 7.50%/Q)	5/18/2017	6/2/2025	19,500	19,315	19,744	1.91 %
ABILITY Network Inc.								
Healthcare Information Technology KeyPoint Government Solutions, Inc.	Second lien (3)	9.21% (L + 7.75%/M)	12/11/2017	12/12/2025	18,851	18,839	18,945	1.83 %
Federal Services	First lien (2)(10)	7.35% (L + 6.00%/Q)	4/18/2017	4/18/2024	18,413	18,243	18,597	1.80 %
AgKnowledge Holdings Company, Inc.								
Business Services	Second lien (2)(10)	9.82% (L + 8.25%/M)	7/23/2014	7/23/2020	18,500	18,409	18,500	1.79 %
VF Holding Corp. Software			7/7/2016	6/28/2024	17,086	17,396	17,598	1.70 %

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	Second lien (3)(10)	10.57% (L + 9.00%/M)							
DCA Investment Holding, LLC									
Healthcare Services	First lien (2)(10)	6.94% (L + 5.25%/Q)	7/2/2015	7/2/2021	17,453	17,344	17,453	1.69	%
OEConnection LLC									
Business Services	Second lien (3)	9.69% (L + 8.00%/Q)	11/22/2017	11/22/2025	16,841	16,548	16,841	1.63	%
TIBCO Software Inc.									
Software	Subordinated (3)	11.38%/S	11/24/2014	12/1/2021	15,000	14,714	16,378	1.58	%
American Tire Distributors, Inc.									
Distribution & Logistics	Subordinated (3)	10.25%/S	2/10/2015	3/1/2022	15,520	15,267	16,063	1.55	%
Hill International, Inc.**									
Business Services	First lien (2)(10)	7.32% (L + 5.75%/M)	6/21/2017	6/21/2023	15,721	15,648	15,642	1.51	%

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Netsmart Inc. / Netsmart Technologies, Inc. Healthcare Information Technology Transcendia Holdings, Inc.	Second lien (2)	10.98% (L + 9.50%/Q)	4/18/2016	10/19/2023	\$ 15,000	\$14,686	\$15,075	1.46 %
Packaging SW Holdings, LLC	Second lien (3)	9.57% (L + 8.00%/M)	6/28/2017	5/30/2025	14,500	14,309	14,391	1.39 %
Business Services Peraton Holding Corp. (fka MHVC Acquisition Corp.)	Second lien (4)(10)	10.44% (L + 8.75%/Q)	6/30/2015	12/30/2021	14,265	14,167	14,331	1.38 %
Federal Services Ministry Brands, LLC	First lien (2)	6.95% (L + 5.25%/Q)	4/25/2017	4/29/2024	14,030	13,987	14,135	1.37 %
Software	First lien (3)	6.38% (L + 5.00%/Q)	12/7/2016	12/2/2022	2,993	2,980	2,993	
	First lien (3)(10)(11) - Drawn	6.57% (L + 5.00%/M)	12/7/2016	12/2/2022	1,000	995	1,000	
	Second lien (3)(10)	10.63% (L + 9.25%/Q)	12/7/2016	6/2/2023	7,840	7,788	7,840	
	Second lien (3)(10)	10.63% (L + 9.25%/Q)	12/7/2016	6/2/2023	2,160	2,146	2,160	
					13,993	13,909	13,993	1.35 %
nThrive, Inc. (fka Precyse Acquisition Corp.) Healthcare Services	Second lien (2)(10)	11.32% (L + 9.75%/M)	4/19/2016	4/20/2023	13,000	12,813	12,702	1.23 %

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FR Arsenal Holdings II Corp.									
Business Services	First lien (2)(10)	8.81% (L + 7.25%/Q)	9/29/2016	9/8/2022	12,356	12,252	12,373	1.19 %	
Amerijet Holdings, Inc.									
Distribution & Logistics	First lien (4)(10)	9.57% (L + 8.00%/M)	7/15/2016	7/15/2021	10,403	10,344	10,458		
	First lien (4)(10)	9.57% (L + 8.00%/M)	7/15/2016	7/15/2021	1,734	1,724	1,743		
					12,137	12,068	12,201	1.18 %	
SSH Group Holdings, Inc.									
Education	First lien (2)(10)	6.69% (L + 5.00%/Q)	10/13/2017	10/2/2024	8,407	8,366	8,365		
	Second lien (3)(10)	10.69% (L + 9.00%/Q)	10/13/2017	10/2/2025	3,363	3,330	3,329		
					11,770	11,696	11,694	1.13 %	
ProQuest LLC									
Business Services	Second lien (3)	10.55% (L + 9.00%/M)	12/14/2015	12/15/2022	11,620	11,440	11,620	1.12 %	
Xactly Corporation									
Software	First lien (4)(10)	8.82% (L + 7.25%/M)	7/31/2017	7/29/2022	11,600	11,492	11,484	1.11 %	
Zywave, Inc.									
Software	Second lien (4)(10)	10.42% (L + 9.00%/Q)	11/22/2016	11/17/2023	11,000	10,927	11,011		
	First lien (3)(10)(11) - Drawn	8.50% (P + 4.00%/Q)	11/22/2016	11/17/2022	200	199	200		
	First lien (3)(10)(11) - Drawn	6.57% (L + 5.00%/Q)	11/22/2016	11/17/2022	250	248	250		
					11,450	11,374	11,461	1.11 %	
QC McKissock Investment, LLC (14)									
McKissock, LLC									
Education	First lien (2)(10)	7.94% (L + 6.25%/Q)	8/6/2014	8/5/2021	6,415	6,386	6,415		
	First lien (2)(10)	7.94% (L + 6.25%/Q)	8/6/2014	8/5/2021	3,058	3,046	3,058		
	First lien (2)(10)	7.94% (L + 6.25%/Q)	8/6/2014	8/5/2021	987	983	987		
					10,460	10,415	10,460	1.01 %	
Masergy Holdings, Inc.									
Business Services	Second lien (2)	10.19% (L + 8.50%/Q)	12/14/2016	12/16/2024	10,000	9,943	10,144	0.98 %	
Idera, Inc.									

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Software	Second lien (4)	10.57% (L + 9.00%/M)	6/27/2017	6/27/2025	10,000	9,856	10,100	0.97 %
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Portfolio Company, Location and Industry(1) Quest Software US Holdings Inc.	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Software	First lien (2)	6.92% (L + 5.50%/Q)	10/31/2016	10/31/2022	\$9,899	\$9,775	\$10,071	0.97 %
PowerPlan Holdings, Inc.	Software	Second lien (2)(10)	2/23/2015	2/23/2023	10,000	9,927	10,000	0.97 %
WD Wolverine Holdings, LLC	Healthcare Services	First lien (2)	2/22/2017	8/16/2022	9,813	9,534	9,512	0.92 %
Pelican Products, Inc.	Business Products	Second lien (2)	4/9/2014	4/9/2021	9,500	9,533	9,500	0.92 %
J.D. Power (fka J.D. Power and Associates)	Business Services	Second lien (3)	6/9/2016	9/7/2024	9,333	9,230	9,473	0.91 %
Harley Marine Services, Inc.	Distribution & Logistics	Second lien (2)	12/18/2013	12/20/2019	9,000	8,929	8,955	0.86 %
JAMF Holdings, Inc.	Software	First lien (3)(10)	11/13/2017	11/11/2022	8,757	8,672	8,670	0.84 %

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Autodata, Inc. (Autodata Solutions, Inc.)										
Business Services	Second lien (3)	8.82% (L + 7.25%/Q)	12/12/2017	12/12/2025	7,406	7,387	7,387	0.71	%	
MH Sub I, LLC (Micro Holding Corp.)										
Software	Second lien (3)	9.09% (L + 7.50%/Q)	8/16/2017	9/15/2025	7,000	6,932	7,048	0.68	%	
First American Payment Systems, L.P.										
Business Services	First lien (2)	7.14% (L + 5.75%/M)	1/3/2017	1/5/2024	6,844	6,783	6,880	0.66	%	
Solera LLC / Solera Finance, Inc.										
Software	Subordinated (3)	10.50%/S	2/29/2016	3/1/2024	5,000	4,791	5,650	0.55	%	
Pathway Partners Vet Management Company LLC										
Consumer Services	Second lien (4)	9.57% (L + 8.00%/M)	10/4/2017	10/10/2025	5,556	5,527	5,527	0.53	%	
Applied Systems, Inc.										
Software	Second lien (3)	8.69% (L + 7.00%/Q)	9/14/2017	9/19/2025	4,923	4,923	5,106	0.49	%	
ADG, LLC										
Healthcare Services	Second lien (3)(10)	10.57% (L + 9.00%/M)	10/3/2016	3/28/2024	5,000	4,934	5,038	0.49	%	
Vencore, Inc. (fka The SI Organization Inc.)										
Federal Services	Second lien (3)	10.44% (L + 8.75%/Q)	6/14/2016	5/23/2020	4,400	4,350	4,450	0.43	%	
Affinity Dental Management, Inc.										

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Healthcare Services	First lien (2)(10)	7.59% (L) + 6.00%/Q)	9/15/2017	9/15/2023	4,344	4,302	4,301	0.41	%
York Risk Services Holding Corp.									
Business Services Ensemble S Merger Sub, Inc.	Subordinated (3)	8.50%/S	9/17/2014	10/1/2022	3,000	3,000	2,940	0.28	%
Software Education Management Corporation (12)	Subordinated (3)	9.00%/S	9/21/2015	9/30/2023	2,000	1,946	2,125	0.20	%
Education Management II LLC									
Education	First lien (2)	5.85% (L) + 4.50%/Q)	1/5/2015	7/2/2020	211	205	82		
	First lien (3)	5.85% (L) + 4.50%/Q)	1/5/2015	7/2/2020	119	116	46		
	First lien (2)	8.85% (L) + 7.50%/Q)	1/5/2015	7/2/2020	475	437	10		
	First lien (3)	8.85% (L) + 7.50%/Q)	1/5/2015	7/2/2020	268	247	6		
Total Funded Debt					1,073	1,005	144	0.01	%
Investments - United States					\$1,319,560	\$1,309,577	\$1,325,328	128.05	%
Total Funded Debt					\$1,399,913	\$1,388,666	\$1,404,984	135.75	%
Investments									

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Equity - Hong Kong Bach Special Limited (Bach Preference Limited)**	Preferred shares (3)(10)(22)	—	9/1/2017	—	58,807 \$5,807	\$5,806	0.56	%	
Total Shares - Hong Kong					\$5,807	\$5,806	0.56	%	
Equity - United States Avatar Topco, Inc. (23)	Preferred shares (3)(10)(23)	—	11/17/2017	—	35,720 \$35,220	\$35,204	3.40	%	
Tenawa Resource Holdings LLC (13) QID NGL LLC	Ordinary shares (7)(10)	—	5/12/2014	—	5,296 \$5,297	8,154			
	Preferred shares (7)(10)	—	10/30/2017	—	620,701 \$620,701	1,007			
					5,912	9,161	0.88	%	
TWDiamondback Holdings Corp. (15)	Preferred shares (4)(10)	—	11/19/2014	—	200 2,000	4,508	0.44	%	
Distribution & Logistics									
TW-NHME Holdings Corp. (20)	Preferred shares	—	7/14/2015	—	100 1,000	944			
Healthcare Services									

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	(4)(10) Preferred shares	—	1/5/2016	—	16	158	149		
	(4)(10) Preferred shares	—	6/30/2016	—	6	68	58		
	(4)(10)					1,226	1,151	0.11	%
Ancora Acquisition LLC									
Education	Preferred shares (6)(10)	—	8/12/2013	—	372	83	393	0.04	%
Education Management Corporation (12)									
Education	Preferred shares (2)	—	1/5/2015	—	3,332	200	—		
	Preferred shares (3)	—	1/5/2015	—	1,879	13	—		
	Ordinary shares (2)	—	1/5/2015	—	2,994	1,065	10		
	Ordinary shares (3)	—	1/5/2015	—	1,688	5,076	6		
						469	16	0.00	%
Total Shares - United States						\$44,910	\$50,433	4.87	%
Total Shares Warrants - United States						\$50,717	\$56,239	5.43	%
ASP LCG Holdings, Inc.									
Education	Warrants (3)(10)	—	5/5/2014	5/5/2026	622	\$37	\$1,089	0.11	%
Ancora Acquisition LLC									
Education	Warrants (6)(10)	—	8/12/2013	8/12/2020	20	—	—	—	%
YP Equity Investors, LLC									
Media	Warrants (5)(10)	—	5/3/2012	5/8/2022	5	—	—	—	%
Total Warrants - United States						\$37	\$1,089	0.11	%
Total Funded Investments						\$1,439,420	\$1,462,312	141.29	%

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Unfunded Debt								
Investments - United States								
PetVet Care Centers LLC								
Consumer Services	First lien (3)(10)(11) - Undrawn	—	6/8/2017	6/8/2019	\$ 4,439	\$(16)	\$ 44	0.00 %
VetCor Professional Practices LLC								
Consumer Services	First lien (3)(11) - Undrawn	—	5/15/2015	4/20/2021	1,274	(13)	2	
	First lien (3)(11) - Undrawn	—	12/29/2017	12/29/2019	8,552	(75)	11	
					9,826	(88)	13	0.00 %
DCA Investment Holding, LLC								
Healthcare Services	First lien (3)(10)(11) - Undrawn	—	7/2/2015	7/2/2021	2,100	(21)	—	
	First lien (3)(10)(11) - Undrawn	—	12/20/2017	12/20/2019	13,465	(118)	—	
					15,565	(139)	—	— %
iPipeline, Inc. (Internet Pipeline, Inc.)								
Software	First lien (3)(10)(11) - Undrawn	—	8/4/2015	8/4/2021	1,000	(10)	—	— %
Valet Waste Holdings, Inc.								
Business Services	First lien (3)(10)(11) -	—	9/24/2015	9/24/2021	3,750	(47)	—	— %

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Zywave, Inc.	Undrawn								
Software	First lien (3)(10)(11) - Undrawn	—	11/22/2016	11/17/2022	1,550	(12)	—	—	%
Marketo, Inc.									
Software	First lien (3)(10)(11) - Undrawn	—	8/16/2016	8/16/2021	1,788	(27)	—	—	%
Ansira Holdings, Inc.									
Business Services	First lien (3)(11) - Undrawn	—	12/19/2016	12/20/2018	1,700	(9)	(4)	(0.00)%	
JAMF Holdings, Inc.									
Software	First lien (3)(10)(11) - Undrawn	—	11/13/2017	11/11/2022	750	(8)	(8)	(0.00)%	
Xactly Corporation									
Software	First lien (3)(10)(11) - Undrawn	—	7/31/2017	7/29/2022	992	(10)	(10)	(0.00)%	
Pathway Partners Vet Management Company LLC									
Consumer Services	Second lien (4)(11) - Undrawn	—	10/4/2017	10/10/2019	2,444	(12)	(12)	(0.00)%	
Trader Interactive, LLC									
Business Services	First lien (3)(10)(11) - Undrawn	—	6/15/2017	6/15/2023	1,673	(13)	(13)	(0.00)%	
BackOffice Associates Holdings, LLC									
Business Services	First lien (3)(10)(11) - Undrawn	—	8/25/2017	8/24/2018	3,448	(13)	(13)		
	First lien (3)(10)(11) - Undrawn	—	8/25/2017	8/25/2023	2,586	(23)	(23)		
					6,034	(36)	(36)	(0.00)%	

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Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value
Affinity Dental Management, Inc.							
Healthcare Services	First lien (3)(10)(11) - Undrawn	—	9/15/2017	3/15/2019	\$ 11,584	\$(29)	\$(29)
	First lien (3)(10)(11) - Undrawn	—	9/15/2017	3/15/2023	1,738	(17)	(17)
					13,322	(46)	(46)
Frontline Technologies Group Holdings, LLC							
Education	First lien (3)(10)(11) - Undrawn	—	9/18/2017	9/18/2019	7,738	(58)	(58)
Total Unfunded Debt Investments - United States Total					\$72,571	\$(531)	\$(130)
Non-Controlled/Non-Affiliated Investments						\$1,438,889	\$1,462,182
Non-Controlled/Affiliated Investments(24)							
Funded Debt Investments - United States							
Edmentum Ultimate Holdings, LLC (16)							
Edmentum, Inc. (fka Plato, Inc.) (Archipelago Learning, Inc.)							
Education	Second lien (3)(10)(11) - Drawn	5.00%/M	6/9/2015	6/9/2020	\$3,172	\$3,172	\$3,172
	Subordinated (3)(10)	8.50% PIK/Q*	6/9/2015	6/9/2020	4,491	4,486	4,491
	Subordinated (2)(10)	10.00% PIK/Q*	6/9/2015	6/9/2020	16,760	16,760	13,408
	Subordinated (3)(10)	10.00% PIK/Q*	6/9/2015	6/9/2020	4,123	4,123	3,298

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					28,546	28,541	24,369
Permian Holdco 1, Inc.							
Permian Holdco 2, Inc.							
Energy	Subordinated (3)(10)	14.00% PIK/Q*	10/31/2016	10/15/2021	2,007	2,007	2,007
	Subordinated (3)(10)(11) - Drawn	14.00% PIK/Q*	10/31/2016	10/15/2021	696	696	696
					2,703	2,703	2,703
Total Funded Debt Investments					\$31,249	\$31,244	\$27,072
- United States							
Equity - United States							
HI Technology Corp.							
Business Services	Preferred shares (3)(10)(21)	—	3/21/2017	—	2,768,000	\$105,155	\$105,155
NMFC Senior Loan Program I LLC**							
Investment Fund	Membership interest (3)(10)	—	6/13/2014	—	—	23,000	23,000
Sierra Hamilton Holdings Corporation							
Energy	Ordinary shares (2)(10)	—	7/31/2017	—	25,000,000	1,501	11,094
	Ordinary shares (3)(10)	—	7/31/2017	—	2,786,000	1,281	1,236
						12,782	12,330
Permian Holdco 1, Inc.							
Energy	Preferred shares (3)(10)(17)	—	10/31/2016	—	1,569,226	6,829	8,631
	Ordinary shares (3)(10)	—	10/31/2016	—	1,366,452	1,350	1,399
						8,179	10,030

The accompanying notes are an integral part of these consolidated financial statements.

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New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)

December 31, 2017

(in thousands, except shares)

Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Edmentum Ultimate Holdings, LLC (16)								
Education	Ordinary shares (3)(10)	—	6/9/2015	—	123,968	\$11	\$262	
	Ordinary shares (2)(10)	—	6/9/2015	—	107,143	9	227	
						20	489	0.05 %
Total Shares - United States						\$149,136	\$151,004	14.59 %
Total Funded Investments						\$180,380	\$178,076	17.21 %
Unfunded Debt								
Investments - United States								
Edmentum Ultimate Holdings, LLC (16)								
Edmentum, Inc. (fka Plato, Inc.) (Archipelago Learning, Inc.)								
Education	Second lien (3)(10)(11) - Undrawn	—	6/9/2015	6/9/2020	\$1,709	\$—	\$—	— %
Permian Holdco 1, Inc. Permian Holdco 2, Inc.								
Energy	Subordinated (3)(10)(11) - Undrawn	—	10/31/2016	10/15/2021	342	—	—	— %
Total Unfunded Debt								
Investments - United States						\$2,051	\$—	— %
Total Non-Controlled/Affiliated Investments						\$180,380	\$178,076	17.21 %
Controlled Investments(25)								

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Funded Debt Investments
- United States
UniTek Global Services,
Inc.

Business Services	First lien (2)(10)	10.20% (L + 8.50%/Q) 9.84% (L + 7.50% + 1.00% PIK/Q)*	1/13/2015	1/13/2019	\$10,846	\$10,846	\$10,846		
	First lien (2)(10)	15.00% PIK/Q*	1/13/2015	7/13/2019	2,003	2,003	2,003		
	Subordinated (3)(10)	15.00% PIK/Q*	1/13/2015	7/13/2019	1,198	1,198	1,198		
					14,844	14,844	14,844	1.43	%
Total Funded Debt Investments - United States					\$14,844	\$14,844	\$14,844	1.43	%
Equity - Canada NM APP Canada Corp.**									
Net Lease	Membership interest (8)(10)	—	9/13/2016	—	—	\$7,345	\$7,962	0.77	%
Total Shares - Canada Equity - United States NMFC Senior Loan Program II LLC**						\$7,345	\$7,962	0.77	%
Investment Fund	Membership interest (3)(10)	—	5/3/2016	—	—	\$79,400	\$79,400	7.67	%

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New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)

December 31, 2017

(in thousands, except shares)

Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate(9)	Acquisition Date	Maturity/Expiration Date	Principal Amount,		Fair Value	Percent of Net Assets
					Par Value or Shares	Cost		
UniTek Global Services, Inc.								
Business Services	Preferred shares (2)(10)(18)	—	1/13/2015	—	21,753,102	19,373	\$ 19,288	
	Preferred shares (3)(10)(18)	—	1/13/2015	—	6,011,522	353	5,330	
	Preferred shares (3)(10)(19)	—	6/30/2017	—	10,863,588	864	10,864	