UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2019

OR

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

COMMISSION FILE NUMBER: 1-33901

Oaktree Specialty Lending Corporation

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE *(State or jurisdiction of incorporation or organization)*	**26-1219283** *(I.R.S. Employer Identification No.)*
333 South Grand Avenue, 28th Floor **Los Angeles, CA** *(Address of principal executive office)*	**90071** *(Zip Code)*

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE:
(213) 830-6300

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
		The Nasdaq Stock Market LLC
Common Stock, par value $0.01 per share	OCSL	The New York Stock Exchange
5.875% Unsecured Notes due 2024	OSLE	The Nasdaq Stock Market LLC
6.125% Unsecured Notes due 2028	OCSLL	

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 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☑ NO ☐

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

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

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐ Smaller reporting company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) YES ☐ NO ☑

The registrant had 140,960,651 shares of common stock outstanding as of February 4, 2020.

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PART I — FINANCIAL INFORMATION

Item 1. *Consolidated Financial Statements.*

Oaktree Specialty Lending Corporation
Consolidated Statements of Assets and Liabilities
(in thousands, except per share amounts)

	December 31, 2019 (unaudited)	September 30, 2019
ASSETS		
Investments at fair value:		
Control investments (cost December 31, 2019: $205,608; cost September 30, 2019: $224,255)	$ 192,528	$ 209,178
Affiliate investments (cost December 31, 2019: $8,449; cost September 30, 2019: $8,449)	9,106	9,170
Non-control/Non-affiliate investments (cost December 31, 2019: $1,324,201; cost September 30, 2019: $1,280,310)	1,265,993	1,219,694
Total investments at fair value (cost December 31, 2019: $1,538,258; cost September 30, 2019: $1,513,014)	**1,467,627**	**1,438,042**
Cash and cash equivalents	21,527	15,406
Interest, dividends and fees receivable	10,356	11,167
Due from portfolio companies	2,931	2,616
Receivables from unsettled transactions	5,458	4,586
Deferred financing costs	6,034	6,396
Deferred offering costs	65	—
Derivative assets at fair value	—	490
Other assets	2,602	2,335
Total assets	**$ 1,516,600**	**$ 1,481,038**
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	$ 1,540	$ 1,589
Base management fee and incentive fee payable	15,971	10,167
Due to affiliate	2,548	2,689
Interest payable	2,402	2,296
Payable to syndication partners	1	—
Payables from unsettled transactions	24,687	59,596
Derivative liability at fair value	972	—
Deferred tax liability	929	704
Credit facility payable	377,825	314,825
Unsecured notes payable (net of $2,607 and $2,708 of unamortized financing costs as of December 31, 2019 and September 30, 2019, respectively)	158,643	158,542
Total liabilities	**585,518**	**550,408**
Commitments and contingencies (Note 15)		
Net assets:		
Common stock, $0.01 par value per share, 250,000 shares authorized; 140,961 shares issued and outstanding as of December 31, 2019 and September 30, 2019	1,409	1,409
Additional paid-in-capital	1,487,774	1,487,774
Accumulated overdistributed earnings	(558,101)	(558,553)
Total net assets (equivalent to $6.61 and $6.60 per common share as of December 31, 2019 and September 30, 2019, respectively) (Note 12)	**931,082**	**930,630**
Total liabilities and net assets	**$ 1,516,600**	**$ 1,481,038**

See notes to Consolidated Financial Statements.

Oaktree Specialty Lending Corporation
Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

	Three months ended December 31, 2019	Three months ended December 31, 2018
Interest income:		
Control investments	$ 2,551	$ 3,339
Affiliate investments	114	13
Non-control/Non-affiliate investments	25,659	32,167
Interest on cash and cash equivalents	81	270
Total interest income	**28,405**	**35,789**
PIK interest income:		
Control investments	—	67
Non-control/Non-affiliate investments	1,161	765
Total PIK interest income	**1,161**	**832**
Fee income:		
Control investments	6	6
Affiliate investments	5	4
Non-control/Non-affiliate investments	1,060	1,192
Total fee income	**1,071**	**1,202**
Dividend income:		
Control investments	323	453
Total dividend income	**323**	**453**
Total investment income	**30,960**	**38,276**
Expenses:		
Base management fee	5,607	5,568
Part I incentive fee	2,988	3,728
Part II incentive fee	1,051	1,820
Professional fees	640	966
Directors fees	143	143
Interest expense	6,535	8,904
Administrator expense	428	763
General and administrative expenses	532	631
Total expenses	**17,924**	**22,523**
Reversal of fees waived / (fees waived)	5,200	(1,564)
Net expenses	**23,124**	**20,959**
Net investment income	**7,836**	**17,317**
Unrealized appreciation (depreciation):		
Control investments	1,997	(5,820)
Affiliate investments	(64)	—
Non-control/Non-affiliate investments	2,408	(784)
Secured borrowings	—	(19)
Foreign currency forward contracts	(1,462)	(352)
Net unrealized appreciation (depreciation)	**2,879**	**(6,975)**
Realized gains (losses):		
Non-control/Non-affiliate investments	3,839	16,761
Foreign currency forward contracts	(551)	1,201
Net realized gains (losses)	**3,288**	**17,962**
Provision for income tax (expense) benefit	**(160)**	**(586)**
Net realized and unrealized gains (losses), net of taxes	**6,007**	**10,401**
Net increase (decrease) in net assets resulting from operations	**$ 13,843**	**$ 27,718**
Net investment income per common share — basic and diluted	**$ 0.06**	**$ 0.12**
Earnings (loss) per common share — basic and diluted (Note 5)	**$ 0.10**	**$ 0.20**
Weighted average common shares outstanding — basic and diluted	140,961	140,961

See notes to Consolidated Financial Statements.

Oaktree Specialty Lending Corporation
Consolidated Statements of Changes in Net Assets
(in thousands, except per share amounts)
(unaudited)

	Three months ended December 31, 2019	Three months ended December 31, 2018
Operations:		
Net investment income	$ 7,836	$ 17,317
Net unrealized appreciation (depreciation)	2,879	(6,975)
Net realized gains (losses)	3,288	17,962
Provision for income taxes	(160)	(586)
Net increase (decrease) in net assets resulting from operations	**13,843**	**27,718**
Stockholder transactions:		
Distributions to stockholders	(13,391)	(13,391)
Net increase (decrease) in net assets from stockholder transactions	**(13,391)**	**(13,391)**
Capital share transactions:		
Issuance of common stock under dividend reinvestment plan	481	384
Repurchases of common stock under dividend reinvestment plan	(481)	(384)
Net increase (decrease) in net assets from capital share transactions	**—**	**—**
Total increase (decrease) in net assets	**452**	**14,327**
Net assets at beginning of period	930,630	858,035
Net assets at end of period	**$ 931,082**	**$ 872,362**
Net asset value per common share	**$ 6.61**	**$ 6.19**
Common shares outstanding at end of period	140,961	140,961

See notes to Consolidated Financial Statements.

Oaktree Specialty Lending Corporation
Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three months ended December 31, 2019	Three months ended December 31, 2018
Operating activities:		
Net increase (decrease) in net assets resulting from operations	$ 13,843	$ 27,718
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net unrealized (appreciation) depreciation	(2,879)	6,975
Net realized (gains) losses	(3,288)	(17,962)
PIK interest income	(1,161)	(832)
Accretion of original issue discount on investments	(2,028)	(7,518)
Accretion of original issue discount on unsecured notes payable	—	66
Amortization of deferred financing costs	463	699
Deferred taxes	225	135
Purchases of investments	(115,792)	(162,422)
Proceeds from the sales and repayments of investments	97,022	208,326
Changes in operating assets and liabilities:		
(Increase) decrease in interest, dividends and fees receivable	811	291
(Increase) decrease in due from portfolio companies	(315)	(765)
(Increase) decrease in receivables from unsettled transactions	(872)	26,760
(Increase) decrease in other assets	(267)	(74)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	(92)	(1,219)
Increase (decrease) in base management fee and incentive fee payable	5,804	147
Increase (decrease) in due to affiliate	(141)	279
Increase (decrease) in interest payable	106	2,868
Increase (decrease) in payables from unsettled transactions	(34,909)	3,073
Increase (decrease) in director fees payable	—	68
Increase (decrease) in amounts payable to syndication partners	1	270
Net cash provided by (used in) operating activities	**(43,469)**	**86,883**
Financing activities:		
Distributions paid in cash	(12,910)	(13,007)
Borrowings under credit facilities	82,000	—
Repayments of borrowings under credit facilities	(19,000)	(30,000)
Repayments of secured borrowings	—	(325)
Repurchases of common stock under dividend reinvestment plan	(481)	(384)
Deferred offering costs paid	(20)	—
Net cash provided by (used in) financing activities	**49,589**	**(43,716)**
Effect of exchange rate changes on foreign currency	1	**—**
Net increase (decrease) in cash and cash equivalents and restricted cash	**6,121**	**43,167**
Cash and cash equivalents and restricted cash, beginning of period	15,406	13,489
Cash and cash equivalents and restricted cash, end of period	**$ 21,527**	**$ 56,656**
Supplemental information:		
Cash paid for interest	$ 5,966	$ 5,272
Non-cash financing activities:		
Issuance of shares of common stock under dividend reinvestment plan	$ 481	$ 384
Deferred offering costs	$ (45)	$ —

See notes to Consolidated Financial Statements.

Oaktree Specialty Lending Corporation
Consolidated Schedule of Investments
December 31, 2019
(dollar amounts in thousands)
(unaudited)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Control Investments						(8)(9)
C5 Technology Holdings, LLC		Data Processing & Outsourced Services				
829 Common Units				$ —	$ —	(20)
34,984,460.37 Preferred Units				34,984	34,984	(20)
				34,984	**34,984**	
First Star Speir Aviation Limited		Airlines				(10)
First Lien Term Loan, 9.00% cash due 12/15/2020			$ 11,510	2,140	11,510	(11)(20)
100% equity interest				8,500	4,456	(11)(12)(20)
				10,640	**15,966**	
New IPT, Inc.		Oil & Gas Equipment & Services				
First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	6.94%		2,755	2,755	2,755	(6)(20)
First Lien Revolver, LIBOR+5.00% cash due 3/17/2021	6.94%		1,009	1,009	1,009	(6)(19)(20)
50.087 Class A Common Units in New IPT Holdings, LLC				—	2,903	(20)
				3,764	**6,667**	
Senior Loan Fund JV I, LLC		Multi-Sector Holdings				(14)
Subordinated Debt, LIBOR+7.00% cash due 12/29/2028	9.01%		96,250	96,250	96,250	(6)(11)(20)
87.5% LLC equity interest				49,322	32,223	(11)(16)(19)
				145,572	**128,473**	
Thruline Marketing, Inc.		Advertising				
9,073 Class A Units in FS AVI Holdco, LLC				10,648	6,438	(20)
				10,648	**6,438**	
Total Control Investments (20.7% of net assets)				**$ 205,608**	**$ 192,528**	
Affiliate Investments						(17)
Assembled Brands Capital LLC		Specialized Finance				
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 10/17/2023	7.94%		$ 5,585	$ 5,585	$ 5,585	(6)(19)(20)
1,609,201 Class A Units				765	917	(20)
1,019,168.80 Preferred Units, 6%				1,019	1,040	(20)
70,424.5641 Class A Warrants (exercise price $3.3778) expiration date 9/9/2029				—	—	(20)
				7,369	**7,542**	
Caregiver Services, Inc.		Health Care Services				
1,080,399 shares of Series A Preferred Stock, 10%				1,080	1,564	(20)
				1,080	**1,564**	
Total Affiliate Investments (1.0% of net assets)				**$ 8,449**	**$ 9,106**	
Non-Control/Non-Affiliate Investments						(18)
4 Over International, LLC		Commercial Printing				
First Lien Term Loan, LIBOR+6.00% cash due 6/7/2022	7.80%		$ 5,768	$ 5,737	$ 5,659	(6)(20)
First Lien Revolver, PRIME+5.00% cash due 6/7/2021	9.75%		383	365	341	(6)(19)(20)
				6,102	**6,000**	
99 Cents Only Stores LLC		General Merchandise Stores				
First Lien Term Loan, LIBOR+5.00% cash 1.50% PIK due 1/13/2022	6.94%		19,323	18,987	16,376	(6)
				18,987	**16,376**	
Access CIG, LLC		Diversified Support Services				
Second Lien Term Loan, LIBOR+7.75% cash due 2/27/2026	9.44%		15,000	14,896	14,963	(6)
				14,896	**14,963**	

(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Acquia Inc.		Application Software				
First Lien Term Loan, LIBOR+7.00% cash due 10/31/2025	8.91%		$ 20,950	$ 20,542	$ 20,531	(6)(20)
First Lien Revolver, LIBOR+7.00% cash due 10/31/2025			—	(44)	(45)	(6)(19)(20)
				20,498	**20,486**	
Aden & Anais Merger Sub, Inc.		Apparel, Accessories & Luxury Goods				
51,645 Common Units in Aden & Anais Holdings, Inc.				5,165	—	(20)
				5,165	**—**	
AdVenture Interactive, Corp.		Advertising				
9,073 shares of common stock				13,611	12,861	(20)
				13,611	**12,861**	
AI Ladder (Luxembourg) Subco S.a.r.l.		Electrical Components & Equipment				
First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.44%		21,657	21,142	21,684	(6)(11)
				21,142	**21,684**	
AI Sirona (Luxembourg) Acquisition S.a.r.l.		Pharmaceuticals				
Second Lien Term Loan, EURIBOR+7.25% cash due 9/28/2026	7.25%		€ 17,500	20,035	18,760	(6)(11)(20)
				20,035	**18,760**	
Air Medical Group Holdings, Inc.		Health Care Services				
First Lien Term Loan, LIBOR+4.25% cash due 3/14/2025	6.05%		$ 6,305	6,182	6,131	(6)
				6,182	**6,131**	
AirStrip Technologies, Inc.		Application Software				
5,715 Common Stock Warrants (exercise price $139.99) expiration date 5/11/2025				90	—	(20)
				90	**—**	
Airxcel, Inc.		Household Appliances				
First Lien Term Loan, LIBOR+4.50% cash due 4/28/2025	6.30%		7,880	7,820	7,742	(6)(20)
				7,820	**7,742**	
Aldevron, L.L.C.		Biotechnology				
First Lien Term Loan, LIBOR+4.25% cash due 10/12/2026	6.19%		8,000	7,920	8,100	(6)
				7,920	**8,100**	
Algeco Scotsman Global Finance Plc		Construction & Engineering				
Fixed Rate Bond, 8.00% cash due 2/15/2023			19,517	19,135	19,053	(11)
				19,135	**19,053**	
Allen Media, LLC		Movies & Entertainment				
First Lien Term Loan, LIBOR+6.50% cash due 8/30/2023	8.44%		18,982	18,631	18,507	(6)(20)
				18,631	**18,507**	
Altice France S.A.		Integrated Telecommunication Services				
Fixed Rate Bond, 8.13% cash due 1/15/2024			3,000	3,043	3,102	(11)
Fixed Rate Bond, 7.63% cash due 2/15/2025			2,000	2,012	2,076	(11)
				5,055	**5,178**	
Alvotech Holdings S.A.		Biotechnology				
Fixed Rate Bond 15% PIK Note A due 12/13/2023			14,800	16,882	19,111	(11)(13)(20)
Fixed Rate Bond 15% PIK Note B due 12/13/2023			14,800	16,882	18,425	(11)(13)(20)
				33,764	**37,536**	
Ancile Solutions, Inc.		Application Software				
First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	8.94%		8,553	8,482	8,399	(6)(20)
				8,482	**8,399**	
Apptio, Inc.		Application Software				
First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.96%		23,764	23,360	23,332	(6)(20)
First Lien Revolver, LIBOR+7.25% cash due 1/10/2025			—	(26)	(28)	(6)(19)(20)
				23,334	**23,304**	

(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Asurion, LLC		Property & Casualty Insurance				
Second Lien Term Loan, LIBOR+6.50% cash due 8/4/2025	8.30%		$ 22,000	$ 21,956	$ 22,322	(6)
				21,956	**22,322**	
Aurora Lux Finco S.À.R.L.		Airport Services				
First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.93%		23,000	22,427	22,425	(6)(11)(20)
				22,427	**22,425**	
Avantor Inc.		Health Care Distributors				
Fixed Rate Bond, 9.00% cash due 10/1/2025			3,000	2,976	3,359	
				2,976	**3,359**	
Blackhawk Network Holdings, Inc.		Data Processing & Outsourced Services				
Second Lien Term Loan, LIBOR+7.00% cash due 6/15/2026	8.75%		26,250	26,022	26,250	(6)
				26,022	**26,250**	
Boxer Parent Company Inc.		Systems Software				
First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	6.05%		13,880	13,765	13,756	(6)
				13,765	**13,756**	
California Pizza Kitchen, Inc.		Restaurants				
First Lien Term Loan, LIBOR+6.00% cash due 8/23/2022	7.91%		3,114	3,089	2,718	(6)
				3,089	**2,718**	
Cenegenics, LLC		Health Care Services				(15)
First Lien Term Loan, 9.75% cash 2.00% PIK due 9/30/2019			29,884	27,738	—	(20)(21)
First Lien Revolver, 15.00% cash due 9/30/2019			2,203	2,203	—	(20)(21)
452,914.87 Common Units in Cenegenics, LLC				598	—	(20)
345,380.141 Preferred Units in Cenegenics, LLC				300	—	(20)
				30,839	**—**	
Chief Power Finance II, LLC		Independent Power Producers & Energy Traders				
First Lien Term Loan, LIBOR+6.50% cash due 12/31/2022	8.36%		22,713	22,175	22,145	(6)(20)
				22,175	**22,145**	
CITGO Holding, Inc.		Oil & Gas Refining & Marketing				
Fixed Rate Bond, 9.25% cash due 8/1/2024			10,672	10,672	11,473	
First Lien Term Loan, LIBOR+7.00% cash due 8/1/2023	8.80%		9,975	9,840	10,191	(6)
				20,512	**21,664**	
CITGO Petroleum Corp.		Oil & Gas Refining & Marketing				
First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.94%		9,925	9,826	9,987	(6)
				9,826	**9,987**	
Connect U.S. Finco LLC		Alternative Carriers				
First Lien Delayed Draw Term Loan, LIBOR+4.50% cash due 12/11/2026	6.29%		12,268	11,671	12,491	(6)(11)(19)
				11,671	**12,491**	
Convergeone Holdings, Inc.		IT Consulting & Other Services				
First Lien Term Loan, LIBOR+5.00% cash due 1/4/2026	6.80%		14,733	14,212	14,133	(6)
				14,212	**14,133**	

Oaktree Specialty Lending Corporation
Consolidated Schedule of Investments
December 31, 2019
(dollar amounts in thousands)
(unaudited)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Conviva Inc.		Application Software				
417,851 Series D Preferred Stock Warrants (exercise price $1.1966) expiration date 2/28/2021				$ 105	$ 406	(20)
				105	**406**	
Corrona, LLC		Health Care Services				
First Lien Term Loan, LIBOR+5.75% cash due 12/13/2025	7.49%		$ 10,377	10,198	10,196	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+5.75% cash due 12/13/2025			—	(32)	(32)	(6)(19)(20)
First Lien Revolver, LIBOR+5.75% cash due 12/13/2025			—	(32)	(32)	(6)(19)(20)
1,099 Class A2 Common Units in Corrona Group Holdings, L.P.				1,099	1,099	(20)
				11,233	**11,231**	
Cortes NP Acquisition Corporation		Electrical Components & Equipment				
First Lien Term Loan, LIBOR+4.00% cash due 11/30/2023	5.93%		4,729	4,526	4,729	(6)
				4,526	**4,729**	
Covia Holdings Corporation		Oil & Gas Equipment & Services				
First Lien Term Loan, LIBOR+4.00% cash due 6/1/2025	6.04%		7,900	7,900	6,133	(6)(11)
				7,900	**6,133**	
Cypress Intermediate Holdings III, Inc.		Application Software				
Second Lien Term Loan, LIBOR+6.75% cash due 4/28/2025	8.55%		500	500	503	(6)
				500	**503**	
Dominion Diagnostics, LLC		Health Care Services				(15)
First Lien Term Loan, LIBOR+5.50% cash due 4/8/2019	7.28%		45,691	45,691	44,512	(6)(20)
First Lien Revolver, LIBOR+5.50% cash due 4/8/2019	7.28%		2,090	2,090	1,983	(6)(20)
Subordinated Term Loan, 11.00% cash 1.00% PIK due 10/18/2019			20,325	14,280	—	(20)(21)
				62,061	**46,495**	
The Dun & Bradstreet Corporation		Research & Consulting Services				
First Lien Term Loan, LIBOR+5.00% cash due 2/6/2026	6.79%		10,000	9,824	10,100	(6)
Fixed Rate Bond 6.875% cash due 8/15/2026			5,000	5,000	5,528	
				14,824	**15,628**	
Eagleview Technology Corporation		Application Software				
Second Lien Term Loan, LIBOR+7.50% cash due 8/14/2026	9.41%		12,000	11,880	11,460	(6)(20)
				11,880	**11,460**	
EHR Canada, LLC		Food Retail				
First Lien Term Loan, LIBOR+8.00% cash due 9/28/2020	9.94%		6,861	6,813	6,998	(6)(20)
				6,813	**6,998**	
EOS Fitness Opco Holdings, LLC		Leisure Facilities				
487.5 Class A Preferred Units, 12%				488	881	(20)
12,500 Class B Common Units				—	1,123	(20)
				488	**2,004**	
Equitrans Midstream Corp.		Oil & Gas Storage & Transportation				
First Lien Term Loan, LIBOR+4.50% cash due 1/31/2024	6.30%		11,880	11,592	11,853	(6)(11)
				11,592	**11,853**	
ExamSoft Worldwide, Inc.		Application Software				
180,707 Class C Units in ExamSoft Investor LLC				181	—	(20)
				181	**—**	
GI Chill Acquisition LLC		Managed Health Care				
First Lien Term Loan, LIBOR+4.00% cash due 8/6/2025	5.94%		17,775	17,686	17,665	(6)(20)
Second Lien Term Loan, LIBOR+7.50% cash due 8/6/2026	9.44%		10,000	9,917	9,900	(6)(20)
				27,603	**27,565**	

Oaktree Specialty Lending Corporation
Consolidated Schedule of Investments
December 31, 2019
(dollar amounts in thousands)
(unaudited)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
GKD Index Partners, LLC		Specialized Finance				
First Lien Term Loan, LIBOR+7.00% cash due 6/29/2023	8.94%		$ 22,092	$ 21,938	$ 21,783	(6)(20)
First Lien Revolver, LIBOR+7.00% cash due 6/29/2023	8.95%		578	570	560	(6)(19)(20)
				22,508	**22,343**	
Guidehouse LLP		Research & Consulting Services				
First Lien Term Loan, LIBOR+4.50% cash due 5/1/2025	6.30%		4,987	4,937	4,959	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	9.80%		20,000	19,920	19,700	(6)
				24,857	**24,659**	
HealthEdge Software, Inc.		Application Software				
482,453 Series A-3 Preferred Stock Warrants (exercise price $1.450918) expiration date 9/30/2023				213	754	(20)
				213	**754**	
Houghton Mifflin Harcourt Publishers Inc.		Education Services				(6)(11)
First Lien Term Loan, LIBOR+6.25% cash due 11/22/2024	8.04%		7,000	6,720	7,000	
				6,720	**7,000**	
I Drive Safely, LLC		Education Services				
125,079 Class A Common Units of IDS Investments, LLC				1,000	200	(20)
				1,000	**200**	
IBG Borrower LLC		Apparel, Accessories & Luxury Goods				
First Lien Term Loan, LIBOR+7.00% cash due 8/2/2022	9.00%		13,659	12,625	12,618	(6)(20)
				12,625	**12,618**	
iCIMs, Inc.		Application Software				
First Lien Term Loan, LIBOR+6.50% cash due 9/12/2024	8.29%		16,718	16,450	16,448	(6)(20)
First Lien Revolver, LIBOR+6.50% cash due 9/12/2024			—	(14)	(14)	(6)(19)(20)
				16,436	**16,434**	
Integral Development Corporation		Other Diversified Financial Services				
1,078,284 Common Stock Warrants (exercise price $0.9274) expiration date 7/10/2024				113	—	(20)
				113	**—**	
L Squared Capital Partners LLC		Multi-Sector Holdings				
2.00% limited partnership interest				864	2,318	(11)(16)
				864	**2,318**	
Lanai Holdings III, Inc.		Health Care Distributors				
First Lien Term Loan, LIBOR+4.75% cash due 8/29/2022	6.68%		16,319	16,084	15,479	(6)
				16,084	**15,479**	
Lannett Company, Inc.		Pharmaceuticals				
First Lien Term Loan, LIBOR+5.00% cash due 11/25/2020	6.80%		686	687	683	(6)(11)
				687	**683**	
Lift Brands Holdings, Inc.		Leisure Facilities				
2,000,000 Class A Common Units in Snap Investments, LLC				1,399	2,324	(20)
				1,399	**2,324**	
Lightbox Intermediate, L.P.		Real Estate Services				
First Lien Term Loan, LIBOR+5.00% cash due 5/9/2026	6.74%		39,800	39,255	39,303	(6)(20)
				39,255	**39,303**	
LTI Holdings, Inc.		Auto Parts & Equipment				
First Lien Term Loan, LIBOR+4.75% cash due 7/24/2026	6.55%		458	394	422	(6)
First Lien Term Loan, LIBOR+3.50% cash due 9/6/2025	5.30%		1,726	1,473	1,561	(6)
Second Lien Term Loan, LIBOR+6.75% cash due 9/6/2026	8.55%		9,000	9,000	6,885	(6)
				10,867	**8,868**	
Lytx Holdings, LLC		Research & Consulting Services				
3,500 Class B Units				—	2,053	(20)
				—	**2,053**	

(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Maravai Intermediate Holdings, LLC		Biotechnology				
First Lien Term Loan, LIBOR+4.25% cash due 8/2/2025	6.06%		$ 11,850	$ 11,732	$ 11,820	(6)(20)
				11,732	**11,820**	
Mayfield Agency Borrower Inc.		Property & Casualty Insurance				
First Lien Term Loan, LIBOR+4.50% cash due 2/28/2025	6.30%		29,044	28,128	27,229	(6)
Second Lien Term Loan, LIBOR+8.50% cash due 3/2/2026	10.30%		35,925	35,509	36,262	(6)(20)
				63,637	**63,491**	
McAfee, LLC		Systems Software				
First Lien Term Loan, LIBOR+3.75% cash due 9/30/2024	5.55%		10,929	10,860	10,990	(6)
Second Lien Term Loan, LIBOR+8.50% cash due 9/29/2025	10.30%		7,000	7,032	7,063	(6)
				17,892	**18,053**	
MHE Intermediate Holdings, LLC		Diversified Support Services				
First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	6.94%		2,925	2,906	2,866	(6)(20)
				2,906	**2,866**	
Mindbody, Inc.		Internet Services & Infrastructure				
First Lien Term Loan, LIBOR+7.00% cash due 2/14/2025	8.79%		28,952	28,458	28,431	(6)(20)
First Lien Revolver, LIBOR+7.00% cash due 2/14/2025			—	(52)	(55)	(6)(19)(20)
				28,406	**28,376**	
Ministry Brands, LLC		Application Software				
First Lien Revolver, LIBOR+5.00% cash due 12/2/2022	6.95%		200	191	200	(6)(19)(20)
Second Lien Term Loan, LIBOR+9.25% cash due 6/2/2023	11.08%		7,056	7,001	7,056	(6)(20)
Second Lien Delayed Draw Term Loan, LIBOR+9.25% cash due 6/2/2023	11.08%		1,944	1,928	1,944	(6)(20)
				9,120	**9,200**	
Numericable SFR SA		Integrated Telecommunication Services				
Fixed Rate Bond, 7.38% cash due 5/1/2026			5,000	5,101	5,377	(11)
				5,101	**5,377**	
OmniSYS Acquisition Corporation		Diversified Support Services				
100,000 Common Units in OSYS Holdings, LLC				1,000	698	(20)
				1,000	**698**	
Onvoy, LLC		Integrated Telecommunication Services				
Second Lien Term Loan, LIBOR+10.50% cash due 2/10/2025	12.30%		16,750	16,750	13,187	(6)(20)
19,666.67 Class A Units in GTCR Onvoy Holdings, LLC				1,967	—	(20)
13,664.73 Series 3 Class B Units in GTCR Onvoy Holdings, LLC				—	—	(20)
				18,717	**13,187**	
P2 Upstream Acquisition Co.		Application Software				
First Lien Term Loan, LIBOR+3.75% cash due 10/30/2020	5.66%		2,968	2,938	2,960	(6)
First Lien Revolver, LIBOR+4.00% cash due 2/1/2020			—	—	(25)	(6)(19)
				2,938	**2,935**	
PaySimple, Inc.		Data Processing & Outsourced Services				
First Lien Term Loan, LIBOR+5.50% cash due 8/23/2025	7.30%		37,656	36,943	37,467	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 8/23/2025	7.28%		3,548	3,316	3,487	(6)(19)(20)
				40,259	**40,954**	

(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Pingora MSR Opportunity Fund I-A, LP		Thrifts & Mortgage Finance				
1.86% limited partnership interest				$ 938	$ 395	(11)(16)(19)
				938	**395**	
PLATO Learning Inc.		Education Services				
Unsecured Senior PIK Note, 8.50% PIK due 12/9/2021			$ 2,907	2,434	—	(20)(22)
Unsecured Junior PIK Note, 10.00% PIK due 12/9/2021			13,924	10,227	—	(20)(22)
Unsecured Revolver, 5.00% cash due 12/9/2021			2,731	2,524	461	(19)(20)(21)
126,127.80 Class A Common Units of Edmentum				126	—	(20)
				15,311	**461**	
ProFrac Services, LLC		Industrial Machinery				
First Lien Term Loan, LIBOR+6.25% cash due 9/15/2023	8.14%		16,175	16,055	15,771	(6)(20)
				16,055	**15,771**	
Project Boost Purchaser, LLC		Application Software				
First Lien Term Loan, LIBOR+3.50% cash due 6/1/2026	5.30%		6,983	6,913	7,025	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/9/2027	9.80%		3,750	3,750	3,741	(6)(20)
			—	**10,663**	**10,766**	
QuorumLabs, Inc.		Application Software				
64,887,669 Junior-2 Preferred Stock				375	—	(20)
				375	**—**	
Refac Optical Group		Specialty Stores				
1,550.9435 Shares of Common Stock in Refac Holdings, Inc.				1	—	(20)
550.9435 Series A-2 Preferred Stock in Refac Holdings, Inc., 10%				305	—	(20)
1,000 Series A-1 Preferred Stock in Refac Holdings, Inc., 10%				999	—	(20)
				1,305	**—**	
Salient CRGT, Inc.		Aerospace & Defense				
First Lien Term Loan, LIBOR+6.50% cash due 2/28/2022	8.29%		3,065	3,038	2,911	(6)(20)
				3,038	**2,911**	
Scilex Pharmaceuticals Inc.		Pharmaceuticals				
Fixed Rate Zero Coupon Bond due 8/15/2026			15,833	11,406	11,637	(20)
				11,406	**11,637**	
ShareThis, Inc.		Application Software				
345,452 Series C Preferred Stock Warrants (exercise price $3.0395) expiration date 3/4/2024				367	2	(20)
				367	**2**	
Sorrento Therapeutics, Inc.		Biotechnology				
First Lien Term Loan, LIBOR+7.00% cash due 11/7/2023	9.00%		30,000	28,248	30,000	(6)(11)(20)
First Lien Delayed Draw Term Loan, LIBOR+7.00% cash due 11/7/2023			—	(58)	(69)	(6)(11)(19)(20)
1,572,246 Common Stock Warrants (exercise price $3.28) expiration date 5/7/2029				1,750	3,176	(11)(20)
333,326 Common Stock Warrants (exercise price $3.94) expiration date 11/3/2029				—	643	(11)(20)
500,000 Common Stock Warrants (exercise price $3.26) expiration date 6/6/2030				—	900	(11)(20)
				29,940	**34,650**	
Supermoose Borrower, LLC		Application Software				
First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	5.55%		2,494	2,300	2,388	(6)
				2,300	**2,388**	
Swordfish Merger Sub LLC		Auto Parts & Equipment				
Second Lien Term Loan, LIBOR+6.75% cash due 2/2/2026	8.49%		12,500	12,452	12,156	(6)(20)
				12,452	**12,156**	

Oaktree Specialty Lending Corporation
Consolidated Schedule of Investments
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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
TerSera Therapeutics, LLC		Pharmaceuticals				
Second Lien Term Loan, LIBOR+9.25% cash due 3/30/2024	11.20%		$ 29,663	$ 29,150	$ 29,380	(6)(20)
668,879 Common Units of TerSera Holdings LLC				1,961	2,859	(20)
				31,111	**32,239**	
Thunder Finco (US), LLC		Movies & Entertainment				
Second Lien Term Loan, LIBOR+8.00% cash due 11/26/2027	9.70%		12,500	12,188	12,250	(6)(11)(20)
				12,188	**12,250**	
TigerConnect, Inc.		Application Software				
299,110 Series B Preferred Stock Warrants (exercise price $1.3373) expiration date 12/8/2024				60	560	(20)
				60	**560**	
Transact Holdings Inc.		Application Software				
First Lien Term Loan, LIBOR+4.75% cash due 4/30/2026	6.55%		6,983	6,878	6,956	(6)(20)
				6,878	**6,956**	
Truck Hero, Inc.		Auto Parts & Equipment				
Second Lien Term Loan, LIBOR+8.25% cash due 4/21/2025	10.05%		21,500	21,191	20,640	(6)(20)
				21,191	**20,640**	
Uber Technologies, Inc.		Application Software				
First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	5.74%		5,675	5,639	5,681	(6)
				5,639	**5,681**	
Uniti Group LP		Specialized REITs				
First Lien Term Loan, LIBOR+5.00% cash due 10/24/2022	6.80%		9,878	9,688	9,725	(6)(11)
				9,688	**9,725**	
UOS, LLC		Trading Companies & Distributors				
First Lien Term Loan, LIBOR+5.50% cash due 4/18/2023	7.30%		10,215	10,322	10,318	(6)
				10,322	**10,318**	
Veritas US Inc.		Application Software				
First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	6.30%		31,887	32,118	30,789	(6)
				32,118	**30,789**	
Verscend Holding Corp.		Health Care Technology				
First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	6.30%		24,688	24,569	24,914	(6)
Fixed Rate Bond, 9.75% cash due 8/15/2026			12,000	12,022	13,155	
				36,591	**38,069**	
Vertex Aerospace Services Corp.		Aerospace & Defense				
First Lien Term Loan, LIBOR+4.50% cash due 6/29/2025	6.30%		15,760	15,698	15,859	(6)
				15,698	**15,859**	
Vitalyst Holdings, Inc.		IT Consulting & Other Services				
675 Series A Preferred Stock Units				675	440	(20)
7,500 Class A Common Stock Units				75	—	(20)
				750	**440**	
Windstream Services, LLC		Integrated Telecommunication Services				
Fixed Rate Bond, 8.63% cash due 10/31/2025			1,460	1,420	1,405	(11)
				1,420	**1,405**	
WP CPP Holdings, LLC		Aerospace & Defense				
Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	9.68%		15,000	14,879	14,822	(6)
				14,879	**14,822**	
xMatters, Inc.		Application Software				
600,000 Common Stock Warrants (exercise price $0.593333) expiration date 2/26/2025				709	273	(20)
				709	**273**	

(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Yeti Holdings, Inc.		Leisure Products				
417,866 Shares Common Stock				$ —	$ 14,533	
				—	**14,533**	
Zep Inc.		Specialty Chemicals				
First Lien Term Loan, LIBOR+4.00% cash due 8/12/2024	5.94%		$ 1,970	1,898	1,533	(6)
Second Lien Term Loan, LIBOR+8.25% cash due 8/11/2025	10.19%		30,000	29,894	21,720	(6)(20)
				31,792	**23,253**	
Zephyr Bidco Limited		Specialized Finance				
Second Lien Term Loan, UK LIBOR+7.50% cash due 7/23/2026	8.21%		£ 18,000	23,656	23,716	(6)(11)
				23,656	**23,716**	
Total Non-Control/Non-Affiliate Investments (136.0% of net assets)				**$ 1,324,201**	**$ 1,265,993**	
Total Portfolio Investments (157.6% of net assets)				**$ 1,538,258**	**$ 1,467,627**	
Cash and Cash Equivalents						
JP Morgan Prime Money Market Fund, Institutional Shares				$ 16,018	$ 16,018	
Other cash accounts				5,509	5,509	
Total Cash and Cash Equivalents (2.3% of net assets)				**$ 21,527**	**$ 21,527**	
Total Portfolio Investments and Cash and Cash Equivalents (159.9% of net assets)				**$ 1,559,785**	**$ 1,489,154**	

Derivative Instrument	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Counterparty	Cumulative Unrealized Appreciation /(Depreciation)
Foreign currency forward contract	$ 23,037	£ 17,835	2/18/2020	JPMorgan Chase Bank, N.A.	$ (622)
Foreign currency forward contract	$ 19,028	€ 17,200	2/28/2020	JPMorgan Chase Bank, N.A.	(350)
					$ (972)

(1) All debt investments are income producing unless otherwise noted. All equity investments are non-income producing unless otherwise noted.

(2) See Note 3 in the accompanying notes to the Consolidated Financial Statements for portfolio composition by geographic region.

(3) Equity ownership may be held in shares or units of companies related to the portfolio companies.

(4) Interest rates may be adjusted from period to period on certain term loans and revolvers. These rate adjustments may be either temporary in nature due to tier pricing arrangements or financial or payment covenant violations in the original credit agreements or permanent in nature per loan amendment or waiver documents.

(5) With the exception of investments held by the Company's wholly-owned subsidiaries that each formerly held a license from the U.S. Small Business Administration ("SBA") to operate as a small business investment company ("SBIC"), each of the Company's investments is pledged as collateral under the Credit Facility (as defined in Note 6 to the accompanying notes to the Consolidated Financial Statements).

(6) The interest rate on the principal balance outstanding for all floating rate loans is indexed to the London Interbank Offered Rate ("LIBOR") and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars unless otherwise noted. As of December 31, 2019, the reference rates for the Company's variable rate loans were the 30-day LIBOR at 1.80%, the 60-day LIBOR at 1.85%, the 90-day LIBOR at 1.94%, the 180-day LIBOR at 1.92%, the PRIME at 4.75%, the 30-day UK LIBOR at 0.71% and the 30-day EURIBOR at (0.51)%. Most loans include an interest floor, which generally ranges from 0% to 1%.

(7) Principal includes accumulated payment in kind ("PIK") interest and is net of repayments, if any. "£" signifies the investment is denominated in British Pounds. "€" signifies the investment is denominated in Euros. All other investments are denominated in U.S. dollars.

(8) Control Investments generally are defined by the Investment Company Act of 1940, as amended (the "Investment Company Act"), as investments in companies in which the Company owns more than 25% of the voting securities or maintains greater than 50% of the board representation.

(9) As defined in the Investment Company Act, the Company is deemed to be both an "Affiliated Person" of and to "Control" this portfolio company as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement). See Schedule 12-14 in the accompanying notes to the Consolidated Financial Statements for transactions during the three months ended December 31, 2019 in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to control.

(10) First Star Speir Aviation 1 Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with Accounting Standards Update ("ASU") 2013-08, the Company has deemed the holding company to be an investment company under accounting principles generally accepted in the United States ("GAAP") and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the wholly-owned holding company are disregarded for accounting purposes since the economic substance of these instruments are equity investments in the operating entities.

(11) Investment is not a "qualifying asset" as defined under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of December 31, 2019, qualifying assets represented 73.7% of the Company's total assets and non-qualifying assets represented 26.3% of the Company's total assets.

(12) Income producing through payment of dividends or distributions.

(13) PIK interest income for this investment accrues at an annualized rate of 15%, however, the PIK interest is not contractually capitalized on the investment. As a result, the principal amount of the investment does not increase over time for accumulated PIK interest. As of December 31, 2019, the accumulated PIK interest balance for each of the A notes and the B notes was $2.3 million. The fair value of this investment is inclusive of PIK.

(14) See Note 3 in the accompanying notes to the Consolidated Financial Statements for portfolio composition.

(15) Payments on this investment were past due as of December 31, 2019.

(16) This investment was valued using net asset value as a practical expedient for fair value. Consistent with Financial Accounting Standards Board ("FASB") guidance under Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), these investments are excluded from the hierarchical levels.

(17) Affiliate Investments generally are defined by the Investment Company Act as investments in companies in which the Company owns between 5% and 25% of the voting securities.

(18) Non-Control/Non-Affiliate Investments are investments that are neither Control Investments nor Affiliate Investments.

(19) Investment has undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.

(20) As of December 31, 2019, these investments were categorized as Level 3 within the fair value hierarchy established by ASC 820.

(21) This investment was on cash non-accrual status as of December 31, 2019. Cash non-accrual status is inclusive of PIK and other non-cash income, where applicable.

(22) This investment was on PIK non-accrual status as of December 31, 2019. PIK non-accrual status is inclusive of other non-cash income, where applicable.

See notes to Consolidated Financial Statements.

(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Control Investments						(8)(9)
C5 Technology Holdings, LLC		Data processing & outsourced services				
829 Common Units				$ —	$ —	(20)
34,984,460.37 Preferred Units				34,984	34,984	(20)
				34,984	**34,984**	
First Star Speir Aviation Limited		Airlines				(10)
First Lien Term Loan, 9.00% cash due 12/15/2020			$ 11,510	2,140	11,510	(11)(20)
100% equity interest				8,500	4,630	(11)(12)(20)
				10,640	**16,140**	
New IPT, Inc.		Oil & gas equipment services				
First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	7.10%		3,256	3,256	3,256	(6)(20)
First Lien Revolver, LIBOR+5.00% cash due 3/17/2021	7.10%		1,009	1,009	1,009	(6)(19)(20)
50.087 Class A Common Units in New IPT Holdings, LLC				—	2,903	(20)
				4,265	**7,168**	
Senior Loan Fund JV I, LLC		Multi-sector holdings				(14)(15)
Subordinated Debt, LIBOR+7.00% cash due 12/29/2028	9.39%		96,250	96,250	96,250	(6)(11)(20)
87.5% LLC equity interest				49,322	30,052	(11)(16)(19)
				145,572	**126,302**	
Thruline Marketing, Inc.		Advertising				
First Lien Term Loan, LIBOR+7.00% cash due 4/3/2022	9.10%		18,146	18,146	18,146	(6)(20)
First Lien Revolver, LIBOR+7.75% cash due 4/3/2022			—	—	—	(6)(19)(20)
9,073 Class A Units in FS AVI Holdco, LLC				10,648	6,438	(20)
				28,794	**24,584**	
Total Control Investments (22.5% of net assets)				**$ 224,255**	**$ 209,178**	
Affiliate Investments						(17)
Assembled Brands Capital LLC		Specialized finance				
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 10/17/2023	8.10%		$ 5,585	$ 5,585	$ 5,585	(6)(19)(20)
1,609,201 Class A Units				765	782	(20)
1,019,168.80 Preferred Units, 6%				1,019	1,019	(20)
70,424.5641 Class A Warrants (exercise price $3.3778) expiration date 9/9/2029				—	—	(20)
				7,369	**7,386**	
Caregiver Services, Inc.		Healthcare services				
1,080,399 shares of Series A Preferred Stock, 10%				1,080	1,784	(20)
				1,080	**1,784**	
Total Affiliate Investments (1.0% of net assets)				**$ 8,449**	**$ 9,170**	
Non-Control/Non-Affiliate Investments						(18)
4 Over International, LLC		Commercial printing				
First Lien Term Loan, LIBOR+6.00% cash due 6/7/2022	8.04%		$ 5,799	$ 5,764	$ 5,688	(6)(20)
First Lien Revolver, PRIME+5.00% cash due 6/7/2021	10.00%		255	238	212	(6)(19)(20)
				6,002	**5,900**	
99 Cents Only Stores LLC		General merchandise stores				
First Lien Term Loan, LIBOR+5.00% cash 1.50% PIK due 1/13/2022	7.10%		19,326	18,946	16,934	(6)
				18,946	**16,934**	
Access CIG, LLC		Diversified support services				
Second Lien Term Loan, LIBOR+7.75% cash due 2/27/2026	10.07%		15,000	14,892	15,000	(6)(20)
				14,892	**15,000**	

(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Aden & Anais Merger Sub, Inc.		Apparel, accessories & luxury goods				
51,645 Common Units in Aden & Anais Holdings, Inc.				$ 5,165	$ —	(20)
				5,165	**—**	
AdVenture Interactive, Corp.		Advertising				
9,073 shares of common stock				13,611	12,677	(20)
				13,611	**12,677**	
AI Ladder (Luxembourg) Subco S.a.r.l.		Electrical components & equipment				
First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.60%		$ 21,752	21,210	20,032	(6)(11)
				21,210	**20,032**	
AI Sirona (Luxembourg) Acquisition S.a.r.l.		Pharmaceuticals				
Second Lien Term Loan, EURIBOR+7.25% cash due 7/10/2026	7.25%		€ 17,500	20,035	18,673	(6)(11)
				20,035	**18,673**	
Air Medical Group Holdings, Inc.		Healthcare services				
First Lien Term Loan, LIBOR+4.25% cash due 3/14/2025	6.29%		$ 6,321	6,192	5,936	(6)
				6,192	**5,936**	
AirStrip Technologies, Inc.		Application software				
22,858.71 Series C-1 Preferred Stock Warrants (exercise price $34.99757) expiration date 5/11/2025				90	—	(20)
				90	**—**	
Airxcel, Inc.		Household appliances				
First Lien Term Loan, LIBOR+4.50% cash due 4/28/2025	6.54%		7,900	7,837	7,614	(6)
				7,837	**7,614**	
Aldevron, L.L.C.		Biotechnology				
First Lien Term Loan, LIBOR+4.25% cash due 9/20/2026	6.36%		8,000	7,920	8,040	(6)
				7,920	**8,040**	
Algeco Scotsman Global Finance Plc		Construction & engineering				
Fixed Rate Bond, 8.00% cash due 2/15/2023			23,915	23,443	23,982	(11)
				23,443	**23,982**	
Allen Media, LLC		Movies & entertainment				
First Lien Term Loan, LIBOR+6.50% cash due 8/30/2023	8.60%		19,238	18,858	18,613	(6)(20)
				18,858	**18,613**	
Altice France S.A.		Integrated telecommunication services				
Fixed Rate Bond, 8.13% cash due 1/15/2024			3,000	3,045	3,113	(11)
Fixed Rate Bond, 7.63% cash due 2/15/2025			2,000	2,012	2,083	(11)
				5,057	**5,196**	
Alvotech Holdings S.A.		Biotechnology				
Fixed Rate Bond 15% PIK Note A due 12/13/2023			14,800	16,304	18,089	(11)(13)(20)
Fixed Rate Bond 15% PIK Note B due 12/13/2023			14,800	16,304	16,609	(11)(13)(20)
				32,608	**34,698**	
Ancile Solutions, Inc.		Application software				
First Lien Term Loan, LIBOR+7.00% cash due 6/30/2021	9.10%		8,677	8,591	8,504	(6)(20)
				8,591	**8,504**	
Apptio, Inc.		Application software				
First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	9.56%		23,764	23,340	23,325	(6)(20)
First Lien Revolver, LIBOR+7.25% cash due 1/10/2025			—	(27)	(28)	(6)(19)(20)
				23,313	**23,297**	
Asurion, LLC		Property & casualty insurance				
Second Lien Term Loan, LIBOR+6.50% cash due 8/4/2025	8.54%		22,000	21,954	22,382	(6)
				21,954	**22,382**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Avantor Inc.		Healthcare distributors				
Fixed Rate Bond, 9.00% cash due 10/1/2025			$ 3,000	$ 2,975	$ 3,379	
				2,975	**3,379**	
Belk Inc.		Department stores				
First Lien Term Loan, LIBOR+4.75% cash due 12/12/2022	6.80%		653	585	480	(6)
				585	**480**	
Blackhawk Network Holdings, Inc.		Data processing & outsourced services				
Second Lien Term Loan, LIBOR+7.00% cash due 6/15/2026	9.06%		26,250	26,013	26,283	(6)
				26,013	**26,283**	
Boxer Parent Company Inc.		Systems software				
First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	6.29%		13,915	13,798	13,416	(6)
				13,798	**13,416**	
California Pizza Kitchen, Inc.		Restaurants				
First Lien Term Loan, LIBOR+6.00% cash due 8/23/2022	8.53%		3,122	3,097	2,800	(6)
				3,097	**2,800**	
Cenegenics, LLC		Healthcare services				(23)
First Lien Term Loan, 9.75% cash 2.00% PIK due 9/30/2019			29,781	27,738	—	(20)(21)
First Lien Revolver, 15.00% cash due 9/30/2019			2,203	2,203	—	(20)(21)
452,914.87 Common Units in Cenegenics, LLC				598	—	(20)
345,380.141 Preferred Units in Cenegenics, LLC				300	—	(20)
				30,839	**—**	
CITGO Holding, Inc.		Oil & gas refining & marketing				
Fixed Rate Bond, 9.25% cash due 8/1/2024			10,672	10,672	11,366	
First Lien Term Loan, LIBOR+7.00% cash due 8/1/2023			10,000	9,855	10,219	(6)
				20,527	**21,585**	
CITGO Petroleum Corp.		Oil & gas refining & marketing				
First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	7.10%		9,950	9,851	10,012	(6)
				9,851	**10,012**	
Connect U.S. Finco LLC		Alternative carriers				
First Lien Term Loan, LIBOR+4.50% cash due 9/23/2026	7.10%		30,000	29,400	29,580	(6)(11)
				29,400	**29,580**	
Convergeone Holdings, Inc.		IT consulting & other services				
First Lien Term Loan, LIBOR+5.00% cash due 1/4/2026	7.04%		14,770	14,225	13,352	(6)
				14,225	**13,352**	
Conviva Inc.		Application software				
417,851 Series D Preferred Stock Warrants (exercise price $1.1966) expiration date 2/28/2021				105	411	(20)
				105	**411**	
Covia Holdings Corporation		Oil & gas equipment services				
First Lien Term Loan, LIBOR+4.00% cash due 6/1/2025	6.31%		7,900	7,900	6,484	(6)(11)
				7,900	**6,484**	
DigiCert, Inc.		Internet services & infrastructure				
First Lien Term Loan, LIBOR+4.00% cash due 10/31/2024	6.04%		4,222	4,184	4,221	(6)
				4,184	**4,221**	
Dominion Diagnostics, LLC		Healthcare services				(23)
Subordinated Term Loan, 11.00% cash 1.00% PIK due 10/18/2019			20,273	14,281	2,890	(20)(21)
First Lien Term Loan, PRIME+4.00% cash due 4/8/2019	9.00%		45,691	45,691	45,691	(6)(20)
First Lien Revolver, PRIME+4.00% cash due 4/8/2019	9.00%		2,090	2,090	2,090	(6)(20)
				62,062	**50,671**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
The Dun & Bradstreet Corporation		Research & consulting services				
First Lien Term Loan, LIBOR+5.00% cash due 2/6/2026	7.05%		$ 10,000	$ 9,817	$ 10,074	(6)
Fixed Rate Bond 6.875% cash due 8/15/2026			5,000	5,000	5,459	
				14,817	**15,533**	
Eagleview Technology Corporation		Application software				
Second Lien Term Loan, LIBOR+7.50% cash due 8/14/2026	9.55%		12,000	11,880	11,520	(6)(20)
				11,880	**11,520**	
EHR Canada, LLC		Food retail				
First Lien Term Loan, LIBOR+8.00% cash due 9/28/2020	10.10%		14,611	14,473	14,903	(6)(20)
				14,473	**14,903**	
EOS Fitness Opco Holdings, LLC		Leisure facilities				
487.5 Class A Preferred Units, 12%				488	855	(20)
12,500 Class B Common Units				—	934	(20)
				488	**1,789**	
Equitrans Midstream Corp.		Oil & gas storage & transportation				
First Lien Term Loan, LIBOR+4.50% cash due 1/31/2024	6.55%		11,910	11,603	11,926	(6)(11)
				11,603	**11,926**	
ExamSoft Worldwide, Inc.		Application software				
180,707 Class C Units in ExamSoft Investor LLC				181	—	(20)
				181	**—**	
GI Chill Acquisition LLC		Managed healthcare				
First Lien Term Loan, LIBOR+4.00% cash due 8/6/2025	6.10%		17,820	17,731	17,775	(6)(20)
Second Lien Term Loan, LIBOR+7.50% cash due 8/6/2026	9.60%		10,000	9,914	10,000	(6)(20)
				27,645	**27,775**	
GKD Index Partners, LLC		Specialized finance				
First Lien Term Loan, LIBOR+7.25% cash due 6/29/2023	9.35%		22,402	22,235	22,108	(6)(20)
First Lien Revolver, LIBOR+7.25% cash due 6/29/2023			—	(9)	(15)	(6)(19)(20)
				22,226	**22,093**	
GoodRx, Inc.		Interactive media & services				
Second Lien Term Loan, LIBOR+7.50% cash due 10/12/2026	9.54%		22,222	21,805	22,500	(6)(20)
				21,805	**22,500**	
Guidehouse LLP		Research & consulting services				
Second Lien Term Loan, LIBOR+7.50% cash due 5/1/2026	9.54%		20,000	19,917	19,750	(6)
				19,917	**19,750**	
HealthEdge Software, Inc.		Application software				
482,453 Series A-3 Preferred Stock Warrants (exercise price $1.450918) expiration date 9/30/2023				213	757	(20)
				213	**757**	
I Drive Safely, LLC		Education services				
125,079 Class A Common Units of IDS Investments, LLC				1,000	200	(20)
				1,000	**200**	
IBG Borrower LLC		Apparel, accessories & luxury goods				
First Lien Term Loan, LIBOR+7.00% cash due 8/2/2022	9.13%		14,209	13,027	13,286	(6)(20)
				13,027	**13,286**	
iCIMs, Inc.		Application software				
First Lien Term Loan, LIBOR+6.50% cash due 9/12/2024	8.56%		16,718	16,436	16,438	(6)(20)
First Lien Revolver, LIBOR+6.50% cash due 9/12/2024			—	(15)	(15)	(6)(19)(20)
				16,421	**16,423**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Integral Development Corporation		Other diversified financial services				
1,078,284 Common Stock Warrants (exercise price $0.9274) expiration date 7/10/2024				$ 113	$ —	(20)
				113	**—**	
Kellermeyer Bergensons Services, LLC		Environmental & facilities services				
Second Lien Term Loan, LIBOR+8.50% cash due 4/29/2022	10.77%		$ 6,105	5,940	5,937	(6)(20)
				5,940	**5,937**	
L Squared Capital Partners LLC		Multi-sector holdings				
2.00% limited partnership interest				864	2,237	(11)(16)
				864	**2,237**	
Lanai Holdings III, Inc.		Healthcare distributors				
First Lien Term Loan, LIBOR+4.75% cash due 8/29/2022	7.01%		19,892	19,586	18,583	(6)
				19,586	**18,583**	
Lannett Company, Inc.		Pharmaceuticals				
First Lien Term Loan, LIBOR+5.00% cash due 11/25/2020	7.04%		762	762	759	(6)(11)
				762	**759**	
Lift Brands Holdings, Inc.		Leisure facilities				
2,000,000 Class A Common Units in Snap Investments, LLC				1,399	3,020	(20)
				1,399	**3,020**	
Lightbox Intermediate, L.P.		Real estate services				
First Lien Term Loan, LIBOR+5.00% cash due 5/9/2026	7.05%		39,900	39,332	39,501	(6)(20)
				39,332	**39,501**	
Long's Drugs Incorporated		Pharmaceuticals				
50 Series A Preferred Shares in Long's Drugs Incorporated				385	924	(20)
25 Series B Preferred Shares in Long's Drugs Incorporated				210	572	(20)
				595	**1,496**	
LTI Holdings, Inc.		Auto parts & equipment				
Second Lien Term Loan, LIBOR+6.75% cash due 9/6/2026	8.79%		9,000	9,000	8,246	(6)
				9,000	**8,246**	
Lytx Holdings, LLC		Research & consulting services				
3,500 Class B Units				—	2,053	(20)
				—	**2,053**	
Maravai Intermediate Holdings, LLC		Biotechnology				
First Lien Term Loan, LIBOR+4.25% cash due 8/2/2025	6.31%		11,880	11,761	11,813	(6)(20)
				11,761	**11,813**	
Mayfield Agency Borrower Inc.		Property & casualty insurance				
First Lien Term Loan, LIBOR+4.50% cash due 2/28/2025	6.54%		15,892	15,630	15,481	(6)
Second Lien Term Loan, LIBOR+8.50% cash due 3/2/2026	10.54%		35,925	35,492	36,285	(6)(20)
				51,122	**51,766**	
McAfee, LLC		Systems software				
First Lien Term Loan, LIBOR+3.75% cash due 9/30/2024	5.79%		10,957	10,884	10,995	(6)
Second Lien Term Loan, LIBOR+8.50% cash due 9/29/2025	10.54%		7,000	7,034	7,093	(6)
				17,918	**18,088**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
MHE Intermediate Holdings, LLC		Diversified support services				
First Lien Term Loan, LIBOR+5.00% cash due 3/8/2024	7.10%		$ 2,932	$ 2,913	$ 2,874	(6)(20)
				2,913	**2,874**	
Mindbody, Inc.		Internet services & infrastructure				
First Lien Term Loan, LIBOR+7.00% cash due 2/14/2025	9.06%		28,952	28,434	28,402	(6)(20)
First Lien Revolver, LIBOR+7.00% cash due 2/15/2025			—	(55)	(58)	(6)(19)(20)
				28,379	**28,344**	
Ministry Brands, LLC		Application software				
Second Lien Term Loan, LIBOR+9.25% cash due 6/2/2023	11.34%		7,056	6,997	7,056	(6)(20)
Second Lien Delayed Draw Term Loan, LIBOR+9.25% cash due 6/2/2023	11.34%		1,944	1,927	1,944	(6)(20)
First Lien Revolver, LIBOR+5.00% cash due 12/2/2022	7.04%		200	191	200	(6)(19)(20)
				9,115	**9,200**	
Navicure, Inc.		Healthcare technology				
Second Lien Term Loan, LIBOR+7.50% cash due 10/31/2025	9.54%		14,500	14,389	14,573	(6)(20)
				14,389	**14,573**	
Numericable SFR SA		Integrated telecommunication services				
Fixed Rate Bond, 7.38% cash due 5/1/2026			5,000	5,104	5,380	(11)
				5,104	**5,380**	
OmniSYS Acquisition Corporation		Diversified support services				
100,000 Common Units in OSYS Holdings, LLC				1,000	750	(20)
				1,000	**750**	
Onvoy, LLC		Integrated telecommunication services				
Second Lien Term Loan, LIBOR+10.50% cash due 2/10/2025	12.54%		16,750	16,750	13,187	(6)(20)
19,666.67 Class A Units in GTCR Onvoy Holdings, LLC				1,967	—	(20)
13,664.73 Series 3 Class B Units in GTCR Onvoy Holdings, LLC				—	—	(20)
				18,717	**13,187**	
P2 Upstream Acquisition Co.		Application software				
First Lien Term Loan, LIBOR+4.00% cash due 10/30/2020	6.19%		2,976	2,936	2,950	(6)
First Lien Revolver, LIBOR+4.00% cash due 2/1/2020			—	—	(79)	(6)(19)
				2,936	**2,871**	
PaySimple, Inc.		Data processing & outsourced services				
First Lien Term Loan, LIBOR+5.50% cash due 8/23/2025	7.55%		37,750	37,004	37,184	(6)(20)
First Lien Delayed Draw Term Loan, LIBOR+5.50% cash due 8/23/2025			—	(242)	(184)	(6)(19)(20)
				36,762	**37,000**	
Pingora MSR Opportunity Fund I-A, LP		Thrift & mortgage finance				
1.86% limited partnership interest				1,217	691	(11)(16)(19)
				1,217	**691**	
PLATO Learning Inc.		Education services				
Unsecured Senior PIK Note, 8.5% PIK due 12/9/2021			2,845	2,434	—	(20)(22)
Unsecured Junior PIK Note, 10% PIK due 12/9/2021			13,577	10,227	—	(20)(22)
Unsecured Revolver, 5.00% cash due 12/9/2021			2,064	1,885	(184)	(19)(20)(21)
126,127.80 Class A Common Units of Edmentum				126	—	(20)
				14,672	**(184)**	

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Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost	Fair Value	Notes
Project Boost Purchaser, LLC		Application software				
First Lien Term Loan, LIBOR+3.50% cash due 6/1/2026	5.54%		$ 7,000	$ 6,930	$ 6,964	(6)
Second Lien Term Loan, LIBOR+8.00% cash due 5/9/2027	10.14%		3,750	3,750	3,750	(6)(20)
				10,680	**10,714**	
ProFrac Services, LLC		Industrial machinery				
First Lien Term Loan, LIBOR+6.25% cash due 9/15/2023	8.66%		17,192	17,055	16,848	(6)(20)
				17,055	**16,848**	
QuorumLabs, Inc.		Application software				
64,887,669 Junior-2 Preferred Stock				375	—	(20)
				375	**—**	
Refac Optical Group		Specialty stores				
1,550.9435 Shares of Common Stock in Refac Holdings, Inc.				1	—	(20)
550.9435 Series A-2 Preferred Stock in Refac Holdings, Inc., 10%				305	—	(20)
1,000 Series A-1 Preferred Stock in Refac Holdings, Inc., 10%				999	—	(20)
				1,305	**—**	
Salient CRGT, Inc.		Aerospace & defense				
First Lien Term Loan, LIBOR+6.00% cash due 2/28/2022	8.05%		3,086	3,056	2,932	(6)(20)
				3,056	**2,932**	
Scilex Pharmaceuticals Inc.		Pharmaceuticals				
Fixed Rate Zero Coupon Bond due 8/15/2026			15,879	11,146	11,353	(20)
				11,146	**11,353**	
ShareThis, Inc.		Application software				
345,452 Series C Preferred Stock Warrants (exercise price $3.0395) expiration date 3/4/2024				367	2	(20)
				367	**2**	
Sorrento Therapeutics, Inc.		Biotechnology				
First Lien Term Loan, LIBOR+7.00% cash due 11/7/2023	9.13%		30,000	28,132	29,250	(6)(11)(20)
First Lien Delayed Draw Term Loan, LIBOR+7.00% cash due 11/7/2023				(62)	(69)	(6)(11)(19)(20)
Stock Warrants Strike (exercise price $3.28) expiration date 5/7/2029				1,750	1,667	(11)(20)
Stock Warrants Strike (exercise price $3.94) expiration date 11/3/2029				—	320	(11)(20)
				29,820	**31,168**	
Swordfish Merger Sub LLC		Auto parts & equipment				
Second Lien Term Loan, LIBOR+6.75% cash due 2/2/2026	8.79%		12,500	12,450	12,135	(6)(20)
				12,450	**12,135**	
TerSera Therapeutics, LLC		Pharmaceuticals				
Second Lien Term Loan, LIBOR+9.25% cash due 3/30/2024	11.35%		25,463	25,025	25,192	(6)(20)
Second Lien Delayed Draw Term Loan, LIBOR+9.25% cash due 12/31/2020				—	(45)	(6)(19)(20)
668,879 Common Units of TerSera Holdings LLC				1,731	2,629	(20)
				26,756	**27,776**	
TigerText, Inc.		Application software				
299,110 Series B Preferred Stock Warrants (exercise price $1.3373) expiration date 12/8/2024				60	560	(20)
				60	**560**	
Transact Holdings Inc.		Application software				
First Lien Term Loan, LIBOR+4.75% cash due 4/30/2026	7.01%		7,000	6,895	6,965	(6)
				6,895	**6,965**	

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Tribe Buyer LLC		Human resource & employment services				
First Lien Term Loan, LIBOR+4.50% cash due 2/16/2024	6.54%		$ 830	$ 830	$ 775	(6)(20)
				830	**775**	
Truck Hero, Inc.		Auto parts & equipment				
Second Lien Term Loan, LIBOR+8.25% cash due 4/21/2025	10.29%		21,500	21,191	20,103	(6)(20)
				21,191	**20,103**	
Uber Technologies, Inc.		Application software				
First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	6.03%		5,689	5,652	5,667	(6)
				5,652	**5,667**	
Uniti Group LP		Specialized REITs				
First Lien Term Loan, LIBOR+5.00% cash due 10/24/2022	7.04%		8,403	8,264	8,213	(6)(11)
				8,264	**8,213**	
UOS, LLC		Trading companies & distributors				
First Lien Term Loan, LIBOR+5.50% cash due 4/18/2023	7.54%		10,242	10,357	10,370	(6)
				10,357	**10,370**	
Veritas US Inc.		Application software				
First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	6.60%		34,200	34,468	32,413	(6)
				34,468	**32,413**	
Verscend Holding Corp.		Healthcare technology				
First Lien Term Loan, LIBOR+4.50% cash due 8/27/2025	6.54%		24,750	24,633	24,879	(6)
Fixed Rate Bond, 9.75% cash due 8/15/2026			12,000	12,022	12,823	
				36,655	**37,702**	
Vertex Aerospace Services Corp.		Aerospace & defense				
First Lien Term Loan, LIBOR+4.50% cash due 6/29/2025	6.54%		15,800	15,735	15,869	(6)
				15,735	**15,869**	
Vitalyst Holdings, Inc.		IT consulting & other services				
675 Series A Preferred Stock Units				675	440	(20)
7,500 Class A Common Stock Units				75	—	(20)
				750	**440**	
Windstream Services, LLC		Integrated telecommunication services				
Fixed Rate Bond, 8.63% cash due 10/31/2025			5,000	4,863	5,113	(11)
				4,863	**5,113**	
WP CPP Holdings, LLC		Aerospace & defense				
Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	10.01%		15,000	14,874	14,937	(6)
				14,874	**14,937**	
xMatters, Inc.		Application software				
600,000 Common Stock Warrants (exercise price $0.593333) expiration date 2/26/2025				709	273	(20)
				709	**273**	
Yeti Holdings, Inc.		Leisure products				
537,629 Shares Yeti Holdings, Inc. Common Stock				—	15,054	
				—	**15,054**	
Zep Inc.		Specialty chemicals				
Second Lien Term Loan, LIBOR+8.25% cash due 8/11/2025	10.35%		30,000	29,889	21,950	(6)(20)
First Lien Term Loan, LIBOR+4.00% cash due 8/12/2024	6.04%		1,975	1,899	1,564	(6)
				31,788	**23,514**	
Zephyr Bidco Limited		Specialized finance				
Second Lien Term Loan, UK LIBOR+7.50% cash due 7/23/2026	8.21%		£ 18,000	23,632	22,006	(6)(11)
				23,632	**22,006**	

Oaktree Specialty Lending Corporation

Consolidated Schedule of Investments
September 30, 2019
(dollar amounts in thousands)

Portfolio Company/Type of Investment (1)(2)(3)(4)(5)	Cash Interest Rate (6)	Industry	Principal (7)	Cost		Fair Value		Notes
Total Non-Control/Non-Affiliate Investments (131.1% of net assets)				**$**	**1,280,310**	**$**	**1,219,694**	
Total Portfolio Investments (154.5% of net assets)				**$**	**1,513,014**	**$**	**1,438,042**	
Cash and Cash Equivalents								
JP Morgan Prime Money Market Fund, Institutional Shares				$	9,611	$	9,611	
Other cash accounts					5,795		5,795	
Total Cash and Cash Equivalents (1.7% of net assets)				**$**	**15,406**	**$**	**15,406**	
Total Portfolio Investments and Cash and Cash Equivalents (156.2% of net assets)				**$**	**1,528,420**	**$**	**1,453,448**	

Derivative Instrument	Notional Amount to be Purchased		Notional Amount to be Sold		Maturity Date	Counterparty	Cumulative Unrealized Appreciation /(Depreciation)	
Foreign currency forward contract	$	22,161	£	17,910	10/15/2019	JPMorgan Chase Bank, N.A.	$	76
Foreign currency forward contract	$	19,193	€	17,150	11/29/2019	JPMorgan Chase Bank, N.A.		414
							$	**490**

(1) All debt investments are income producing unless otherwise noted. All equity investments are non-income producing unless otherwise noted.

(2) See Note 3 in the accompanying notes to the Consolidated Financial Statements for portfolio composition by geographic region.

(3) Equity ownership may be held in shares or units of companies related to the portfolio companies.

(4) Interest rates may be adjusted from period to period on certain term loans and revolvers. These rate adjustments may be either temporary in nature due to tier pricing arrangements or financial or payment covenant violations in the original credit agreements or permanent in nature per loan amendment or waiver documents.

(5) With the exception of investments held by the Company’s wholly-owned subsidiaries that each formerly held a license from the SBA to operate as an SBIC, each of the Company's investments is pledged as collateral under the Credit Facility (as defined in Note 6 to the accompanying notes to the Consolidated Financial Statements).

(6) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All LIBOR shown above is in U.S. dollars unless otherwise noted. As of September 30, 2019, the reference rates for the Company's variable rate loans were the 30-day LIBOR at 2.04%, the 60-day LIBOR at 2.09%, the 90-day LIBOR at 2.10%, the 180-day LIBOR at 2.06%, the PRIME at 5.00%, the 30-day UK LIBOR at 0.71% and the 30-day EURIBOR at (0.51)%. Most loans include an interest floor, which generally ranges from 0% to 1%.

(7) Principal includes accumulated PIK interest and is net of repayments, if any. “£” signifies the investment is denominated in British Pounds. "€" signifies the investment is denominated in Euros. All other investments are denominated in U.S. dollars.

(8) Control Investments generally are defined by the Investment Company Act, as investments in companies in which the Company owns more than 25% of the voting securities or maintains greater than 50% of the board representation.

(9) As defined in the Investment Company Act, the Company is deemed to be both an "Affiliated Person" of and to "Control" this portfolio company as the Company owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company (including through a management agreement). See Schedule 12-14 in the Company's annual report on Form 10-K for the year ended September 30, 2019 for transactions in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to control.

(10) First Star Speir Aviation 1 Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with ASU 2013-08, the Company has deemed the holding company to be an investment company under GAAP and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the wholly-owned holding company are disregarded for accounting purposes since the economic substance of these instruments are equity investments in the operating entities.

(11) Investment is not a "qualifying asset" as defined under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of September 30, 2019, qualifying assets represented 75.0% of the Company's total assets and non-qualifying assets represented 25.0% of the Company's total assets.

(12) Income producing through payment of dividends or distributions.

(13) PIK interest income for this investment accrues at an annualized rate of 15%, however, the PIK interest is not contractually capitalized on the investment. As a result, the principal amount of the investment does not increase over time for accumulated PIK interest. As of September 30, 2019, the accumulated PIK interest balance for each of the A notes and the B notes was $1.8 million. The fair value of this investment is inclusive of PIK.

(14) See Note 3 in the accompanying notes to the Consolidated Financial Statements for portfolio composition.

(15) On December 28, 2018, the mezzanine notes issued by SLF Repack Issuer 2016, LLC, a wholly-owned, special purpose issuer subsidiary of Senior Loan Fund JV I, LLC ("SLF JV I"), were redeemed and the Company purchased subordinated notes and LLC equity interests issued by SLF JV I. Prior to December 28, 2018, the mezzanine notes issued by SLF Repack Issuer 2016, LLC consisted of Class A mezzanine secured deferrable floating rate notes and Class B mezzanine secured deferrable fixed rate notes.

(16) This investment was valued using net asset value as a practical expedient for fair value. Consistent with ASC 820, these investments are excluded from the hierarchical levels.

(17) Affiliate Investments generally are defined by the Investment Company Act as investments in companies in which the Company owns between 5% and 25% of the voting securities.

(18) Non-Control/Non-Affiliate Investments are investments that are neither Control Investments nor Affiliate Investments.

(19) Investment has undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.

(20) As of September 30, 2019, these investments were categorized as Level 3 within the fair value hierarchy established by ASC 820.

(21) This investment was on cash non-accrual status as of September 30, 2019. Cash non-accrual status is inclusive of PIK and other non-cash income, where applicable.

(22) This investment was on PIK non-accrual status as of September 30, 2019. PIK non-accrual status is inclusive of other non-cash income, where applicable.

(23) Payments on this investment were past due as of September 30, 2019.

See notes to Consolidated Financial Statements.

Note 1. Organization

Oaktree Specialty Lending Corporation (together with its consolidated subsidiaries, the "Company") is a specialty finance company that looks to provide customized, one-stop credit solutions to companies with limited access to public or syndicated capital markets. The Company was formed in late 2007 and operates as a closed-end, externally managed, non-diversified management investment company that has elected to be regulated as a Business Development Company under the Investment Company Act. The Company has qualified and elected to be treated as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code"), for tax purposes.

The Company seeks to generate current income and capital appreciation by providing companies with flexible and innovative financing solutions, including first and second lien loans, unsecured and mezzanine loans, bonds, preferred equity and certain equity co-investments. The Company may also seek to generate capital appreciation and income through secondary investments at discounts to par in either private or syndicated transactions.

The Company is externally managed by Oaktree Capital Management, L.P. (“Oaktree”), a subsidiary of Oaktree Capital Group, LLC (“OCG”), pursuant to an investment advisory agreement between the Company and Oaktree, as amended from time to time (the “Investment Advisory Agreement”). Oaktree Fund Administration, LLC (“Oaktree Administrator”), a subsidiary of Oaktree, provides certain administrative and other services necessary for the Company to operate pursuant to an administration agreement between the Company and Oaktree Administrator, as amended from time to time (the “Administration Agreement”). See Note 11. In 2019, Brookfield Asset Management Inc. ("Brookfield") acquired a majority economic interest in OCG. OCG operates as an independent business within Brookfield, with its own product offerings and investment, marketing and support teams.

Note 2. Significant Accounting Policies

Basis of Presentation:

The Consolidated Financial Statements of the Company have been prepared in accordance with GAAP and pursuant to the requirements for reporting on Form 10-Q and Regulation S-X. In the opinion of management, all adjustments of a normal recurring nature considered necessary for the fair presentation of the Consolidated Financial Statements have been made. All intercompany balances and transactions have been eliminated. Certain prior-period financial information has been reclassified to conform to current period presentation. The Company is an investment company following the accounting and reporting guidance in ASC Topic 946, *Financial Services - Investment Companies* ("ASC 946").

Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires management to make certain estimates and assumptions affecting amounts reported in the financial statements and accompanying notes. These estimates are based on the information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Changes in the economic and political environments, financial markets and any other parameters used in determining these estimates could cause actual results to differ and such differences could be material. Significant estimates include the valuation of investments and revenue recognition.

Consolidation:

The accompanying Consolidated Financial Statements include the accounts of Oaktree Specialty Lending Corporation and its consolidated subsidiaries. Each consolidated subsidiary is wholly-owned and, as such, consolidated into the Consolidated Financial Statements. Certain subsidiaries that hold investments are treated as pass through entities for tax purposes. The assets of certain of the consolidated subsidiaries are not directly available to satisfy the claims of the creditors of Oaktree Specialty Lending Corporation or any of its other subsidiaries. As of December 31, 2019, the consolidated subsidiaries were Fifth Street Fund of Funds LLC ("Fund of Funds"), Fifth Street Mezzanine Partners IV, L.P. ("FSMP IV"), Fifth Street Mezzanine Partners V, L.P. ("FSMP V" and together with FSMP IV, the "Excluded Subsidiaries"), FSMP IV GP, LLC, FSMP V GP, LLC, OCSL SRNE, LLC, OCSL AB Blocker, LLC and FSFC Holdings, Inc. ("Holdings"). In addition, the Company consolidates various holding companies held in connection with its equity investments in certain portfolio investments.

As an investment company, portfolio investments held by the Company are not consolidated into the Consolidated Financial Statements but rather are included on the Statements of Assets and Liabilities as investments at fair value.

Fair Value Measurements:

The Company values its investments in accordance with ASC 820, which defines fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. ASC 820 prioritizes the use of observable market prices over entity-specific inputs. Where observable prices or inputs are not available or reliable, valuation techniques are applied. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the investments or market and the investments' complexity.

Hierarchical levels, defined by ASC 820 and directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

- Level 1 — Unadjusted, quoted prices in active markets for identical assets or liabilities as of the measurement date.
- Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data at the measurement date for substantially the full term of the assets or liabilities.
- Level 3 — Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

If inputs used to measure fair value fall into different levels of the fair value hierarchy, an investment's level is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. This includes investment securities that are valued using "bid" and "ask" prices obtained from independent third party pricing services or directly from brokers. These investments may be classified as Level 3 because the quoted prices may be indicative in nature for securities that are in an inactive market, may be for similar securities or may require adjustments for investment-specific factors or restrictions.

Financial instruments with readily available quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment inherent in measuring fair value. As such, Oaktree obtains and analyzes readily available market quotations provided by pricing vendors and brokers for all of the Company's investments for which quotations are available. In determining the fair value of a particular investment, pricing vendors and brokers use observable market information, including both binding and non-binding indicative quotations.

The Company seeks to obtain at least two quotations for the subject or similar securities, typically from pricing vendors. If the Company is unable to obtain two quotes from pricing vendors, or if the prices obtained from pricing vendors are not within the Company's set threshold, the Company seeks to obtain a quote directly from a broker making a market for the asset. Oaktree evaluates the quotations provided by pricing vendors and brokers based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. Oaktree also performs back-testing of valuation information obtained from pricing vendors and brokers against actual prices received in transactions. In addition to ongoing monitoring and back-testing, Oaktree performs due diligence procedures over pricing vendors to understand their methodology and controls to support their use in the valuation process. Generally, the Company does not adjust any of the prices received from these sources.

If the quotations obtained from pricing vendors or brokers are determined to not be reliable or are not readily available, the Company values such investments using any of three different valuation techniques. The first valuation technique is the transaction precedent technique, which utilizes recent or expected future transactions of the investment to determine fair value, to the extent applicable. The second valuation technique is an analysis of the enterprise value ("EV") of the portfolio company. EV means the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time. The EV analysis is typically performed to determine (i) the value of equity investments, (ii) whether there is credit impairment for debt investments and (iii) the value for debt investments that the Company is deemed to control under the Investment Company Act. To estimate the EV of a portfolio company, Oaktree analyzes various factors, including the portfolio company’s historical and projected financial results, macroeconomic impacts on the company, and competitive dynamics in the company’s industry. Oaktree also utilizes some or all of the following information based on the individual circumstances of the portfolio company: (i) valuations of comparable public companies, (ii) recent sales of private and public comparable companies in similar industries or having similar business or earnings characteristics, (iii) purchase prices as a multiple of their earnings or cash flow, (iv) the portfolio company’s ability to meet its forecasts and its business prospects, (v) a discounted cash flow analysis, (vi) estimated liquidation or collateral value of the portfolio company's assets and (vii) offers from third parties to buy the portfolio company. The Company may probability weight potential sale outcomes with respect to a portfolio company when uncertainty exists as of the valuation date. The third valuation technique is a market yield technique, which is typically performed for non-credit impaired debt investments. In the market yield technique, a current price is imputed for the investment based upon an assessment of the expected market yield for a similarly structured investment with a similar level of risk, and the Company considers the current contractual interest rate, the capital structure and other terms of the investment relative to risk of the company and the specific investment. A key determinant of risk, among other things, is the leverage through the investment relative to the EV of the portfolio company. As debt investments held by the Company are substantially illiquid with no active transaction market, the Company depends on primary market data, including newly funded transactions and industry specific market movements, as well as secondary market data with respect to high yield debt instruments and syndicated loans, as inputs in determining the appropriate market yield, as applicable.

In accordance with ASC 820-10, certain investments that qualify as investment companies in accordance with ASC 946 may be valued using net asset value as a practical expedient for fair value. Consistent with FASB guidance under ASC 820, these investments are excluded from the hierarchical levels. These investments are generally not redeemable.

The Company estimates the fair value of privately held warrants using a Black Scholes pricing model, which includes an analysis of various factors and subjective assumptions, including the current stock price (by using an EV analysis as described above), the expected period until exercise, expected volatility of the underlying stock price, expected dividends and the risk free rate. Changes in the subjective input assumptions can materially affect the fair value estimates.

The Company's Board of Directors undertakes a multi-step valuation process each quarter in connection with determining the fair value of the Company's investments:

- The quarterly valuation process begins with each portfolio company or investment being initially valued by Oaktree's valuation team in conjunction with Oaktree's portfolio management team and investment professionals responsible for each portfolio investment;
- Preliminary valuations are then reviewed and discussed with management of Oaktree;
- Separately, independent valuation firms engaged by the Board of Directors prepare valuations of the Company's investments, on a selected basis, for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment, and submit the reports to the Company and provide such reports to Oaktree and the Audit Committee of the Board of Directors;
- Oaktree compares and contrasts its preliminary valuations to the valuations of the independent valuation firms and prepares a valuation report for the Audit Committee;
- The Audit Committee reviews the preliminary valuations with Oaktree, and Oaktree responds and supplements the preliminary valuations to reflect any discussions between Oaktree and the Audit Committee;
- The Audit Committee makes a recommendation to the full Board of Directors regarding the fair value of the investments in the Company's portfolio; and
- The Board of Directors discusses valuations and determines the fair value of each investment in the Company's portfolio.

The fair value of the Company's investments as of December 31, 2019 and September 30, 2019 was determined in good faith by the Board of Directors. The Board of Directors has and will continue to engage independent valuation firms to provide assistance regarding the determination of the fair value of a portion of the Company's portfolio securities for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment each quarter, and the Board of Directors may reasonably rely on that assistance. However, the Board of Directors is responsible for the ultimate valuation of the portfolio investments at fair value as determined in good faith pursuant to the Company's valuation policy and a consistently applied valuation process.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company’s investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been reported had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

With the exception of the line items entitled "deferred financing costs," "deferred offering costs," "other assets," "deferred tax liability," "credit facility payable" and "unsecured notes payable," which are reported at amortized cost, all assets and liabilities approximate fair value on the Consolidated Statements of Assets and Liabilities. The carrying value of the line items titled "interest, dividends and fees receivable," "due from portfolio companies," "receivables from unsettled transactions," "accounts payable, accrued expenses and other liabilities," "base management fee and incentive fee payable," "due to affiliate," "interest payable," "payable to syndication partners" and "payables from unsettled transactions" approximate fair value due to their short maturities.

Foreign Currency Translation:

The accounting records of the Company are maintained in U.S. dollars. All assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the prevailing foreign exchange rate on the reporting date. The Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. The Company’s investments in foreign securities may involve certain risks, including foreign exchange restrictions, expropriation, taxation or other political, social or economic risks, all of which could affect the market and/or credit risk of the investment. In addition, changes in the relationship of foreign currencies to the U.S. dollar can significantly affect the value of these investments and therefore the earnings of the Company.

Derivative Instruments:

The Company does not utilize hedge accounting and as such values its derivative instruments at fair value with the unrealized gains or losses recorded in “net unrealized appreciation (depreciation)” in the Company’s Consolidated Statements of Operations.

Investment Income:

Interest Income

Interest income, adjusted for accretion of original issue discount ("OID"), is recorded on an accrual basis to the extent that such amounts are expected to be collected. The Company stops accruing interest on investments when it is determined that interest is no longer collectible. Investments that are expected to pay regularly scheduled interest in cash are generally placed on non-accrual status when there is reasonable doubt that principal or interest cash payments will be collected. Cash interest payments received on investments may be recognized as income or a return of capital depending upon management’s judgment. A non-accrual investment is restored to accrual status if past due principal and interest are paid in cash and the portfolio company, in management’s judgment, is likely to continue timely payment of its remaining obligations.

In connection with its investment in a portfolio company, the Company sometimes receives nominal cost equity that is valued as part of the negotiation process with the portfolio company. When the Company receives nominal cost equity, the Company allocates its cost basis in the investment between debt securities and the nominal cost equity at the time of origination. Any resulting discount from recording the loan, or otherwise purchasing a security at a discount, is accreted into interest income over the life of the loan.

For the Company's secured borrowings, the interest earned on the entire loan balance is recorded within interest income and the interest earned by the buyer from the partial loan sales is recorded within interest expense in the Consolidated Statements of Operations.

PIK Interest Income

The Company's investments in debt securities may contain PIK interest provisions. PIK interest, which generally represents contractually deferred interest added to the loan balance that is generally due at the end of the loan term, is generally recorded on the accrual basis to the extent such amounts are expected to be collected. The Company generally ceases accruing PIK interest if there is insufficient value to support the accrual or if the Company does not expect the portfolio company to be able to pay all principal and interest due. The Company's decision to cease accruing PIK interest on a loan or debt security involves subjective judgments and determinations based on available information about a particular portfolio company, including whether the portfolio company is current with respect to its payment of principal and interest on its loans and debt securities; financial statements and financial projections for the portfolio company; the Company's assessment of the portfolio company's business development success; information obtained by the Company in connection with periodic formal update interviews with the portfolio company's management and, if appropriate, the private equity sponsor; and information about the general economic and market conditions in which the portfolio company operates. The Company's determination to cease accruing PIK interest is generally made well before the Company's full write-down of a loan or debt security. In addition, if it is subsequently determined that the Company will not be able to collect any previously accrued PIK interest, the fair value of the loans or debt securities would be reduced by the amount of such previously accrued, but uncollectible, PIK interest. The accrual of PIK interest on the Company’s debt investments increases the recorded cost bases of these investments in the Consolidated Financial Statements including for purposes of computing the capital gains incentive fee payable by the Company to Oaktree. To maintain its status as a RIC, certain income from PIK interest may be required to be distributed to the Company’s stockholders, even though the Company has not yet collected the cash and may never do so.

Fee Income

Oaktree may provide financial advisory services to portfolio companies and, in return, the Company may receive fees for capital structuring services. These fees are generally nonrecurring and are recognized by the Company upon the investment closing date. The Company may also receive additional fees in the ordinary course of business, including servicing, amendment and prepayment fees, which are classified as fee income and recognized as they are earned or the services are rendered.

The Company has also structured exit fees across certain of its portfolio investments to be received upon the future exit of those investments. These fees are typically paid to the Company upon the earliest to occur of (i) a sale of the borrower or substantially all of the assets of the borrower, (ii) the maturity date of the loan or (iii) the date when full prepayment of the loan occurs. The receipt of such fees is contingent upon the occurrence of one of the events listed above for each of the investments. These fees are included in net investment income over the life of the loan.

Dividend Income

The Company generally recognizes dividend income on the ex-dividend date. Distributions received from equity investments are evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions from equity investments as dividend income unless there are sufficient earnings at the portfolio company prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

Cash and Cash Equivalents and Restricted Cash:

Cash and cash equivalents and restricted cash consist of demand deposits and highly liquid investments with maturities of three months or less when acquired. The Company places its cash and cash equivalents and restricted cash with financial institutions and, at times, cash held in bank accounts may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limit. Cash and cash equivalents and restricted cash are included on the Company's Consolidated Schedule of Investments and cash equivalents are classified as Level 1 assets.

Due from Portfolio Companies:

Due from portfolio companies consists of amounts payable to the Company from its portfolio companies, including proceeds from the sale of portfolio companies not yet received or being held in escrow, and excluding those amounts attributable to interest, dividends or fees receivable. These amounts are recognized as they become payable to the Company (*e.g.*, principal payments on the scheduled amortization payment date).

Receivables/Payables from Unsettled Transactions:

Receivables/payables from unsettled transactions consist of amounts receivable to or payable by the Company for transactions that have not settled at the reporting date.

Deferred Financing Costs:

Deferred financing costs consist of fees and expenses paid in connection with the closing or amending of credit facilities and debt offerings. Deferred financing costs in connection with credit facilities are capitalized as an asset when incurred. Deferred financing costs in connection with all other debt arrangements are a direct deduction from the related debt liability when incurred. Deferred financing costs are amortized using the effective interest method over the term of the respective debt arrangement. This amortization expense is included in interest expense in the Company's Consolidated Statements of Operations. Upon early termination or modification of a credit facility, all or a portion of unamortized fees related to such facility may be accelerated into interest expense.

Deferred Offering Costs:

Legal fees and other costs incurred in connection with the Company’s shelf registration statement are capitalized as deferred offering costs in the Consolidated Statements of Assets and Liabilities. To the extent any such costs relate to equity offerings, these costs are charged as a reduction of capital upon utilization. To the extent any such costs relate to debt offerings, these costs are treated as deferred financing costs and are amortized over the term of the respective debt arrangement. Any deferred offering costs that remain at the expiration of the shelf registration statement or when it becomes probable that an offering will not be completed are expensed.

Payables to Syndication Partners:

The Company acts as administrative agent for certain loans it originates and then syndicates. As administrative agent, the Company receives interest, principal and/or other payments from borrowers that are redistributed to syndication partners. If not redistributed by the reporting date, a payable is recorded to syndication partners on the Consolidated Statements of Assets and Liabilities.

Income Taxes:

The Company has elected to be subject to tax as a RIC under Subchapter M of the Code and operates in a manner so as to qualify for the tax treatment applicable to RICs. In order to be subject to tax as a RIC, among other things, the Company is required to meet certain source of income and asset diversification requirements and timely distribute dividends to its stockholders of an amount generally at least equal to 90% of investment company taxable income, as defined by the Code and determined without regard to any deduction for dividends paid, for each taxable year. As a RIC, the Company is not subject to federal income tax on the portion of its taxable income and gains distributed currently to stockholders as a dividend. Depending on the level of taxable income earned during a taxable year, the Company may choose to retain taxable income in excess of current year dividend distributions and would distribute such taxable income in the next taxable year. The Company would then incur a 4% excise tax on such income, as required. To the extent that the Company determines that its estimated current year annual taxable income, determined on a calendar year basis, could exceed estimated current calendar year dividend distributions, the Company accrues excise tax, if any, on estimated excess taxable income as taxable income is earned. The Company anticipates timely distribution of its taxable income within the tax rules under Subchapter M of the Code. The Company did not incur a U.S. federal excise tax for calendar years 2018 and 2019.

The Company holds certain portfolio investments through taxable subsidiaries, including Fund of Funds and Holdings. The purpose of the Company's taxable subsidiaries is to permit the Company to hold equity investments in portfolio companies which are "pass through" entities for U.S. federal income tax purposes in order to comply with the RIC tax requirements. The taxable subsidiaries are consolidated for financial reporting purposes, and portfolio investments held by them are included in the Company's Consolidated Financial Statements as portfolio investments and recorded at fair value. The taxable subsidiaries are not consolidated with the Company for U.S. federal income tax purposes and may generate income tax expense, or benefit, and the related tax assets and liabilities, as a result of their ownership of certain portfolio investments. This income tax expense, if any, would be reflected in the Company's Consolidated Statements of Operations. The Company uses the liability method to account for its taxable subsidiaries' income taxes. Using this method, the Company recognizes deferred tax assets and liabilities for the estimated future tax effects attributable to temporary differences between financial reporting and tax bases of assets and liabilities. In addition, the Company recognizes deferred tax benefits associated with net operating loss carry forwards that it may use to offset future tax obligations. The Company measures deferred tax assets and liabilities using the enacted tax rates expected to apply to taxable income in the years in which it expects to recover or settle those temporary differences.

FASB ASC Topic 740, *Accounting for Uncertainty in Income Taxes* ("ASC 740"), provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the Company's Consolidated Financial Statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are recorded as a tax benefit or expense in the current year. Management's determinations regarding ASC 740 may be subject to review and adjustment at a later date based upon factors including an ongoing analysis of tax laws, regulations and interpretations thereof. The Company recognizes the tax benefits of uncertain tax positions only where the position is "more-likely-than-not" to be sustained assuming examination by tax authorities. Management has analyzed the Company's tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years 2016, 2017 or 2018. The Company identifies its major tax jurisdictions as U.S. Federal and California, and the Company is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

Recent Accounting Pronouncements:

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which changes the fair value disclosure requirements. The new guidance includes new, eliminated and modified fair value disclosures. Among other requirements, the guidance requires disclosure of the range and weighted average of the significant unobservable inputs for Level 3 fair value measurements and the way it is calculated. The guidance also eliminated the following disclosures: (i) amount and reason for transfers between Level 1 and Level 2, (ii) policy for timing of transfers between levels of the fair value hierarchy and (iii) valuation processes for Level 3 fair value measurement. The guidance is effective for all entities for interim and annual periods beginning after December 15, 2019. Early adoption is permitted upon issuance of the guidance. The Company has elected to early adopt ASU 2018-13 in the current interim period. No significant changes were made to the Company's fair value disclosures in the Consolidated Financial Statements in order to comply with ASU 2018-13.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Note 3. Portfolio Investments

As of December 31, 2019, 157.6% of net assets at fair value, or $1.5 billion, was invested in 106 portfolio companies, including the Company's investment in subordinated notes and limited liability company ("LLC") equity interests in SLF JV I, which had a fair value of $96.3 million and $32.2 million, respectively. As of December 31, 2019, 2.3% of net assets at fair value, or $21.5 million, was invested in cash and cash equivalents. In comparison, as of September 30, 2019, 154.5% of net assets at fair value, or $1.4 billion, was invested in 104 portfolio investments, including the Company's investment in subordinated notes and LLC equity interests in SLF JV I, which had a fair value of $96.3 million and $30.1 million, respectively, and 1.7% of net assets at fair value, or $15.4 million, was invested in cash and cash equivalents. As of December 31, 2019, 79.5% of the Company's portfolio at fair value consisted of senior secured debt investments and 11.4% consisted of subordinated notes, including debt investments in SLF JV I. As of September 30, 2019, 78.6% of the Company's portfolio at fair value consisted of senior secured debt investments and 12.3% consisted of subordinated notes, including debt investments in SLF JV I.

The Company also held equity investments in certain of its portfolio companies consisting of common stock, preferred stock, warrants, limited partnership interests or LLC equity interests. These instruments generally do not produce a current return but are held for potential investment appreciation and capital gain.

During the three months ended December 31, 2019 and 2018, the Company recorded net realized gains (losses) of $3.3 million and $18.0 million, respectively. During the three months ended December 31, 2019 and 2018, the Company recorded net unrealized appreciation (depreciation) of $2.9 million and $(7.0) million, respectively.

The composition of the Company's investments as of December 31, 2019 and September 30, 2019 at cost and fair value was as follows:

	December 31, 2019		September 30, 2019	
	Cost	Fair Value	Cost	Fair Value
Investments in debt securities	$ 1,299,156	$ 1,238,354	$ 1,274,367	$ 1,212,174
Investments in equity securities	93,530	100,800	93,075	99,566
Debt investments in SLF JV I	96,250	96,250	96,250	96,250
Equity investment in SLF JV I	49,322	32,223	49,322	30,052
Total	**$ 1,538,258**	**$ 1,467,627**	**$ 1,513,014**	**$ 1,438,042**

The following table presents the composition of the Company's debt investments as of December 31, 2019 and September 30, 2019 at fixed rates and floating rates:

	December 31, 2019		September 30, 2019	
	Fair Value	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Fixed rate debt securities, including debt investments in SLF JV I	$ 125,672	9.42%	$ 132,965	10.16%
Floating rate debt securities, including debt investments in SLF JV I	1,208,932	90.58	1,175,459	89.84
Total	**$ 1,334,604**	**100.00%**	**$ 1,308,424**	**100.00%**

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

The following table presents the financial instruments carried at fair value as of December 31, 2019 on the Company's Consolidated Statement of Assets and Liabilities for each of the three levels of hierarchy established by ASC 820:

	Level 1	Level 2	Level 3	Measured at Net Asset Value (a)	Total
Investments in debt securities (senior secured)	$ —	$ 469,624	$ 697,632	$ —	$ 1,167,256
Investments in debt securities (subordinated, including debt investments in SLF JV I)	—	59,000	108,348	—	167,348
Investments in equity securities (preferred)	—	—	38,909	—	38,909
Investments in equity securities (common and warrants, including LLC equity interests of SLF JV I)	14,533	—	44,645	34,936	94,114
Total investments at fair value	**14,533**	**528,624**	**889,534**	**34,936**	**1,467,627**
Cash equivalents	16,018	—	—	—	16,018
Total assets at fair value	**$ 30,551**	**$ 528,624**	**$ 889,534**	**$ 34,936**	**$ 1,483,645**
Derivative liability	$ —	$ 972	$ —	$ —	$ 972
Total liabilities at fair value	**$ —**	**$ 972**	**$ —**	**$ —**	**$ 972**

(a) In accordance with ASC 820-10, certain investments that are measured using the net asset value per share (or its equivalent) as a practical expedient for fair value have not been classified in the fair value hierarchy. These investments are generally not redeemable. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Statements of Assets and Liabilities.

The following table presents the financial instruments carried at fair value as of September 30, 2019 on the Company's Consolidated Statement of Assets and Liabilities for each of the three levels of hierarchy established by ASC 820:

	Level 1	Level 2	Level 3	Measured at Net Asset Value (a)	Total
Investments in debt securities (senior secured)	$ —	$ 477,542	$ 653,334	$ —	$ 1,130,876
Investments in debt securities (subordinated, including debt investments in SLF JV I)	—	67,239	110,309	—	177,548
Investments in equity securities (preferred)	—	—	40,578	—	40,578
Investments in equity securities (common and warrants, including LLC equity interests of SLF JV I)	15,054	—	41,006	32,980	89,040
Total investments at fair value	**$ 15,054**	**$ 544,781**	**$ 845,227**	**$ 32,980**	**$ 1,438,042**
Cash equivalents	$ 9,611	$ —	$ —	$ —	$ 9,611
Derivative assets	—	490	—	—	490
Total assets at fair value	**$ 24,665**	**$ 545,271**	**$ 845,227**	**$ 32,980**	**$ 1,448,143**

(a) In accordance with ASC 820-10, certain investments that are measured using the net asset value per share (or its equivalent) as a practical expedient for fair value have not been classified in the fair value hierarchy. These investments are generally not redeemable. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Statements of Assets and Liabilities.

When a determination is made to classify a financial instrument within Level 3 of the valuation hierarchy, the determination is based upon the fact that the unobservable factors are significant to the overall fair value measurement. However, Level 3 financial instruments typically have both unobservable or Level 3 components and observable components (i.e. components that are actively quoted and can be validated by external sources). Accordingly, the appreciation (depreciation) in the tables below includes changes in fair value due in part to observable factors that are part of the valuation methodology. Transfers between levels are recognized at the beginning of the reporting period.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

The following table provides a roll-forward in the changes in fair value from September 30, 2019 to December 31, 2019 for all investments for which the Company determined fair value using unobservable (Level 3) factors:

	Investments				
	Senior Secured Debt	**Subordinated Debt (including debt investments in SLF JV I)**	**Preferred Equity**	**Common Equity and Warrants**	**Total**
Fair value as of September 30, 2019	$ 653,334	$ 110,309	$ 40,578	$ 41,006	$ 845,227
Purchases	96,395	959	—	1,328	98,682
Sales and repayments	(73,292)	(365)	(1,388)	(39)	(75,084)
Transfers in (a)	33,252	—	—	—	33,252
Transfers out (a)	(15,000)	—	—	—	(15,000)
PIK interest income	1,119	—	—	—	1,119
Accretion of OID	1,421	305	—	—	1,726
Net unrealized appreciation (depreciation)	469	(2,860)	(1,076)	2,311	(1,156)
Net realized gains (losses)	(66)	—	795	39	768
Fair value as of December 31, 2019	**$ 697,632**	**$ 108,348**	**$ 38,909**	**$ 44,645**	**$ 889,534**
Net unrealized appreciation (depreciation) relating to Level 3 investments still held as of December 31, 2019 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the three months ended December 31, 2019	$ 1,313	$ (2,860)	$ (174)	$ 2,311	$ 590

(a) There were transfers into/out of Level 3 from/to Level 2 for certain investments during the three months ended December 31, 2019 as a result of a change in the number of market quotes available and/or a change in market liquidity.

The following table provides a roll-forward in the changes in fair value from September 30, 2018 to December 31, 2018 for all investments and secured borrowings for which the Company determined fair value using unobservable (Level 3) factors:

	Investments					Liabilities
	Senior Secured Debt	**Subordinated Debt (including debt investments in SLF JV I)**	**Preferred Equity**	**Common Equity and Warrants**	**Total**	**Secured Borrowings**
Fair value as of September 30, 2018	$ 638,971	$ 158,859	$ 4,918	$ 61,134	$ 863,882	$ 9,728
Purchases	89,999	533	—	2,514	93,046	—
Sales and repayments	(33,022)	(15,749)	—	(21,291)	(70,062)	(445)
Transfers in (a)	3,222	—	—	—	3,222	—
Transfers out (b)	—	(33,150)	—	(12,073)	(45,223)	—
PIK interest income	645	95	—	—	740	—
Accretion of OID	6,594	370	—	—	6,964	—
Net unrealized appreciation (depreciation)	35,541	8,995	565	(11,463)	33,638	19
Net realized gains (losses)	(578)	—	(495)	15,286	14,213	—
Fair value as of December 31, 2018	**$ 741,372**	**$ 119,953**	**$ 4,988**	**$ 34,107**	**$ 900,420**	**$ 9,302**
Net unrealized appreciation (depreciation) relating to Level 3 assets & liabilities still held as of December 31, 2018 and reported within net unrealized appreciation (depreciation) in the Consolidated Statement of Operations for the three months ended December 31, 2018	$ 35,508	$ 8,995	$ 70	$ 857	$ 45,430	$ 19

(a) There were transfers into Level 3 from Level 2 for certain investments during the three months ended December 31, 2018 as a result of a decreased number of market quotes available and/or decreased market liquidity.

(b) There was one transfer from Level 3 to Level 1 during the three months ended December 31, 2018 as a result of an initial public offering of a portfolio company. There was one transfer out of Level 3 during the three months ended December 31, 2018 as a result of an investment restructuring in which debt investments were exchanged for equity investments that are valued using net asset value as a practical expedient.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Significant Unobservable Inputs for Level 3 Investments

The following table provides quantitative information related to the significant unobservable inputs for Level 3 investments, which are carried at fair value, as of December 31, 2019:

Asset		Fair Value	Valuation Technique	Unobservable Input		Range			Weighted Average (a)
Senior Secured Debt	$	268,558	Market Yield	Market Yield	**(b)**	6.7%	-	18.0%	12.0%
		63,446	Enterprise Value	EBITDA Multiple	**(c)**	1.8x	-	8.0x	7.2x
		11,510	Enterprise Value	Asset Multiple	**(c)**	0.9x	-	1.1x	1.0x
		54,702	Transactions Precedent	Transaction Price	**(d)**	N/A	-	N/A	N/A
		299,416	Broker Quotations	Broker Quoted Price	**(e)**	N/A	-	N/A	N/A
Subordinated Debt		11,637	Market Yield	Market Yield	**(b)**	13.0%	-	15.0%	14.0%
		461	Enterprise Value	EBITDA Multiple	**(c)**	8.0x	-	9.0x	9.0x
SLF JV I Debt Investments		96,250	Enterprise Value	N/A	**(f)**	N/A	-	N/A	N/A
Preferred & Common Equity		17,013	Enterprise Value	Revenue Multiple	**(c)**	0.8x	-	8.2x	3.1x
		54,548	Enterprise Value	EBITDA Multiple	**(c)**	1.8x	-	17.0x	6.9x
		4,456	Enterprise Value	Asset Multiple	**(c)**	0.9x	-	1.1x	1.0x
		7,537	Transactions Precedent	Transaction Price	**(d)**	N/A	-	N/A	N/A
Total	**$**	**889,534**							

(a) Weighted averages are calculated based on fair value of investments.
(b) Used when market participants would take into account market yield when pricing the investment.
(c) Used when market participants would use such multiples when pricing the investment.
(d) Used when there is an observable transaction or pending event for the investment.
(e) The Company generally uses prices provided by an independent pricing service which are non-binding indicative prices on or near the valuation date as the primary basis for the fair value determinations for quoted senior secured debt investments. Since these prices are non-binding, they may not be indicative of fair value. The Company evaluates the quotations provided by pricing vendors and brokers based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. Each quoted price is evaluated by the Audit Committee of the Company's Board of Directors in conjunction with additional information compiled by Oaktree.
(f) The Company determined the value of its subordinated notes of SLF JV I based on the total assets less the total liabilities senior to the subordinated notes held at SLF JV I in an amount not exceeding par under the EV technique.

The following table provides quantitative information related to the significant unobservable inputs for Level 3 investments, which are carried at fair value, as of September 30, 2019:

Asset		Fair Value	Valuation Technique	Unobservable Input		Range			Weighted Average (a)
Senior Secured Debt	$	314,026	Market Yield	Market Yield	**(b)**	6.7%	-	18.0%	11.2%
		17,452	Enterprise Value	EBITDA Multiple	**(c)**	1.8x	-	6.0x	5.0x
		11,510	Enterprise Value	Asset Multiple	**(c)**	0.9x		1.1x	1.0x
		3,750	Transactions Precedent	Transaction Price	**(d)**	N/A	-	N/A	N/A
		306,596	Broker Quotations	Broker Quoted Price	**(e)**	N/A	-	N/A	N/A
Subordinated Debt		11,353	Market Yield	Market Yield	**(b)**	13.0%	-	15.0%	14.0%
		2,706	Enterprise Value	EBITDA Multiple	**(c)**	6.5x	-	8.5x	7.5x
SLF JV I Debt Investments		96,250	Enterprise Value	N/A	**(f)**	N/A	-	N/A	N/A
Preferred & Common Equity		4,004	Enterprise Value	Revenue Multiple	**(c)**	0.8x	-	8.9x	3.3x
		72,950	Enterprise Value	EBITDA Multiple	**(c)**	1.8x	-	17.0x	6.9x
		4,630	Enterprise Value	Asset Multiple	**(c)**	0.9x	-	1.1x	1.0x
Total	**$**	**845,227**							

(a) Weighted averages are calculated based on fair value of investments.
(b) Used when market participants would take into account market yield when pricing the investment.
(c) Used when market participants would use such multiples when pricing the investment.
(d) Used when there is an observable transaction or pending event for the investment.
(e) The Company generally uses prices provided by an independent pricing service which are non-binding indicative prices on or near the valuation date as the primary basis for the fair value determinations for quoted senior secured debt investments. Since these prices are non-binding, they may not be indicative of fair value. The Company evaluates the quotations provided by pricing vendors and brokers based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. Each quoted price is evaluated by the Audit Committee of the Company's Board of Directors in conjunction with additional information compiled by Oaktree.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

(f) The Company determined the value of its subordinated notes of SLF JV I based on the total assets less the total liabilities senior to the subordinated notes held at SLF JV I in an amount not exceeding par under the EV technique.

Under the market yield technique, the significant unobservable input used in the fair value measurement of the Company's investments in debt securities is the market yield. Increases or decreases in the market yield may result in a lower or higher fair value measurement, respectively.

Under the EV technique, the significant unobservable input used in the fair value measurement of the Company's investments in debt or equity securities is the earnings before interest, taxes, depreciation and amortization ("EBITDA"), revenue or asset multiple, as applicable. Increases or decreases in the valuation multiples in isolation may result in a higher or lower fair value measurement, respectively.

Financial Instruments Disclosed, But Not Carried, At Fair Value

The following table presents the carrying value and fair value of the Company's financial liabilities disclosed, but not carried, at fair value as of December 31, 2019 and the level of each financial liability within the fair value hierarchy:

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Credit facility payable	$ 377,825	$ 377,825	$ —	$ —	$ 377,825
Unsecured notes payable (net of unamortized financing costs)	158,643	165,636	—	165,636	—
Total	**$ 536,468**	**$ 543,461**	**$ —**	**$ 165,636**	**$ 377,825**

The following table presents the carrying value and fair value of the Company's financial liabilities disclosed, but not carried, at fair value as of September 30, 2019 and the level of each financial liability within the fair value hierarchy:

	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Credit facility payable	$ 314,825	$ 314,825	$ —	$ —	$ 314,825
Unsecured notes payable (net of unamortized financing costs)	158,542	164,966	—	164,966	—
Total	**$ 473,367**	**$ 479,791**	**$ —**	**$ 164,966**	**$ 314,825**

The principal value of the credit facility payable approximates fair value due to its variable interest rate and is included in Level 3 of the hierarchy.

The Company uses the unadjusted quoted price as of the valuation date to calculate the fair value of its 5.875% unsecured notes due 2024 ("2024 Notes") and its 6.125% unsecured notes due 2028 ("2028 Notes"), which currently trade under the symbol "OSLE" on the New York Stock Exchange and the symbol "OCSLL" on the Nasdaq Global Select Market, respectively. Although these securities are publicly traded, the market is relatively inactive, and accordingly, these securities are included in Level 2 of the hierarchy.

Portfolio Composition

Summaries of the composition of the Company's portfolio at cost as a percentage of total investments and at fair value as a percentage of total investments and net assets are shown in the following tables:

	December 31, 2019		September 30, 2019	
Cost:		**% of Total Investments**		**% of Total Investments**
Senior secured debt	$ 1,201,904	78.13%	$ 1,170,258	77.35%
Subordinated debt	97,252	6.32%	104,109	6.88%
Debt investments in SLF JV I	96,250	6.26%	96,250	6.36%
Common equity and warrants	53,680	3.49%	52,630	3.48%
LLC equity interests of SLF JV I	49,322	3.21%	49,322	3.26%
Preferred equity	39,850	2.59%	40,445	2.67%
Total	**$ 1,538,258**	**100.00%**	**$ 1,513,014**	**100.00%**

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

	December 31, 2019			September 30, 2019		
Fair Value:		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
Senior secured debt	$ 1,167,256	79.53%	125.36%	$ 1,130,876	78.64%	121.51%
Debt investments in SLF JV I	96,250	6.56%	10.34%	96,250	6.69%	10.34%
Subordinated debt	71,098	4.84%	7.64%	81,298	5.65%	8.74%
Common equity and warrants	61,891	4.22%	6.65%	58,988	4.10%	6.34%
Preferred equity	38,909	2.65%	4.18%	40,578	2.82%	4.36%
LLC equity interests of SLF JV I	32,223	2.20%	3.46%	30,052	2.10%	3.23%
Total	**$ 1,467,627**	**100.00%**	**157.63%**	**$ 1,438,042**	**100.00%**	**154.52%**

The geographic composition is determined by the location of the corporate headquarters of the portfolio company, which may not be indicative of the primary source of the portfolio company's business. The following tables show the composition of the Company's portfolio by geographic region at cost as a percentage of total investments and at fair value as a percentage of total investments and net assets:

	December 31, 2019		September 30, 2019	
Cost:		% of Total Investments		% of Total Investments
Northeast	$ 453,327	29.48%	$ 394,130	26.05%
West	353,969	23.01%	377,810	24.97%
Midwest	309,043	20.09%	322,651	21.33%
International	184,814	12.01%	171,129	11.31%
Southeast	121,130	7.87%	131,522	8.69%
Southwest	66,996	4.36%	66,781	4.41%
Northwest	35,214	2.29%	35,193	2.33%
South	13,765	0.89%	13,798	0.91%
Total	**$ 1,538,258**	**100.00%**	**$ 1,513,014**	**100.00%**

	December 31, 2019			September 30, 2019		
Fair Value:		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
Northeast	$ 415,433	28.30%	44.62%	$ 358,328	24.93%	38.50%
West	329,169	22.43%	35.35%	350,660	24.38%	37.68%
Midwest	284,471	19.38%	30.56%	297,433	20.68%	31.97%
International	194,436	13.25%	20.88%	175,687	12.22%	18.88%
Southeast	113,286	7.72%	12.17%	125,306	8.71%	13.46%
Southwest	82,312	5.61%	8.84%	82,395	5.73%	8.85%
Northwest	34,764	2.37%	3.73%	34,817	2.42%	3.74%
South	13,756	0.94%	1.48%	13,416	0.93%	1.44%
Total	**$ 1,467,627**	**100.00%**	**157.63%**	**$ 1,438,042**	**100.00%**	**154.52%**

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

The following tables show the composition of the Company's portfolio by industry at cost as a percentage of total investments and at fair value as a percentage of total investments and net assets as of December 31, 2019 and September 30, 2019:

	December 31, 2019		September 30, 2019	
Cost:		% of Total Investments		% of Total Investments
Application Software	$ 152,886	9.96%	$ 132,051	8.73%
Multi-Sector Holdings (1)	146,436	9.52	146,436	9.67
Health Care Services	111,395	7.24	100,173	6.62
Data Processing & Outsourced Services	101,265	6.58	97,759	6.46
Property & Casualty Insurance	85,593	5.56	73,076	4.83
Biotechnology	83,356	5.42	82,109	5.43
Pharmaceuticals	63,239	4.11	59,294	3.92
Specialized Finance	53,533	3.48	53,227	3.52
Auto Parts & Equipment	44,510	2.89	42,641	2.82
Research & Consulting Services	39,681	2.58	34,734	2.30
Real Estate Services	39,255	2.55	39,332	2.60
Health Care Technology	36,591	2.38	51,044	3.37
Aerospace & Defense	33,615	2.19	33,665	2.23
Specialty Chemicals	31,792	2.07	31,788	2.10
Systems Software	31,657	2.06	31,716	2.10
Movies & Entertainment	30,819	2.00	18,858	1.25
Oil & Gas Refining & Marketing	30,338	1.97	30,378	2.01
Integrated Telecommunication Services	30,293	1.97	33,741	2.23
Internet Services & Infrastructure	28,406	1.85	32,563	2.15
Managed Health Care	27,603	1.79	27,645	1.83
Electrical Components & Equipment	25,668	1.67	21,210	1.40
Advertising	24,259	1.58	42,405	2.80
Education Services	23,031	1.50	15,672	1.04
Airport Services	22,427	1.46	—	—
Independent Power Producers & Energy Traders	22,175	1.44	—	—
Construction & Engineering	19,135	1.24	23,443	1.55
Health Care Distributors	19,060	1.24	22,561	1.49
General Merchandise Stores	18,987	1.23	18,946	1.25
Diversified Support Services	18,802	1.22	18,805	1.24
Apparel, Accessories & Luxury Goods	17,790	1.16	18,192	1.20
Industrial Machinery	16,055	1.04	17,055	1.13
IT Consulting & Other Services	14,962	0.97	14,975	0.99
Alternative Carriers	11,671	0.76	29,400	1.94
Oil & Gas Equipment & Services	11,664	0.76	12,165	0.80
Oil & Gas Storage & Transportation	11,592	0.75	11,603	0.77
Airlines	10,640	0.69	10,640	0.70
Trading Companies & Distributors	10,322	0.67	10,357	0.68
Specialized REITs	9,688	0.63	8,264	0.55
Household Appliances	7,820	0.51	7,837	0.52
Food Retail	6,813	0.44	14,473	0.96
Commercial Printing	6,102	0.40	6,002	0.40
Restaurants	3,089	0.20	3,097	0.20
Leisure Facilities	1,887	0.12	1,887	0.12
Specialty Stores	1,305	0.08	1,305	0.09
Thrifts & Mortgage Finance	938	0.06	1,217	0.08
Other Diversified Financial Services	113	0.01	113	0.01
Interactive Media & Services	—	—	21,805	1.44
Environmental & Facilities Services	—	—	5,940	0.39
Human Resource & Employment Services	—	—	830	0.05
Department Stores	—	—	585	0.04

Total	**$**	**1,538,258**	**100.00%**	**$**	**1,513,014**	**100.00%**

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

	December 31, 2019			September 30, 2019		
Fair Value:		% of Total Investments	% of Net Assets		% of Total Investments	% of Net Assets
Application Software	$ 151,296	10.32%	16.26%	$ 129,577	9.00%	13.94%
Multi-Sector Holdings (1)	130,791	8.91	14.05	128,539	8.94	13.81
Data Processing & Outsourced Services	102,188	6.96	10.98	98,267	6.83	10.56
Biotechnology	92,106	6.28	9.89	85,719	5.96	9.21
Property & Casualty Insurance	85,813	5.85	9.22	74,148	5.16	7.97
Health Care Services	65,421	4.46	7.03	58,391	4.06	6.27
Pharmaceuticals	63,319	4.31	6.80	60,057	4.18	6.45
Specialized Finance	53,601	3.65	5.76	51,485	3.58	5.53
Research & Consulting Services	42,340	2.88	4.55	37,336	2.60	4.01
Auto Parts & Equipment	41,664	2.84	4.47	40,484	2.82	4.35
Real Estate Services	39,303	2.68	4.22	39,501	2.75	4.24
Health Care Technology	38,069	2.59	4.09	52,275	3.64	5.62
Aerospace & Defense	33,592	2.29	3.61	33,738	2.35	3.63
Systems Software	31,809	2.17	3.42	31,504	2.19	3.39
Oil & Gas Refining & Marketing	31,651	2.16	3.40	31,597	2.20	3.40
Movies & Entertainment	30,757	2.10	3.30	18,613	1.29	2.00
Internet Services & Infrastructure	28,376	1.93	3.05	32,565	2.26	3.50
Managed Health Care	27,565	1.88	2.96	27,775	1.93	2.98
Electrical Components & Equipment	26,413	1.80	2.84	20,032	1.39	2.15
Integrated Telecommunication Services	25,147	1.71	2.70	28,876	2.01	3.10
Specialty Chemicals	23,253	1.58	2.50	23,514	1.64	2.53
Airport Services	22,425	1.53	2.41	—	—	—
Independent Power Producers & Energy Traders	22,145	1.51	2.38	—	—	—
Advertising	19,299	1.31	2.07	37,261	2.59	4.00
Construction & Engineering	19,053	1.30	2.05	23,982	1.67	2.58
Health Care Distributors	18,838	1.28	2.02	21,962	1.53	2.36
Diversified Support Services	18,527	1.26	1.99	18,624	1.30	2.00
General Merchandise Stores	16,376	1.12	1.76	16,934	1.18	1.82
Airlines	15,966	1.09	1.71	16,140	1.12	1.73
Industrial Machinery	15,771	1.07	1.69	16,848	1.17	1.81
IT Consulting & Other Services	14,573	0.99	1.57	13,792	0.96	1.48
Leisure Products	14,533	0.99	1.56	15,054	1.05	1.62
Oil & Gas Equipment & Services	12,800	0.87	1.37	13,652	0.95	1.47
Apparel, Accessories & Luxury Goods	12,618	0.86	1.36	13,286	0.92	1.43
Alternative Carriers	12,491	0.85	1.34	29,580	2.06	3.18
Oil & Gas Storage & Transportation	11,853	0.81	1.27	11,926	0.83	1.28
Trading Companies & Distributors	10,318	0.70	1.11	10,370	0.72	1.11
Specialized REITs	9,725	0.66	1.04	8,213	0.57	0.88
Household Appliances	7,742	0.53	0.83	7,614	0.53	0.82
Education Services	7,661	0.52	0.82	16	—	—
Food Retail	6,998	0.48	0.75	14,903	1.04	1.60
Commercial Printing	6,000	0.41	0.64	5,900	0.41	0.63
Leisure Facilities	4,328	0.29	0.46	4,809	0.33	0.52
Restaurants	2,718	0.19	0.29	2,800	0.19	0.30
Thrifts & Mortgage Finance	395	0.03	0.04	691	0.05	0.07
Interactive Media & Services	—	—	—	22,500	1.56	2.42
Environmental & Facilities Services	—	—	—	5,937	0.41	0.64
Human Resource & Employment Services	—	—	—	775	0.05	0.08
Department stores	—	—	—	480	0.03	0.05
Total	**$ 1,467,627**	**100.00%**	**157.63%**	**$ 1,438,042**	**100.00%**	**154.52%**

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(1) This industry includes the Company's investment in SLF JV I.

As of December 31, 2019 and September 30, 2019, the Company had no single investment that represented greater than 10% of the total investment portfolio at fair value. Income, consisting of interest, dividends, fees, other investment income and realization of gains or losses, may fluctuate and in any given period can be highly concentrated among several investments.

Senior Loan Fund JV I, LLC

In May 2014, the Company entered into an LLC agreement with Trinity Universal Insurance Company, a subsidiary of Kemper Corporation ("Kemper"), to form SLF JV I. The Company co-invests in senior secured loans of middle-market companies and other corporate debt securities with Kemper through its investment in SLF JV I. SLF JV I is managed by a four person Board of Directors, two of whom are selected by the Company and two of whom are selected by Kemper. All portfolio decisions and investment decisions in respect of SLF JV I must be approved by the SLF JV I investment committee, which consists of one representative selected by the Company and one representative selected by Kemper (with approval from a representative of each required). Since the Company does not have a controlling financial interest in SLF JV I, the Company does not consolidate SLF JV I.

SLF JV I is capitalized pro rata with LLC equity interests as transactions are completed and may be capitalized with additional subordinated notes issued to the Company and Kemper by SLF JV I. On December 28, 2018, the Company and Kemper directed the redemption of their holdings of mezzanine notes issued by SLF Repack Issuer 2016, LLC, a wholly-owned, special purpose issuer subsidiary of SLF JV I. Upon such redemption, the assets collateralizing the mezzanine notes, which consisted of equity interests of SLF JV I Funding LLC (the "Equity Interests"), were distributed in-kind to each of the Company and Kemper, based upon their respective holdings of mezzanine notes. Upon such distribution, the Company and Kemper each then directed that a portion of their respective Equity Interests holdings be contributed to SLF JV I in exchange for LLC equity interests of SLF JV I and the remainder be applied as payment for the subordinated notes of SLF JV I. SLF Repack Issuer 2016, LLC was dissolved following the foregoing redemption and liquidation. The subordinated notes issued by SLF JV I (the "SLF JV 1 Subordinated Notes") and the mezzanine notes issued by SLF Repack Issuer 2016, LLC (the "SLF Repack Notes") collectively are referred to as the SLF JV I Notes. Prior to the redemption on December 28, 2018, the SLF Repack Notes consisted of Class A mezzanine secured deferrable floating rate notes and Class B mezzanine secured deferrable fixed rate notes. The SLF JV I Subordinated Notes are (and the SLF Repack Notes were, prior to their redemption) senior in right of payment to SLF JV I LLC equity interests and subordinated in right of payment to SLF JV I's secured debt. As of December 31, 2019 and September 30, 2019, the Company and Kemper owned, in the aggregate, 87.5% and 12.5%, respectively, of the LLC equity interests of SLF JV I and the outstanding SLF JV I Subordinated Notes.

SLF JV I has a senior revolving credit facility with Deutsche Bank AG, New York Branch (as amended, the "Deutsche Bank I Facility"), which permitted up to $250.0 million of borrowings as of December 31, 2019 and September 30, 2019. Borrowings under the Deutsche Bank I Facility are secured by all of the assets of SLF JV I Funding LLC, a special purpose financing subsidiary of SLF JV I. As of December 31, 2019, the reinvestment period of the Deutsche Bank I Facility was scheduled to expire June 28, 2021 and the maturity date for the Deutsche Bank I Facility was June 29, 2026. As of December 31, 2019, borrowings under the Deutsche Bank I Facility accrued interest at a rate equal to 3-month LIBOR plus 1.85% per annum during the reinvestment period and 3-month LIBOR plus 2.00% per annum during the amortization period. Under the Deutsche Bank I Facility, $189.7 million and $170.2 million of borrowings were outstanding as of December 31, 2019 and September 30, 2019, respectively.

As of December 31, 2019 and September 30, 2019, SLF JV I had total assets of $351.7 million and $360.9 million, respectively. SLF JV I's portfolio primarily consisted of senior secured loans to 51 portfolio companies as of each of December 31, 2019 and September 30, 2019. The portfolio companies in SLF JV I are in industries similar to those in which the Company may invest directly. As of December 31, 2019, the Company's investment in SLF JV I consisted of LLC equity interests of $32.2 million, at fair value, and SLF JV I Subordinated Notes of $96.3 million, at fair value. As of September 30, 2019, the Company's investment in SLF JV I consisted of LLC equity interests of $30.1 million, at fair value, and SLF JV I Subordinated Notes of $96.3 million, at fair value.

As of each of December 31, 2019 and September 30, 2019, the Company and Kemper had funded approximately $165.5 million to SLF JV I, of which $144.8 million was from the Company. As of December 31, 2019 and September 30, 2019, the Company and Kemper had the option to fund additional SLF JV I Notes, subject to additional equity funding to SLF JV I. As of each of December 31, 2019 and September 30, 2019, the Company had commitments to fund LLC equity interests in SLF JV I of $17.5 million, of which $1.3 million was unfunded.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Below is a summary of SLF JV I's portfolio, followed by a listing of the individual loans in SLF JV I's portfolio as of December 31, 2019 and September 30, 2019:

	December 31, 2019	September 30, 2019
Senior secured loans (1)	$324,586	$340,960
Weighted average interest rate on senior secured loans (2)	6.31%	6.57%
Number of borrowers in SLF JV I	51	51
Largest exposure to a single borrower (1)	$10,808	$10,835
Total of five largest loan exposures to borrowers (1)	$50,333	$50,510

(1) At principal amount.
(2) Computed using the weighted average annual interest rate on accruing senior secured loans at fair value.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

SLF JV I Portfolio as of December 31, 2019

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Access CIG, LLC	First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	5.44%	Diversified Support Services	$ 9,276	$ 9,235	$ 9,284	
AdVenture Interactive, Corp.	927 shares of common stock		Advertising		1,390	1,314	(4)
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.44%	Electrical Components & Equipment	6,118	5,972	6,126	(4)
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	5.74%	Integrated Telecommunication Services	7,425	7,270	7,454	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 4/1/2022	6.55%	Pharmaceuticals	9,429	9,169	8,266	
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025	5.68%	Personal Products	2,850	2,344	2,443	
Apptio, Inc.	First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.96%	Application Software	4,615	4,538	4,531	(4)
	First Lien Revolver, LIBOR+7.25% cash due 1/10/2025		Application Software	—	(6)	(7)	(4)(5)
Total Apptio, Inc.					**4,532**	**4,524**	
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.93%	Airport Services	6,500	6,338	6,338	(4)
Blackhawk Network Holdings, Inc.	First Lien Term Loan, LIBOR+3.00% cash due 6/15/2025	4.80%	Data Processing & Outsourced Services	9,850	9,831	9,868	
Boxer Parent Company Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	6.05%	Systems Software	7,590	7,501	7,522	(4)
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	5.79%	Oil & Gas Equipment & Services	7,388	7,359	6,353	
C5 Technology Holdings, LLC	171 Common Units		Data Processing & Outsourced Services		—	—	(4)
	7,193,539.63 Preferred Units		Data Processing & Outsourced Services		7,194	7,194	(4)
Total C5 Technology Holdings, LLC					**7,194**	**7,194**	
Cast & Crew Payroll, LLC	First Lien Term Loan, LIBOR+4.00% cash due 2/9/2026	5.80%	Application Software	4,963	4,913	4,994	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.94%	Oil & Gas Refining & Marketing	7,940	7,860	7,990	(4)
Connect U.S. Finco LLC	First Lien Delayed Draw Term Loan, LIBOR+4.50% cash due 12/11/2026	6.29%	Alternative Carriers	3,272	3,112	3,331	(4)(5)
Cortes NP Acquisition Corporation	First Lien Term Loan, LIBOR+4.00% cash due 11/30/2023	5.93%	Electrical Components & Equipment	4,290	4,075	4,290	(4)
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	5.94%	Biotechnology	5,985	5,940	6,041	
Dcert Buyer, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/16/2026	5.80%	Internet Services & Infrastructure	8,000	7,980	8,040	
Ellie Mae, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/17/2026	5.94%	Application Software	4,987	4,963	5,028	
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 11/20/2026	6.39%	Application Software	7,500	7,425	7,570	
Falmouth Group Holdings Corp.	First Lien Term Loan, LIBOR+6.75% cash due 12/14/2021	8.55%	Specialty Chemicals	4,938	4,909	4,910	
Frontier Communications Corporation	First Lien Term Loan, LIBOR+3.75% cash due 6/15/2024	5.55%	Integrated Telecommunication Services	6,457	6,384	6,502	
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	6.04%	Systems Software	7,840	7,784	7,771	
GoodRx, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 10/10/2025	4.55%	Interactive Media & Services	7,832	7,816	7,894	

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Guidehouse LLP	Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	9.80%	Research & Consulting Services	$ 6,000	$ 5,976	$ 5,910	(4)
Helios Software Holdings, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	6.18%	Systems Software	4,000	3,960	3,979	
Indivior Finance S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 12/19/2022	6.43%	Pharmaceuticals	7,864	7,771	7,287	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+3.75% cash due 11/27/2023	5.68%	Alternative Carriers	10,000	9,897	10,035	
KIK Custom Products Inc.	First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	5.79%	Household Products	8,000	7,974	7,876	
Mindbody, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 2/14/2025	8.79%	Internet Services & Infrastructure	4,524	4,446	4,442	(4)
	First Lien Revolver, LIBOR+7.00% cash due 2/14/2025		Internet Services & Infrastructure	—	(8)	(9)	(4)(5)
Total Mindbody, Inc.					**4,438**	**4,433**	
Navicure, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	5.80%	Health Care Technology	6,000	5,970	6,041	
New IPT, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	6.94%	Oil & Gas Equipment & Services	1,203	1,203	1,203	(4)
	21.876 Class A Common Units in New IPT Holdings, LLC		Oil & Gas Equipment & Services		—	1,268	(4)
Total New IPT, Inc.					**1,203**	**2,471**	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	6.56%	Electrical Components & Equipment	6,877	6,852	6,774	
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	6.80%	Application Software	5,977	5,948	5,889	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	5.80%	Application Software	7,289	7,253	7,335	
	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026		Application software	—	(3)	4	(5)
Total OEConnection LLC					**7,250**	**7,339**	
Red Ventures, LLC	First Lien Term Loan, LIBOR+3.00% cash due 11/8/2024	4.80%	Interactive Media & Services	3,980	3,962	4,013	
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	6.25%	Metal & Glass Containers	4,350	4,307	4,395	
Salient CRGT, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 2/28/2022	8.29%	Aerospace & Defense	2,189	2,169	2,080	(4)
Scientific Games International, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 8/14/2024	4.55%	Casinos & Gaming	6,499	6,476	6,526	
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	6.93%	Footwear	8,397	8,382	7,516	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	6.44%	Health Care Services	9,825	9,754	9,813	
Sirva Worldwide, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	7.44%	Diversified Support Services	4,875	4,802	4,826	
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 10/1/2026	6.19%	Personal Products	8,000	7,960	8,086	
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	5.55%	Application Software	4,619	4,267	4,424	(4)
Thruline Marketing, Inc.	927 Class A Units in FS AVI Holdco, LLC		Advertising		1,088	658	(4)
Thunder Finco (US), LLC	First Lien Term Loan, LIBOR+4.25% cash due 11/26/2026	6.04%	Movies & Entertainment	8,000	7,920	8,000	
Triple Royalty Sub LLC	Fixed Rate Bond 144A 9.00% cash due 4/15/2033		Pharmaceuticals	4,955	4,955	5,128	
Uber Technologies, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	5.74%	Application Software	9,850	9,813	9,861	(4)
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	5.05%	Movies & Entertainment	4,477	4,477	4,513	
Uniti Group LP	First Lien Term Loan, LIBOR+5.00% cash due 10/24/2022	6.80%	Specialized REITs	6,385	6,220	6,286	(4)

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Valeant Pharmaceuticals International Inc.	First Lien Term Loan, LIBOR+2.75% cash due 11/27/2025	4.49%	Pharmaceuticals	$ 1,722	$ 1,714	$ 1,733	
Veritas US Inc.	First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	6.30%	Application Software	6,876	6,841	6,640	(4)
Verra Mobility, Corp.	First Lien Term Loan, LIBOR+3.75% cash due 2/28/2025	5.55%	Data Processing & Outsourced Services	10,808	10,821	10,893	
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	9.68%	Aerospace & Defense	6,000	5,951	5,929	(4)
				$ 324,586	**$ 330,414**	**$ 330,401**	

(1) Represents the interest rate as of December 31, 2019. All interest rates are payable in cash, unless otherwise noted.
(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All the LIBOR shown above is in U.S. dollars. As of December 31, 2019, the reference rates for SLF JV I's variable rate loans were the 30-day LIBOR at 1.80%, the 60-day LIBOR at 1.85%, the 90-day LIBOR at 1.94% and the 180-day LIBOR at 1.92%. Most loans include an interest floor, which generally ranges from 0% to 1%.
(3) Represents the current determination of fair value as of December 31, 2019 utilizing a similar technique as the Company in accordance with ASC 820. However, the determination of such fair value is not included in the Company's Board of Directors' valuation process described elsewhere herein.
(4) This investment was held by both the Company and SLF JV I as of December 31, 2019.
(5) Investment had undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

SLF JV I Portfolio as of September 30, 2019

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Access CIG, LLC	First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	6.07%	Diversified support services	$ 9,300	$ 9,256	$ 9,201	
AdVenture Interactive, Corp.	927 shares of common stock		Advertising		1,390	1,295	(4)
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.60%	Electrical components & equipment	6,145	5,992	5,659	(4)
Air Newco LP	First Lien Term Loan, LIBOR+4.75% cash due 5/31/2024	6.79%	IT consulting & other services	9,900	9,875	9,916	
AL Midcoast Holdings LLC	First Lien Term Loan, LIBOR+5.50% cash due 8/1/2025	7.60%	Oil & gas storage & transportation	9,900	9,801	9,764	
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	6.03%	Integrated telecommunication services	7,444	7,282	7,439	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 4/1/2022	6.79%	Pharmaceuticals	7,656	7,656	6,963	
Apptio, Inc.	First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	9.56%	Application software	4,615	4,534	4,530	(4)
	First Lien Revolver, LIBOR+7.25% cash due 1/10/2025		Application software	—	(7)	(7)	(4)(5)
Total Apptio, Inc.					**4,527**	**4,523**	
Blackhawk Network Holdings, Inc.	First Lien Term Loan, LIBOR+3.00% cash due 6/15/2025	5.04%	Data processing & outsourced services	9,875	9,855	9,858	
Boxer Parent Company Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	6.29%	Systems software	7,609	7,518	7,336	(4)
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	6.05%	Oil & gas equipment & services	7,406	7,376	6,855	
C5 Technology Holdings, LLC	171 Common Units		Data Processing & Outsourced Services		—	—	(4)
	7,193,539.63 Preferred Units		Data Processing & Outsourced Services		7,194	7,194	(4)
Total C5 Technology Holdings, LLC					**7,194**	**7,194**	
Cast & Crew Payroll, LLC	First Lien Term Loan, LIBOR+4.00% cash due 2/9/2026	6.05%	Application software	4,975	4,925	5,018	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	7.10%	Oil & gas refining & marketing	7,960	7,880	8,010	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 9/23/2026	7.10%	Alternative Carriers	8,000	7,840	7,888	(4)
Curium Bidco S.à r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	6.10%	Biotechnology	6,000	5,955	6,030	
Dcert Buyer, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 8/8/2026	6.26%	Internet services & infrastructure	8,000	7,980	7,985	
DigiCert, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/31/2024	6.04%	Internet services & infrastructure	8,250	8,148	8,249	(4)
Ellie Mae, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/17/2026	6.04%	Application software	5,000	4,975	5,015	
Everi Payments Inc.	First Lien Term Loan, LIBOR+3.00% cash due 5/9/2024	5.04%	Casinos & gaming	4,764	4,742	4,776	
Falmouth Group Holdings Corp.	First Lien Term Loan, LIBOR+6.75% cash due 12/14/2021	8.95%	Specialty chemicals	4,938	4,909	4,910	
Frontier Communications Corporation	First Lien Term Loan, LIBOR+3.75% cash due 6/15/2024	5.80%	Integrated telecommunication services	6,473	6,400	6,471	
Gentiva Health Services, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 7/2/2025	5.81%	Healthcare services	7,920	7,801	7,974	
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	6.29%	Systems software	7,860	7,801	7,644	
GoodRx, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 10/10/2025	4.81%	Interactive media & services	7,852	7,835	7,862	
Guidehouse LLP	Second Lien Term Loan, LIBOR+7.50% cash due 5/1/2026	9.54%	Research & consulting services	6,000	5,975	5,925	(4)

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Indivior Finance S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 12/19/2022	6.76%	Pharmaceuticals	$ 7,898	$ 7,797	$ 7,272	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+3.75% cash due 11/27/2023	5.80%	Alternative Carriers	10,000	9,891	10,042	
KIK Custom Products Inc.	First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	6.26%	Household products	8,000	7,972	7,610	
McDermott Technology (Americas), Inc.	First Lien Term Loan, LIBOR+5.00% cash due 5/9/2025	7.10%	Oil & gas equipment & services	4,187	4,119	2,676	
Mindbody, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 2/14/2025	9.06%	Internet services & infrastructure	4,524	4,443	4,438	(4)
	First Lien Revolver, LIBOR+7.00% cash due 2/15/2025		Internet services & infrastructure	—	(9)	(9)	(4)(5)
Total Mindbody, Inc.					**4,434**	**4,429**	
Navicure, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 9/18/2026	6.13%	Healthcare technology	6,000	5,970	6,008	
New IPT, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	7.10%	Oil & gas equipment & services	1,422	1,422	1,422	(4)
	21.876 Class A Common Units in New IPT Holdings, LLC		Oil & gas equipment & services		—	1,268	(4)
Total New IPT, Inc.					**1,422**	**2,690**	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	6.56%	Electrical components & equipment	6,895	6,868	6,792	
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	7.05%	Application software	5,993	5,961	5,882	
OCI Beaumont LLC	First Lien Term Loan, LIBOR+4.00% cash due 3/13/2025	6.10%	Commodity chemicals	7,880	7,872	7,890	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/24/2026	6.13%	Application software	7,312	7,275	7,298	
	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/24/2026		Application software	—	(3)	(1)	(5)
Total OEConnection LLC					7,272	7,297	
Red Ventures, LLC	First Lien Term Loan, LIBOR+3.00% cash due 11/8/2024	5.04%	Interactive media & services	3,990	3,971	4,011	
Salient CRGT, Inc.	First Lien Term Loan, LIBOR+6.00% cash due 2/28/2022	8.05%	Aerospace & defense	2,205	2,183	2,094	(4)
Scientific Games International, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 8/14/2024	4.79%	Casinos & gaming	6,516	6,491	6,470	
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	7.26%	Footwear	8,420	8,403	7,999	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	6.60%	Healthcare services	9,850	9,775	9,838	
Sirva Worldwide, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	7.54%	Diversified support services	4,906	4,833	4,759	
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 9/25/2026	6.59%	Personal products	8,000	7,960	8,048	
Thruline Marketing, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 4/3/2022	9.10%	Advertising	1,854	1,851	1,854	(4)
	927 Class A Units in FS AVI Holdco, LLC		Advertising		1,088	658	(4)
Total Thruline Marketing, Inc.					**2,939**	**2,512**	
Triple Royalty Sub LLC	Fixed Rate Bond 144A 9.0% Toggle PIK cash due 4/15/2033		Pharmaceuticals	5,000	5,000	5,175	
Uber Technologies, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	6.03%	Application software	9,875	9,836	9,836	(4)
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	5.30%	Movies & entertainment	4,489	4,489	4,506	
Uniti Group LP	First Lien Term Loan, LIBOR+5.00% cash due 10/24/2022	7.04%	Specialized REITs	6,401	6,221	6,256	(4)
Valeant Pharmaceuticals International Inc.	First Lien Term Loan, LIBOR+2.75% cash due 11/27/2025	4.79%	Pharmaceuticals	1,772	1,764	1,778	

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Veritas US Inc.	First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	6.60%	Application software	$ 6,894	$ 6,856	$ 6,534	(4)
Verra Mobility, Corp.	First Lien Term Loan, LIBOR+3.75% cash due 2/28/2025	5.79%	Data processing & outsourced services	10,835	10,849	10,894	
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	10.01%	Aerospace & defense	6,000	5,949	5,974	(4)
				$ 340,960	$ 347,985	$ 345,032	

(1) Represents the interest rate as of September 30, 2019. All interest rates are payable in cash, unless otherwise noted.
(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, the Company has provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All the LIBOR shown above is in U.S. dollars. As of September 30, 2019, the reference rates for SLF JV I's variable rate loans were the 30-day LIBOR at 2.04%, the 60-day LIBOR at 2.09%, the 90-day LIBOR at 2.10%, the 180-day LIBOR at 2.06%, and the PRIME at 5.00%. Most loans include an interest floor, which generally ranges from 0% to 1%.
(3) Represents the current determination of fair value as of September 30, 2019 utilizing a similar technique as the Company in accordance with ASC 820. However, the determination of such fair value is not included in the Company's Board of Directors' valuation process described elsewhere herein.
(4) This investment was held by both the Company and SLF JV I as of September 30, 2019.
(5) Investment had undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.

Both the cost and fair value of the Company's debt investment in SLF JV I were $96.3 million as of each of December 31, 2019 and September 30, 2019. The Company earned interest income of $2.2 million and $2.8 million on its debt investment in the SLF JV I for the three months ended December 31, 2019 and 2018, respectively. The Company's debt investment in SLF JV I bears interest at a rate of one-month LIBOR plus 7.0% per annum and matures on December 29, 2028.

The cost and fair value of the LLC equity interests in SLF JV I held by the Company was $49.3 million and $32.2 million, respectively, as of December 31, 2019, and $49.3 million and $30.1 million, respectively, as of September 30, 2019. The Company did not earn dividend income for the three months ended December 31, 2019 and December 31, 2018, with respect to its investment in the LLC equity interests of SLF JV I. The LLC equity interests of SLF JV I are generally dividend producing to the extent SLF JV I has residual cash to be distributed on a quarterly basis.

Below is certain summarized financial information for SLF JV I as of December 31, 2019 and September 30, 2019 and for the three months ended December 31, 2019 and 2018:

	December 31, 2019	September 30, 2019
Selected Balance Sheet Information:		
Investments at fair value (cost December 31, 2019: $330,414; cost September 30, 2019: $347,985)	$ 330,401	$ 345,032
Cash and cash equivalents	9,762	3,674
Restricted cash	5,157	5,242
Other assets	6,410	6,912
Total assets	**$ 351,730**	**$ 360,860**
Senior credit facility payable	$ 189,710	$ 170,210
Debt securities payable at fair value (proceeds December 31, 2019: $110,000; proceeds September 30, 2019: $110,000)	110,000	110,000
Other liabilities	15,194	46,303
Total liabilities	**$ 314,904**	**$ 326,513**
Members' equity	36,826	34,347
Total liabilities and members' equity	**$ 351,730**	**$ 360,860**

	Three months ended December 31, 2019	Three months ended December 31, 2018
Selected Statements of Operations Information:		
Interest income	$ 5,393	$ 5,438
Other income	6	9
Total investment income	**5,399**	**5,447**
Interest expense	4,641	5,154
Other expenses	67	50
Total expenses (1)	**4,708**	**5,204**
Net unrealized appreciation (depreciation)	2,941	(3,456)
Net realized gains (losses)	(1,152)	(5,005)
Net income (loss)	**$ 2,480**	**$ (8,218)**

(1) There are no management fees or incentive fees charged at SLF JV I.

SLF JV I has elected to fair value the debt securities issued to the Company and Kemper under FASB ASC Topic 825, *Financial Instruments - Fair Value Option*. The debt securities are valued based on the total assets less the total liabilities senior to the subordinated notes of SLF JV I in an amount not exceeding par under the EV technique.

During the three months ended December 31, 2019 and 2018, the Company did not sell any debt investments to SLF JV I.

Note 4. Fee Income

For the three months ended December 31, 2019 and 2018, the Company recorded total fee income of $1.1 million and $1.2 million, respectively, of which $0.2 million and $0.1 million, respectively, was recurring in nature. Recurring fee income primarily consisted of servicing fees and exit fees.

Note 5. Share Data and Net Assets

Earnings per Share

The following table sets forth the computation of basic and diluted earnings per share, pursuant to ASC Topic 260-10, *Earnings per Share*, for the three months ended December 31, 2019 and 2018:

(Share amounts in thousands)	Three months ended December 31, 2019	Three months ended December 31, 2018
Earnings (loss) per common share — basic and diluted:		
Net increase (decrease) in net assets resulting from operations	$ 13,843	$ 27,718
Weighted average common shares outstanding — basic and diluted	140,961	140,961
Earnings (loss) per common share — basic and diluted	**$ 0.10**	**$ 0.20**

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Changes in Net Assets

The following table presents the changes in net assets for the three months ended December 31, 2019:

	Common Stock				
	Shares	Par Value	Additional paid-in-capital	Accumulated Overdistributed Earnings	Total Net Assets
Balance at September 30, 2019	140,961	$ 1,409	$ 1,487,774	$ (558,553)	$ 930,630
Net investment income	—	—	—	7,836	7,836
Net unrealized appreciation (depreciation)	—	—	—	2,879	2,879
Net realized gains (losses)	—	—	—	3,288	3,288
Provision for income tax (expense) benefit	—	—	—	(160)	(160)
Distributions to stockholders	—	—	—	(13,391)	(13,391)
Issuance of common stock under dividend reinvestment plan	88	1	480	—	481
Repurchases of common stock under dividend reinvestment plan	(88)	(1)	(480)	—	(481)
Balance at December 31, 2019	140,961	$ 1,409	$ 1,487,774	$ (558,101)	$ 931,082

The following table presents the changes in net assets for the three months ended December 31, 2018:

	Common Stock				
	Shares	Par Value	Additional paid-in-capital	Accumulated Overdistributed Earnings	Total Net Assets
Balance at September 30, 2018	140,961	$ 1,409	$ 1,492,739	$ (636,113)	$ 858,035
Net investment income	—	—	—	17,317	17,317
Net unrealized appreciation (depreciation)	—	—	—	(6,975)	(6,975)
Net realized gains (losses)	—	—	—	17,962	17,962
Provision for income tax (expense) benefit	—	—	—	(586)	(586)
Distributions to stockholders	—	—	—	(13,391)	(13,391)
Issuance of common stock under dividend reinvestment plan	87	1	383	—	384
Repurchases of common stock under dividend reinvestment plan	(87)	(1)	(383)	—	(384)
Balance at December 31, 2018	140,961	$ 1,409	$ 1,492,739	$ (621,786)	$ 872,362

Distributions

Distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid out as a dividend is determined by the Board of Directors and is based on management’s estimate of the Company’s annual taxable income. Net realized capital gains, if any, may be distributed to stockholders or retained for reinvestment.

The Company has adopted a dividend reinvestment plan (“DRIP”) that provides for reinvestment of any distributions the Company declares in cash on behalf of its stockholders, unless a stockholder elects to receive cash. As a result, if the Company’s Board of Directors declares a cash distribution, then the Company’s stockholders who have not “opted out” of the Company’s DRIP will have their cash distribution automatically reinvested in additional shares of the Company’s common stock, rather than receiving the cash distribution. If the Company’s shares are trading at a premium to net asset value, the Company typically issues new shares to implement the DRIP with such shares issued at the greater of the most recently computed net asset value per share of common stock or 95% of the current market price per share of common stock on the payment date for such distribution. If the Company’s shares are trading at a discount to net asset value, the Company typically purchases shares in the open market in connection with the Company’s obligations under the DRIP.

For income tax purposes, the Company has reported its distributions for the 2019 calendar year as ordinary income. The character of such distributions was appropriately reported to the Internal Revenue Service and stockholders for the 2019 calendar year. To the extent the Company’s taxable earnings for a fiscal and taxable year fall below the amount of distributions paid for the fiscal and taxable year, a portion of the total amount of the Company's distributions for the fiscal and taxable year is deemed a return of capital for tax purposes to the Company's stockholders.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

The following table reflects the distributions per share that the Company has paid, including shares issued under the DRIP, on its common stock during the three months ended December 31, 2019 and 2018:

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value
November 12, 2019	December 13, 2019	December 31, 2019	$ 0.095	$ 12.9 million	87,747	$ 0.5 million
Total for the three months ended December 31, 2019			**$ 0.095**	**$ 12.9 million**	**87,747**	**$ 0.5 million**
Date Declared	**Record Date**	**Payment Date**	**Amount per Share**	**Cash Distribution**	**DRIP Shares Issued (1)**	**DRIP Shares Value**
November 19, 2018	December 17, 2018	December 28, 2018	$ 0.095	$ 13.0 million	87,429	$ 0.4 million
Total for the three months ended December 31, 2018			**$ 0.095**	**$ 13.0 million**	**87,429**	**$ 0.4 million**

(1) Shares were purchased on the open market and distributed.

Common Stock Offering

There were no common stock offerings during the three months ended December 31, 2019 and 2018.

Note 6. Borrowings

Credit Facility

On November 30, 2017, the Company entered into a senior secured revolving credit facility (as amended and restated, the "Credit Facility") pursuant to a Senior Secured Revolving Credit Agreement with the lenders party thereto, ING Capital LLC, as administrative agent, ING Capital LLC, JPMorgan Chase Bank, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated as joint lead arrangers and joint bookrunners, and JPMorgan Chase Bank, N.A. and Bank of America, N.A., as syndication agents. The Credit Facility provides that the Company may use the proceeds of the loans and issuances of letters of credit under the Credit Facility for general corporate purposes, including acquiring and funding leveraged loans, mezzanine loans, high-yield securities, convertible securities, preferred stock, common stock and other investments. The Credit Facility further allows the Company to request letters of credit from ING Capital LLC, as the issuing bank.

On February 25, 2019, the Company amended and restated the Credit Facility to increase the size of the facility from $600 million to $680 million (with an "accordion" feature that permits the Company, under certain circumstances, to increase the size of the facility up to $1.02 billion), extend the period during which the Company may make drawings from expiring on November 30, 2020 to expiring on February 25, 2023, extend the final maturity date from November 30, 2021 to February 25, 2024, and lower the interest rate margins (a) for LIBOR loans (which may be 1-, 2-, 3- or 6-month, at the Company's option), from 2.75% to 2.25% or from 2.25% to 2.00% and (b) for alternate base rate loans, from 1.75% to 1.25% or from 1.25% to 1.00%, each depending on the Company's senior debt coverage ratio. Additionally, on April 1, 2019, the Company increased the size of the Credit Facility from $680 million to $700 million under the "accordion" feature. As of December 31, 2019, the Company was able to borrow up to $700 million under the Credit Facility.

The Credit Facility is secured by substantially all of the Company's assets (excluding, among other things, investments held in and by certain subsidiaries of the Company or investments in certain portfolio companies of the Company) and guaranteed by certain subsidiaries of the Company. As of December 31, 2019, except for assets that were held by the Excluded Subsidiaries and certain other immaterial subsidiaries, substantially all of the Company's assets are pledged as collateral under the Credit Facility.

The Credit Facility requires the Company to, among other things, (i) make representations and warranties regarding the collateral as well as each of the Company's portfolio companies' businesses, (ii) agree to certain indemnification obligations, and (iii) comply with various affirmative and negative covenants, reporting requirements and other customary requirements for similar revolving credit facilities, including covenants related to: (A) limitations on the incurrence of additional indebtedness and liens, (B) limitations on certain investments, (C) limitations on certain asset transfers and restricted payments, (D) maintaining a certain minimum stockholders' equity, (E) maintaining a ratio of total assets (less total liabilities) to total indebtedness, of the Company and its subsidiaries (subject to certain exceptions), of not less than 1.50 to 1.00, (F) maintaining a ratio of consolidated EBITDA to consolidated interest expense, of the Company and its subsidiaries (subject to certain exceptions), of not less than (1) 2.0 to 1.0 through February 25, 2020 and (2) 2.25 to 1.00 thereafter, (G) maintaining a minimum liquidity and net worth, and (H) limitations on the creation or existence of agreements that prohibit liens on certain properties of the Company and certain of its subsidiaries. The Credit Facility also includes usual and customary default provisions such as the failure to make timely payments under the facility, the occurrence of a change in control, and the failure by the Company to materially perform under the agreements governing the facility, which, if not complied with, could accelerate repayment under the facility. As of December 31, 2019, the Company was in compliance with all financial covenants under the Credit Facility. In addition to the asset coverage ratio described above, borrowings under the Credit Facility (and the incurrence of certain other permitted debt) are subject to compliance with a borrowing base that will apply different advance rates to different types of assets in the Company's portfolio. Each loan or letter of credit originated or assumed under the Credit Facility is subject to the satisfaction of certain conditions.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

On December 13, 2019, the Company amended the Credit Facility to (1) reduce the required ratio of total assets (less total liabilities) to total indebtedness of the Company and its subsidiaries (subject to certain exceptions), from 1.65 to 1.00 to 1.50 to 1.00 and (2) modify the definition of Advance Rate to reference asset coverage of 1.50 to 1.00, rather than 1.65 to 1.00.

As of December 31, 2019 and September 30, 2019, the Company had $377.8 million and $314.8 million of borrowings outstanding under the Credit Facility, respectively, which had a fair value of $377.8 million and $314.8 million, respectively. The Company's borrowings under the Credit Facility bore interest at a weighted average interest rate of 3.983% and 4.677% for the three months ended December 31, 2019 and 2018, respectively. For the three months ended December 31, 2019 and 2018, the Company recorded interest expense (inclusive of fees) of $4.0 million and $3.3 million, respectively, related to the Credit Facility.

See Note 13 for discussion of additional debt obligations of the Company.

Note 7. Interest and Dividend Income

As of each of December 31, 2019 and September 30, 2019, there were three investments on which the Company had stopped accruing cash and/or PIK interest or OID income. The percentages of the Company's debt investments at cost and fair value by accrual status as of December 31, 2019 and September 30, 2019 were as follows:

	December 31, 2019				September 30, 2019			
	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Accrual	$ 1,336,000	95.74%	$ 1,334,143	99.97%	$ 1,311,849	95.72%	$ 1,305,718	99.79%
PIK non-accrual (1)	12,661	0.91	—	—	12,661	0.92	—	—
Cash non-accrual (2)	46,745	3.35	461	0.03	46,107	3.36	2,706	0.21
Total	**$ 1,395,406**	**100.00%**	**$ 1,334,604**	**100.00%**	**$ 1,370,617**	**100.00%**	**$ 1,308,424**	**100.00%**

(1) PIK non-accrual status is inclusive of other non-cash income, where applicable.
(2) Cash non-accrual status is inclusive of PIK and other non-cash income, where applicable.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

Note 8. Taxable/Distributable Income and Dividend Distributions

Taxable income differs from net increase (decrease) in net assets resulting from operations primarily due to: (1) unrealized appreciation (depreciation) on investments, secured borrowings and foreign currency, as gains and losses are not included in taxable income until they are realized; (2) origination and exit fees received in connection with investments in portfolio companies; (3) organizational costs; (4) income or loss recognition on exited investments; (5) recognition of interest income on certain loans; and (6) investments in controlled foreign corporations.

As of September 30, 2019, the Company had net capital loss carryforwards of $515.8 million to offset net capital gains that will not expire, to the extent available and permitted by U.S. federal income tax law, of which $109.2 million are available to offset future short-term capital gains and $406.6 million are available to offset future long-term capital gains.

Listed below is a reconciliation of "net increase (decrease) in net assets resulting from operations" to taxable income for the three months ended December 31, 2019 and 2018.

	Three months ended December 31, 2019	Three months ended December 31, 2018
Net increase (decrease) in net assets resulting from operations	$ 13,843	$ 27,718
Net unrealized (appreciation) depreciation	(2,879)	6,975
Book/tax difference due to organizational costs	(22)	(10)
Book/tax difference due to interest income on certain loans	—	878
Book/tax difference due to capital losses not recognized / (recognized)	(3,977)	(17,702)
Other book/tax differences	5,144	586
Taxable/Distributable Income (1)	**$ 12,109**	**$ 18,445**

(1) The Company's taxable income for the three months ended December 31, 2019 is an estimate and will not be finally determined until the Company files its tax return for the fiscal year ending September 30, 2020. Therefore, the final taxable income may be different than the estimate.

The Company uses the liability method to account for its taxable subsidiaries' income taxes. Using this method, the Company recognizes deferred tax assets and liabilities for the estimated future tax effects attributable to temporary differences between financial reporting and tax bases of assets and liabilities. In addition, the Company recognizes deferred tax benefits associated with net loss carry forwards that it may use to offset future tax obligations. The Company measures deferred tax assets and liabilities using the enacted tax rates expected to apply to taxable income in the years in which it expects to recover or settle those temporary differences.

For the three months ended December 31, 2019, the Company recognized a total provision for income taxes of $0.2 million, which was comprised of (i) a current income tax benefit of approximately $0.1 million primarily as a result of a reversal of penalties and interest previously incurred, and (ii) deferred income tax expense of approximately $0.2 million, which resulted from unrealized appreciation on investments held by the Company’s wholly-owned taxable subsidiaries.

As of September 30, 2019, the Company's last tax year end, the components of accumulated overdistributed earnings on a tax basis were as follows:

Undistributed ordinary income, net	$ 10,699
Net realized capital losses	(515,800)
Unrealized losses, net	(53,451)

The aggregate cost of investments for income tax purposes was $1.5 billion as of September 30, 2019. As of September 30, 2019, the aggregate gross unrealized appreciation for all investments in which there was an excess of value over cost for income tax purposes was $202.2 million. As of September 30, 2019, the aggregate gross unrealized depreciation for all investments in which there was an excess of cost for income tax purposes over value was $255.6 million. Net unrealized depreciation based on the aggregate cost of investments for income tax purposes was $53.4 million.

Note 9. Realized Gains or Losses and Net Unrealized Appreciation or Depreciation

Realized Gains or Losses

Realized gains or losses are measured by the difference between the net proceeds from the sale or redemption and the cost basis of the investment without regard to unrealized appreciation or depreciation previously recognized, and include investments written-off during the period, net of recoveries. Realized losses may also be recorded in connection with the Company's determination that certain investments are considered worthless securities and/or meet the conditions for loss recognition per the applicable tax rules.

During the three months ended December 31, 2019, the Company recorded net realized gains of $3.3 million, which consisted of the following:

($ in millions)

Portfolio Company		Net Realized Gain (Loss)
YETI Holdings, Inc.	$	3.4
Other, net		(0.1)
Total, net	**$**	**3.3**

During the three months ended December 31, 2018, the Company recorded net realized gains of $18.0 million, which consisted of the following:

($ in millions)

Portfolio Company		Net Realized Gain (Loss)
BeyondTrust Holdings LLC	$	12.4
InMotion Entertainment Group, LLC		2.7
YETI Holdings, Inc.		2.7
Other, net		0.2
Total, net	**$**	**18.0**

Net Unrealized Appreciation or Depreciation

Net unrealized appreciation or depreciation reflects the net change in the valuation of the portfolio pursuant to the Company's valuation guidelines and the reclassification of any prior period unrealized appreciation or depreciation.

During the three months ended December 31, 2019 and 2018, the Company recorded net unrealized appreciation (depreciation) of $2.9 million and $(7.0) million, respectively. For the three months ended December 31, 2019, this consisted of $3.9 million of net unrealized appreciation on equity investments and $2.2 million of net unrealized appreciation on debt investments, partially offset by $1.7 million of net unrealized depreciation related to exited investments (a portion of which resulted in a reclassification to realized gains) and $1.5 million net unrealized depreciation of foreign currency forward contracts. For the three months ended December 31, 2018, this consisted of $15.5 million of net unrealized depreciation related to exited investments (a portion of which resulted in a reclassification to realized gains), $5.6 million of net unrealized depreciation on equity investments and $0.4 million of net unrealized depreciation of foreign currency forward contracts, partially offset by $14.5 million of net unrealized appreciation on debt investments.

Note 10. Concentration of Credit Risks

The Company deposits its cash with financial institutions and at times such balances may be in excess of the FDIC insurance limit. The Company limits its exposure to credit loss by depositing its cash with high credit quality financial institutions and monitoring their financial stability.

Note 11. Related Party Transactions

As of December 31, 2019 and September 30, 2019, the Company had a liability on its Consolidated Statements of Assets and Liabilities in the amount of $16.0 million and $10.2 million, respectively, reflecting the unpaid portion of the base management fees and incentive fees payable to Oaktree.

Investment Advisory Agreement

The Company is party to the Investment Advisory Agreement. Under the Investment Advisory Agreement, the Company pays Oaktree a fee for its services under the Investment Advisory Agreement consisting of two components: a base management fee and an incentive fee. The cost of both the base management fee payable to Oaktree and any incentive fees earned by Oaktree is ultimately borne by common stockholders of the Company.

Prior to October 17, 2017, the Company was externally managed by Fifth Street Management LLC (the "Former Adviser"), an indirect, partially-owned subsidiary of Fifth Street Asset Management Inc., pursuant to an investment advisory agreement between the Company and the Former Adviser (the "Former Investment Advisory Agreement"), which was terminated on October 17, 2017.

Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect until September 30, 2021 and thereafter from year-to-year if approved annually by the Board of Directors of the Company or by the affirmative vote of the holders of a majority of the Company's outstanding voting securities, including, in either case, approval by a majority of the directors of the Company who are not interested persons. The Investment Advisory Agreement will automatically terminate in the event of its assignment. The Investment Advisory Agreement may be terminated by either party without penalty upon 60 days' written notice to the other. The Investment Advisory Agreement may also be terminated, without penalty, upon the vote of a majority of the outstanding voting securities of the Company.

Base Management Fee

Under the Investment Advisory Agreement, the base management fee is calculated at an annual rate of 1.50% of total gross assets, including any investment made with borrowings, but excluding cash and cash equivalents. The base management fee is payable quarterly in arrears and the fee for any partial month or quarter is appropriately prorated. Effective May 3, 2019, the base management fee on the Company's gross assets, including any investments made with borrowings, but excluding any cash and cash equivalents, that exceed the product of (A) 200% and (B) the Company's net asset value will be 1.00%. For the avoidance of doubt, the 200% will be calculated in accordance with the Investment Company Act and will give effect to exemptive relief the Company received from the U.S. Securities and Exchange Commission with respect to debentures issued by a small business investment company subsidiary.

For the three months ended December 31, 2019, the base management fee incurred under the Investment Advisory Agreement was $5.6 million. For the three months ended December 31, 2018, the base management fee (net of waivers) incurred under the Investment Advisory Agreement was $5.5 million.

Incentive Fee

The incentive fee consists of two parts. Under the Investment Advisory Agreement, the first part of the incentive fee (the "incentive fee on income" or "Part I incentive fee") is calculated and payable quarterly in arrears based upon the "pre-incentive fee net investment income" of the Company for the immediately preceding quarter. The payment of the incentive fee on income is subject to payment of a preferred return to investors each quarter (i.e., a "hurdle rate"), expressed as a rate of return on the value of the Company's net assets at the end of the most recently completed quarter, of 1.50%, subject to a "catch up" feature.

For this purpose, "pre-incentive fee net investment income" means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies, other than fees for providing managerial assistance) accrued during the fiscal quarter, minus the Company's operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as OID debt, instruments with PIK interest and zero coupon securities), accrued income that the Company has not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

Under the Investment Advisory Agreement, the calculation of the incentive fee on income for each quarter is as follows:

- No incentive fee is payable to Oaktree in any quarter in which the Company's pre-incentive fee net investment income does not exceed the preferred return rate of 1.50% (the "preferred return") on net assets;
- 100% of the Company's pre-incentive fee net investment income, if any, that exceeds the preferred return but is less than or equal to 1.8182% in any fiscal quarter is payable to Oaktree. This portion of the incentive fee on income is referred to as the

"catch-up" provision, and it is intended to provide Oaktree with an incentive fee of 17.5% on all of the Company's pre-incentive fee net investment income when the Company's pre-incentive fee net investment income exceeds 1.8182% on net assets in any fiscal quarter; and

- For any quarter in which the Company's pre-incentive fee net investment income exceeds 1.8182% on net assets, the incentive fee on income is equal to 17.5% of the amount of the Company's pre-incentive fee net investment income, as the preferred return and catch-up will have been achieved.

There is no accumulation of amounts on the hurdle rate from quarter to quarter and accordingly there is no clawback of amounts previously paid if subsequent quarters are below the quarterly hurdle.

For the three months ended December 31, 2019, the first part of the incentive fee (incentive fee on income) incurred under the Investment Advisory Agreement was $3.0 million. For the three months ended December 31, 2018, the first part of the incentive fee (incentive fee on income) incurred under the Investment Advisory Agreement was $3.7 million (prior to waivers).

Under the Investment Advisory Agreement, the second part of the incentive fee (the "capital gains incentive fee") is determined and payable in arrears as of the end of each fiscal year (or upon termination of the Investment Advisory Agreement, as of the termination date) commencing with the fiscal year ended September 30, 2019 and equals 17.5% of the Company's realized capital gains, if any, on a cumulative basis from the beginning of the fiscal year ended September 30, 2019 through the end of each subsequent fiscal year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees under the Investment Advisory Agreement. Any realized capital gains, realized capital losses, unrealized capital appreciation and unrealized capital depreciation with respect to the Company's portfolio as of the end of the fiscal year ended September 30, 2018 are excluded from the calculations of the second part of the incentive fee. For the year ended September 30, 2019, the Company incurred $4.6 million of capital gains incentive fees under the Investment Advisory Agreement (prior to waivers).

GAAP requires that the capital gains incentive fee accrual consider the cumulative aggregate unrealized capital appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized capital appreciation were realized on a theoretical "liquidation basis." A fee so calculated and accrued would not be payable under applicable law and may never be paid based upon the computation of capital gains incentive fees in subsequent periods. Amounts ultimately paid under the Investment Advisory Agreement will be consistent with the formula reflected in the Investment Advisory Agreement. This GAAP accrual is calculated using the aggregate cumulative realized capital gains and losses and aggregate cumulative unrealized capital depreciation included in the calculation of the capital gains incentive fee plus the aggregate cumulative unrealized capital appreciation. Any realized capital gains and losses and cumulative unrealized capital appreciation and depreciation with respect to the Company's portfolio as of the end of the fiscal year ended September 30, 2018 are excluded from the GAAP accrual. If such amount is positive at the end of a period, then GAAP requires the Company to record a capital gains incentive fee equal to 17.5% of such cumulative amount, less the aggregate amount of actual capital gains incentive fees payable or capital gains incentive fees accrued under GAAP in all prior periods. The resulting accrual for any capital gains incentive fee under GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reversal of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. There can be no assurance that such unrealized capital appreciation will be realized in the future or any accrued capital gains incentive fee will become payable under the Investment Advisory Agreement. For the three months ended December 31, 2019, the Company recorded $1.1 million of accrued capital gains incentive fees. As of December 31, 2019, the Company had recorded cumulative accrued capital gains incentive fees of $11.2 million (prior to waivers).

To ensure compliance with Section 15(f) of the Investment Company Act, Oaktree entered into a two-year contractual fee waiver with the Company, which ended on October 17, 2019, pursuant to which Oaktree waived any management or incentive fees payable under the Investment Advisory Agreement that exceeded what would have been paid to the Former Adviser in the aggregate under the Former Investment Advisory Agreement. The contractual amount of fees permanently waived at the end of the two-year period was $3.9 million, and is reflected in base management fee and incentive fee payable on the Consolidated Statement of Assets and Liabilities as of December 31, 2019. Prior to the end of the two-year period, amounts potentially subject to waiver under the two-year contractual fee waiver were accrued quarterly based on a theoretical "liquidation basis." As of September 30, 2019, the Company had accrued cumulative fee waivers of $9.1 million. During the three months ended December 31, 2019, the Company reversed $5.2 million of previously accrued fee waivers since the two-year fee waiver period has ended.

The following table provides a roll-forward of the accrued waiver balance and illustrates the impact of the end of the two-year contractual fee waiver period:

($ in millions)		
Accrued fee waivers as of September 30, 2019 (1)	$	9.1
Reversal of previously accrued fee waivers (2)		(5.2)
Contractual fees waived under the Investment Advisory Agreement (3)		(3.9)
Accrued fee waivers as of December 31, 2019	$	—

(1) Calculated in accordance with GAAP as of September 30, 2019 and is based on a hypothetical liquidation basis.

(2) Reflects the reversal of fee waivers that were previously accrued based on a hypothetical liquidation basis when the two-year contractual fee waiver was in effect. This reversal was recognized in connection with the expiration of the two-year contractual fee waiver, which ended on October 17, 2019, and is reflected in reversal of fees waived in the Consolidated Statement of Operations for the three months ended December 31, 2019.

(3) Reflects the amount of fees permanently waived pursuant to the two-year contractual fee waiver.

As of September 30, 2019, the capital gains incentive fee payable under the Investment Advisory Agreement (net of waivers) was $0.8 million as shown below:

($ in millions)	September 30, 2019 (1)	
Capital gains incentive fee payable under the Investment Advisory Agreement (prior to waivers)	$	4.6
Contractual fees waived		(3.9)
Capital gains incentive fee payable under the Investment Advisory Agreement (net of waivers)	$	0.8

(1) Amounts may not sum due to rounding.

Indemnification

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of their respective duties or by reason of the reckless disregard of their respective duties and obligations, Oaktree and its officers, managers, partners, members (and their members, including the owners of their members), agents, employees, controlling persons and any other person or entity affiliated with it, are entitled to indemnification from the Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Oaktree's services under the Investment Advisory Agreement or otherwise as investment adviser.

Administrative Services

The Company is party to the Administration Agreement with Oaktree Administrator. Pursuant to the Administration Agreement, Oaktree Administrator provides administrative services to the Company necessary for the operations of the Company, which include providing office facilities, equipment, clerical, bookkeeping and record keeping services at such facilities and such other services as Oaktree Administrator, subject to review by the Company’s Board of Directors, shall from time to time deem to be necessary or useful to perform its obligations under the Administration Agreement. Oaktree Administrator may, on behalf of the Company, conduct relations and negotiate agreements with custodians, trustees, depositories, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or desirable. Oaktree Administrator makes reports to the Company’s Board of Directors of its performance of obligations under the Administration Agreement and furnishes advice and recommendations with respect to such other aspects of the Company’s business and affairs, in each case, as it shall determine to be desirable or as reasonably required by the Company’s Board of Directors; provided that Oaktree Administrator shall not provide any investment advice or recommendation.

Oaktree Administrator also provides portfolio collection functions for interest income, fees and warrants and is responsible for the financial and other records that the Company is required to maintain and prepares, prints and disseminates reports to the Company’s stockholders and all other materials filed with the SEC. In addition, Oaktree Administrator assists the Company in determining and publishing the Company’s net asset value, overseeing the preparation and filing of the Company’s tax returns, and generally overseeing the payment of the Company’s expenses and the performance of administrative and professional services rendered to the Company by others. Oaktree Administrator may also offer to provide, on the Company's behalf, managerial assistance to the Company's portfolio companies.

For providing these services, facilities and personnel, the Company reimburses Oaktree Administrator the allocable portion of overhead and other expenses incurred by Oaktree Administrator in performing its obligations under the Administration Agreement, including the Company's allocable portion of the rent of the Company's principal executive offices (which are located in a building owned by a Brookfield affiliate) at market rates and the Company's allocable portion of the costs of compensation and related expenses of its Chief Financial Officer, Chief Compliance Officer, their staffs and other non-investment professionals at Oaktree that perform duties for the Company. Such reimbursement is at cost, with no profit to, or markup by, Oaktree Administrator. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other. The Administration Agreement may also be terminated, without penalty, upon the vote of a majority of the Company's outstanding voting securities.

For the three months ended December 31, 2019, the Company accrued administrative expenses of $0.5 million, including $0.1 million of general and administrative expenses. For the three months ended December 31, 2018, the Company accrued administrative expenses of $0.9 million, including $0.1 million of general and administrative expenses.

As of December 31, 2019 and September 30, 2019, $2.5 million and $2.7 million was included in "Due to affiliate" in the Consolidated Statements of Assets and Liabilities, respectively, reflecting the unpaid portion of administrative expenses and other reimbursable expenses payable to Oaktree Administrator.

Note 12. Financial Highlights

(Share amounts in thousands)	Three months ended December 31, 2019	Three months ended December 31, 2018
Net asset value per share at beginning of period	$6.60	$6.09
Net investment income (1)	0.06	0.12
Net unrealized appreciation (depreciation) (1)	0.03	(0.05)
Net realized gains (losses) (1)	0.02	0.13
Distributions to stockholders	(0.10)	(0.10)
Net asset value per share at end of period	**$6.61**	**$6.19**
Per share market value at beginning of period	$5.18	$4.96
Per share market value at end of period	$5.46	$4.23
Total return (2)	7.23%	(12.87)%
Common shares outstanding at beginning of period	140,961	140.961
Common shares outstanding at end of period	140,961	140.961
Net assets at beginning of period	$930,630	$858,035
Net assets at end of period	$931,082	$872,362
Average net assets (3)	$934,932	$869,855
Ratio of net investment income to average net assets (4)	3.33%	7.90%
Ratio of total expenses to average net assets (4)	7.61%	10.27%
Ratio of net expenses to average net assets (4)	9.81%	9.56%
Ratio of portfolio turnover to average investments at fair value	6.68%	10.99%
Weighted average outstanding debt (5)	$489,564	$614,369
Average debt per share (1)	$3.47	$4.36
Asset coverage ratio at end of period (6)	271.92%	241.91%

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(1) Calculated based upon weighted average shares outstanding for the period.

(2) Total return equals the increase or decrease of ending market value over beginning market value, plus distributions, divided by the beginning market value, assuming dividend reinvestment prices obtained under the Company's DRIP.

(3) Calculated based upon the weighted average net assets for the period.

(4) Interim periods are annualized.

(5) Calculated based upon the weighted average of debt outstanding for the period.

(6) Based on outstanding senior securities of $540.0 million and $612.9 million as of December 31, 2019 and 2018, respectively.

Note 13. Unsecured Notes

2019 Notes

On February 26, 2014, the Company issued $250.0 million in aggregate principal amount of its 4.875% unsecured 2019 Notes for net proceeds of $244.4 million after deducting OID of $1.4 million, underwriting commissions and discounts of $3.7 million and offering costs of $0.5 million. The OID on the 2019 Notes was amortized based on the effective interest method over the term of the notes.

The 2019 Notes were issued pursuant to an indenture, dated April 30, 2012, as supplemented by the supplemental indenture, dated February 26, 2014 (collectively, the "2019 Notes Indenture"), between the Company and Deutsche Bank Trust Company Americas (the "Trustee").

Interest on the 2019 Notes was paid semi-annually on March 1 and September 1 at a rate of 4.875% per annum. As of December 31, 2019 and September 30, 2019, there were no 2019 Notes outstanding. The 2019 Notes matured on March 1, 2019 and were fully repaid during the three months ended March 31, 2019. For the three months ended December 31, 2018, the Company recorded interest expense of $3.0 million (inclusive of fees) related to the 2019 Notes.

2024 Notes

On October 18, 2012, the Company issued $75.0 million in aggregate principal amount of its 5.875% unsecured 2024 Notes for net proceeds of $72.5 million after deducting underwriting commissions of $2.2 million and offering costs of $0.3 million.

The 2024 Notes were issued pursuant to an indenture, dated April 30, 2012, as supplemented by the first supplemental indenture, dated October 18, 2012 (collectively, the "2024 Notes Indenture"), between the Company and the Trustee. The 2024 Notes are the Company's unsecured obligations and rank senior in right of payment to the Company's existing and future indebtedness that is expressly subordinated in right of payment to the 2024 Notes; equal in right of payment to the Company's existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness (including existing unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries or financing vehicles.

Interest on the 2024 Notes is paid quarterly in arrears on January 30, April 30, July 30 and October 30 at a rate of 5.875% per annum. The 2024 Notes mature on October 30, 2024 and may be redeemed in whole or in part at any time or from time to time at the Company's option on or after October 30, 2017. The 2024 Notes currently trade on the New York Stock Exchange under the symbol “OSLE” with a par value of $25.00 per note.

The 2024 Notes Indenture contains certain covenants, including covenants requiring the Company's compliance with (regardless of whether the Company is subject to) the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the Investment Company Act or any successor provisions and with the restrictions on dividends, distributions and purchase of capital stock set forth in Section 18(a)(1)(B) as modified by Section 61(a)(1) of the Investment Company Act, as well as covenants requiring the Company to provide financial information to the holders of the 2024 Notes and the Trustee if the Company ceases to be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These covenants are subject to limitations and exceptions that are described in the 2024 Notes Indenture. The Company may repurchase the 2024 Notes in accordance with the Investment Company Act and the rules promulgated thereunder. Any 2024 Notes repurchased by the Company may, at the Company's option, be surrendered to the Trustee for cancellation, but may not be reissued or resold by the Company. Any 2024 Notes surrendered for cancellation will be promptly canceled and no longer outstanding under the 2024 Notes Indenture. During the three months ended December 31, 2019 and 2018, the Company did not repurchase any of the 2024 Notes in the open market.

For each of the three months ended December 31, 2019 and 2018, the Company recorded interest expense of $1.2 million (inclusive of fees) related to the 2024 Notes.

As of December 31, 2019, there were $75.0 million of 2024 Notes outstanding, which had a carrying value and fair value of $74.0 million and $77.0 million, respectively. As of September 30, 2019, there were $75.0 million of 2024 Notes outstanding, which had a carrying value and fair value of $73.9 million and $77.4 million, respectively.

2028 Notes

In April and May 2013, the Company issued $86.3 million in aggregate principal amount of its 6.125% unsecured 2028 Notes for net proceeds of $83.4 million after deducting underwriting commissions of $2.6 million and offering costs of $0.3 million.

The 2028 Notes were issued pursuant to an indenture, dated April 30, 2012, as supplemented by the second supplemental indenture, dated April 4, 2013 (collectively, the "2028 Notes Indenture"), between the Company and the Trustee. The 2028 Notes are the Company's unsecured obligations and rank senior in right of payment to the Company's existing and future indebtedness that is expressly subordinated in right of payment to the 2028 Notes; equal in right of payment to the Company's existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness (including existing unsecured indebtedness that it later secures) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries or financing vehicles.

Interest on the 2028 Notes is paid quarterly in arrears on January 30, April 30, July 30 and October 30 at a rate of 6.125% per annum. The 2028 Notes mature on April 30, 2028 and may be redeemed in whole or in part at any time or from time to time at the Company's option on or after April 30, 2018. The 2028 Notes currently trade on the Nasdaq Global Select Market under the symbol "OCSLL" with a par value of $25.00 per note.

The 2028 Notes Indenture contains certain covenants, including covenants requiring the Company's compliance with (regardless of whether it is subject to) the asset coverage requirements set forth in Section 18(a)(1)(A) as modified by Section 61(a)(1) of the Investment Company Act or any successor provisions, as well as covenants requiring the Company to provide financial information to the holders of the 2028 Notes and the Trustee if it ceases to be subject to the reporting requirements of the Exchange Act. These covenants are subject to limitations and exceptions that are described in the 2028 Notes Indenture. The Company may repurchase the 2028 Notes in accordance with the Investment Company Act and the rules promulgated thereunder. Any 2028 Notes repurchased by the Company may, at its option, be surrendered to the Trustee for cancellation, but may not be reissued or resold by the Company. Any 2028 Notes surrendered for cancellation will be promptly canceled and no longer outstanding under the 2028 Notes Indenture. During the three months ended December 31, 2019 and 2018, the Company did not repurchase any of the 2028 Notes in the open market.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

For each of the three months ended December 31, 2019 and 2018, the Company recorded interest expense of $1.4 million (inclusive of fees) related to the 2028 Notes.

As of December 31, 2019, there were $86.3 million of 2028 Notes outstanding, which had a carrying value and fair value of $84.7 million and $88.6 million, respectively. As of September 30, 2019, there were $86.3 million of 2028 Notes outstanding, which had a carrying value and fair value of $84.6 million and $87.6 million, respectively.

Note 14. Derivative Instruments

The Company enters into forward currency contracts from time to time to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company’s investments denominated in foreign currencies. As of December 31, 2019, the counterparty to these forward currency contracts was JPMorgan Chase Bank, N.A. Net unrealized gains or losses on foreign currency contracts are included in “net unrealized appreciation (depreciation)” and net realized gains or losses on forward currency contracts are included in “net realized gains (losses)” in the accompanying Consolidated Statements of Operations. Forward currency contracts are considered undesignated derivative instruments.

Certain information related to the Company’s foreign currency forward contracts is presented below as of December 31, 2019.

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Balance Sheet Location of Net Amounts
Foreign currency forward contract	$ 23,037	£ 17,835	2/18/2020	$ —	$ (622)	Derivative liability
Foreign currency forward contract	$ 19,028	€ 17,200	2/28/2020	$ —	$ (350)	Derivative liability
				$ —	**$ (972)**	

Certain information related to the Company’s foreign currency forward contracts is presented below as of September 30, 2019.

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Maturity Date	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Balance Sheet Location of Net Amounts
Foreign currency forward contract	$ 22,161	£ 17,910	10/15/2019	$ 76	$ —	Derivative asset
Foreign currency forward contract	$ 19,193	€ 17,150	11/29/2019	$ 414	$ —	Derivative asset
				$ 490	**$ —**	

Note 15. Commitments and Contingencies

Off-Balance Sheet Arrangements

The Company may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of its companies. As of December 31, 2019, the Company's only off-balance sheet arrangements consisted of $101.7 million of unfunded commitments, which was comprised of $96.9 million to provide debt financing to certain of its portfolio companies, $1.3 million to provide equity financing to SLF JV I and $3.5 million related to unfunded limited partnership interests. As of September 30, 2019, the Company's only off-balance sheet arrangements consisted of $88.3 million of unfunded commitments, which was comprised of $83.5 million to provide debt financing to certain of its portfolio companies, $1.3 million to provide equity financing to SLF JV I and $3.5 million related to unfunded limited partnership interests. Such commitments are subject to the portfolio companies' satisfaction of certain financial and nonfinancial covenants and may involve, to varying degrees, elements of credit risk in excess of the amount recognized in the Company's Consolidated Statements of Assets and Liabilities.

(in thousands, except share and per share amounts, percentages and as otherwise indicated)

A list of unfunded commitments by investment (consisting of revolvers, term loans with delayed draw components, SLF JV I LLC subordinated notes and LLC equity interests and limited partnership interests) as of December 31, 2019 and September 30, 2019 is shown in the table below:

	December 31, 2019	September 30, 2019
Assembled Brands Capital LLC	$ 35,182	$ 35,182
Connect U.S. Finco LLC	17,732	—
P2 Upstream Acquisition Co.	9,000	9,000
PaySimple, Inc.	8,702	12,250
Sorrento Therapeutics, Inc.	7,500	7,500
Corrona, LLC	5,494	—
Pingora MSR Opportunity Fund I-A, LP	3,500	3,500
Mindbody, Inc.	3,048	3,048
Acquia Inc.	2,240	—
New IPT, Inc.	2,229	2,229
4 Over International, LLC	1,849	1,977
Apptio, Inc.	1,538	1,538
Senior Loan Fund JV I, LLC	1,328	1,328
iCIMs, Inc.	882	882
Ministry Brands, LLC	800	800
GKD Index Partners, LLC	578	1,156
PLATO Learning Inc. (1)	107	746
TerSera Therapeutics, LLC	—	4,200
Thruline Marketing, Inc.	—	3,000
Total	**$ 101,709**	**$ 88,336**

(1) This investment was on cash or PIK non-accrual status as of December 31, 2019 and September 30, 2019.

Note 16. Subsequent Events

The Company's management evaluated subsequent events through the date of issuance of the Consolidated Financial Statements. There have been no subsequent events that occurred during such period that would require disclosure in, or would be required to be recognized in the Consolidated Financial Statements as of and for the three months ended December 31, 2019, except as discussed below:

Distribution Declaration

On January 31, 2020, the Company's Board of Directors declared a quarterly distribution of $0.095 per share, payable on March 31, 2020 to stockholders of record on March 13, 2020.

2024 Notes Redemption

On January 31, 2020, the Company announced that it will redeem 100%, or $75,000,000 aggregate principal amount, of the issued and outstanding 2024 Notes on March 2, 2020 (the "Redemption Date"), following which they will be delisted from the New York Stock Exchange. The redemption price per 2024 Note will be $25 plus accrued and unpaid interest to, but not including, the Redemption Date.

Oaktree Specialty Lending Corporation

Schedule of Investments in and Advances to Affiliates
(in thousands, except share and per share amounts, percentages and as otherwise indicated)
Three months ended December 31, 2019

Portfolio Company/Type of Investment (1)	Cash Interest Rate	Industry	Principal	Net Realized Gain (Loss)	Amount of Interest, Fees or Dividends Credited in Income (2)	Fair Value at October 1, 2019	Gross Additions (3)	Gross Reductions (4)	Fair Value at December 31, 2019	% of Total Net Assets
Control Investments										
C5 Technology Holdings, LLC		Data Processing & Outsourced Services								
829 Common Units				$ —	$ —	$ —	$ —	$ —	$ —	—%
34,984,460.37 Preferred Units				—	—	34.984	—	—	34,984	3.8%
First Star Speir Aviation Limited (5)		Airlines								
First Lien Term Loan, 9.00% cash due 12/15/2020			$ 11,510	—	323	11,510	—	—	11,510	1.2%
100% equity interest			—	—	—	4,630	—	(174)	4,456	0.5%
New IPT, Inc.		Oil & Gas Equipment & Services								
First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	6.94%		2,755	—	61	3,256	—	(501)	2,755	0.3%
First Lien Revolver, LIBOR+5.00% cash due 3/17/2021	6.94%		1,009	—	20	1,009	—	—	1,009	0.1%
50.087 Class A Common Units in New IPT Holdings, LLC				—	—	2,903	—	—	2,903	0.3%
Senior Loan Fund JV I, LLC (6)		Multi-Sector Holdings								
Subordinated Debt, LIBOR+7.00% cash due 12/29/2028	9.01%		96,250	—	2,217	96,250	—	—	96,250	10.3%
87.5% LLC equity interest				—	—	30,052	2,171	—	32,223	3.5%
Thruline Marketing, Inc. (7)		Advertising								
First Lien Term Loan, LIBOR+7.00% cash due 4/3/2022			—	—	257	18,146	—	(18,146)	—	—%
First Lien Revolver, LIBOR+7.75% cash due 4/3/2022			—	—	2	—	—	—	—	—%
9,073 Class A Units in FS AVI Holdco, LLC				—	—	6,438	—	—	6,438	0.7%
Total Control Investments			**$ 111,524**	**$ —**	**$ 2,880**	**$ 209,178**	**$ 2,171**	**$ (18,821)**	**$ 192,528**	**20.7%**
Affiliate Investments										
Assembled Brands Capital LLC		Specialized Finance								
First Lien Delayed Draw Term Loan, LIBOR+6.00% cash due 10/17/2023	7.94%		$ 5,585	$ —	$ 119	$ 5,585	$ —	$ —	$ 5,585	0.6%
1,609,201 Class A Units				—	—	782	135	—	917	0.1%
1,019,168.80 Preferred Units, 6%				—	—	1,019	21	—	1,040	0.1%
70,424.5641 Class A Warrants (exercise price $3.3778) expiration date 9/9/2029				—	—	—	—	—	—	—%
Caregiver Services, Inc.		Health Care Services								
1,080,399 shares of Series A Preferred Stock, 10%			—	—	—	1,784	—	(220)	1,564	0.2%
Total Affiliate Investments			**$ 5,585**	**$ —**	**$ 119**	**$ 9,170**	**$ 156**	**$ (220)**	**$ 9,106**	**1.0%**
Total Control & Affiliate Investments			**$ 117,109**	**$ —**	**$ 2,999**	**$ 218,348**	**$ 2,327**	**$ (19,041)**	**$ 201,634**	**21.7%**

This schedule should be read in connection with the Company's Consolidated Financial Statements, including the Consolidated Schedules of Investments and Notes to the Consolidated Financial Statements.

(1) The principal amount and ownership detail are shown in the Company's Consolidated Schedules of Investments.
(2) Represents the total amount of interest (net of non-accrual amounts), fees and dividends credited to income for the portion of the period an investment was included in the Control or Affiliate categories.
(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments, accrued PIK interest (net of non-accrual amounts) and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation as well as the movement of an existing portfolio company into this category or out of a different category.

(4) Gross reductions include decreases in the cost basis of investment resulting from principal payments or sales and exchanges of one or more existing securities for one or more new securities. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.
(5) First Star Speir Aviation Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with ASU 2013-08, the Company has deemed the holding company to be an investment company under GAAP and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the holding company is disregarded for accounting purposes since the economic substance of this instrument is an equity investment in the operating entity.
(6) Together with Kemper, the Company co-invests through SLF JV I. SLF JV I is capitalized as transactions are completed and all portfolio and investment decisions in respect to SLF JV I must be approved by the SLF JV I investment committee consisting of representatives of the Company and Kemper (with approval from a representative of each required).
(7) During the three months ended March 31, 2019, the portfolio company was renamed from Keypath Education, Inc. to Thruline Marketing, Inc.

Oaktree Specialty Lending Corporation

Schedule of Investments in and Advances to Affiliates
(in thousands, except share and per share amounts, percentages and as otherwise indicated)
Three months ended December 31, 2018

Portfolio Company/Type of Investment (1)	Cash Interest Rate	Industry	Principal	Net Realized Gain (Loss)	Amount of Interest, Fees or Dividends Credited in Income (2)	Fair Value at October 1, 2018	Gross Additions (3)	Gross Reductions (4)	Fair Value at December 31, 2018	% of Total Net Assets
Control Investments										
First Star Speir Aviation Limited (5)		Airlines								
First Lien Term Loan, 9% cash due 12/15/2020			$ 32,510	$ —	$ 453	$ 32,510	$ 403	$ (403)	$ 32,510	3.7%
100% equity interest			—	—	—	—	967	—	967	0.1%
Keypath Education, Inc.		Advertising								
First Lien Term Loan, LIBOR+7% (1% floor) cash due 4/3/2022	9.80%		18,146	—	436	18,146	—	—	18,146	2.1%
First Lien Revolver, LIBOR+7.75% (1% floor) cash due 4/3/2022			—	—	4	—	—	—	—	—%
9,073 Class A Units in FS AVI Holdco, LLC			—	—	—	7,984	—	—	7,984	0.9%
New IPT, Inc.		Oil & gas equipment services								
First Lien Term Loan, LIBOR+5% (1% floor) cash due 3/17/2021	7.80%		4,107	—	84	4,107	—	—	4,107	0.5%
Second Lien Term Loan, LIBOR+5.1% (1% floor) cash due 9/17/2021	7.90%		902	—	23	1,453	—	(550)	903	0.1%
First Lien Revolver, LIBOR+5% (1% floor) cash due 3/17/2021	7.80%		1,009	—	21	1,009	—	—	1,009	0.1%
50.087 Class A Common Units in New IPT Holdings, LLC			—	—	—	2,291	—	—	2,291	0.3%
Senior Loan Fund JV I, LLC (6)		Multi-sector holdings								
Class A Mezzanine Secured Deferrable Floating Rate Notes due 2036 in SLF Repack Issuer 2016 LLC			—	—	2,036	99,813	—	(99,813)	—	—%
Class B Mezzanine Secured Deferrable Fixed Rate Notes, 10% cash due 2036 in SLF Repack Issuer 2016 LLC			—	—	707	29,520	67	(29,587)	—	—%
Subordinated Note, LIBOR+7% cash due 12/29/2028	9.45%		96,250	—	101	—	96,250	—	96,250	11.0%
87.5% equity interest			—	—	—	41	33,150	(7,191)	26,000	3.0%
Total Control Investments			**$ 152,924**	**$ —**	**$ 3,865**	**$ 196,874**	**$ 130,837**	**$ (137,544)**	**$ 190,167**	**21.8%**
Affiliate Investments										
Assembled Brands Capital LLC		Specialized finance								
First Lien Delayed Draw Term Loan LIBOR+6% cash due 10/17/2023	8.80%		$ 815	$ —	$ 17	$ —	$ 815	$ —	$ 815	0.1%
764,376.60 Class A Units			—	—	—	—	764	—	764	0.1%
583,190.81 Class B Units			—	—	—	—	—	—	—	—%
Caregiver Services, Inc.		Healthcare services								
1,080,399 shares of Series A Preferred Stock, 10%			—	—	—	2,161	—	—	2,161	0.2%
Total Affiliate Investments			**$ 815**	**$ —**	**$ 17**	**$ 2,161**	**$ 1,579**	**$ —**	**$ 3,740**	0.4%
Total Control & Affiliate Investments			**$ 153,739**	**$ —**	**$ 3,882**	**$ 199,035**	**$ 132,416**	**$ (137,544)**	**$ 193,907**	**22.2%**

This schedule should be read in connection with the Company's Consolidated Financial Statements, including the Consolidated Schedules of Investments and Notes to the Consolidated Financial Statements.

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(1) The principal amount and ownership detail are shown in the Company's Consolidated Schedules of Investments as of December 31, 2018 included in the Company's quarterly report on Form 10-Q for the quarter ended December 31, 2018.

(2) Represents the total amount of interest (net of non-accrual amounts), fees and dividends credited to income for the portion of the period an investment was included in the Control or Affiliate categories.

(3) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, follow-on investments, accrued PIK interest (net of non-accrual amounts) and the exchange of one or more existing securities for one or more new securities. Gross additions also include net increases in unrealized appreciation or net decreases in unrealized depreciation as well as the movement of an existing portfolio company into this category or out of a different category.

(4) Gross reductions include decreases in the cost basis of investment resulting from principal payments or sales and exchanges of one or more existing securities for one or more new securities. Gross reductions also include net increases in unrealized depreciation or net decreases in unrealized appreciation as well as the movement of an existing portfolio company out of this category and into a different category.

(5) First Star Speir Aviation Limited is a wholly-owned holding company formed by the Company in order to facilitate its investment strategy. In accordance with ASU 2013-08, the Company has deemed the holding company to be investment companies under GAAP and therefore deemed it appropriate to consolidate the financial results and financial position of the holding company and to recognize dividend income versus a combination of interest income and dividend income. Accordingly, the debt and equity investments in the wholly-owned holding companies are disregarded for accounting purposes since the economic substance of these instruments are equity investments in the operating entity.

(6) Together with Kemper, the Company co-invests through SLF JV I. SLF JV I is capitalized as transactions are completed and all portfolio and investment decisions in respect to SLF JV I must be approved by the SLF JV I investment committee consisting of representatives of the Company and Kemper (with approval from a representative of each required).

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

The following discussion should be read in connection with our Consolidated Financial Statements and the notes thereto included elsewhere in this quarterly report on Form 10-Q.

Some of the statements in this quarterly report on Form 10-Q constitute forward-looking statements because they relate to future events or our future performance or financial condition. The forward-looking statements contained in this quarterly report on Form 10-Q may include statements as to:

- our future operating results and distribution projections;
- the ability of Oaktree Capital Management, L.P., or Oaktree, to reposition our portfolio and to implement Oaktree's future plans with respect to our business;
- the ability of Oaktree to attract and retain highly talented professionals;
- our business prospects and the prospects of our portfolio companies;
- the impact of the investments that we expect to make;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments and additional leverage we may seek to incur in the future;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies; and
- the cost or potential outcome of any litigation to which we may be a party.

In addition, words such as “anticipate,” “believe,” “expect,” “seek,” “plan,” “should,” “estimate,” “project” and “intend” indicate forward-looking statements, although not all forward-looking statements include these words. The forward-looking statements contained in this quarterly report on Form 10-Q involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in “*Item 1A. Risk Factors*” in our annual report on Form 10-K for the year ended September 30, 2019 and elsewhere in this quarterly report on Form 10-Q.

Other factors that could cause actual results to differ materially include:

- changes or potential disruptions in our operations, the economy, financial markets or political environment;
- future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities) and conditions in our operating areas, particularly with respect to Business Development Companies or regulated investment companies, or RICs; and
- other considerations that may be disclosed from time to time in our publicly disseminated documents and filings.

We have based the forward-looking statements included in this quarterly report on Form 10-Q on information available to us on the date of this quarterly report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the Securities and Exchange Commission, or the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

All dollar amounts in tables are in thousands, except share and per share amounts, percentages and as otherwise indicated.

Business Overview

We are a specialty finance company that looks to provide customized, one-stop credit solutions to companies with limited access to public or syndicated capital markets. We are a closed-end, externally managed, non-diversified management investment company that has elected to be regulated as a Business Development Company under the Investment Company Act of 1940, as amended, or the Investment Company Act. In addition, we have qualified and elected to be treated as a RIC under the Internal Revenue Code of 1986, as amended, or the Code, for tax purposes.

We are externally managed by Oaktree pursuant to an investment advisory agreement, as amended from time to time, or the Investment Advisory Agreement, between the Company and Oaktree. Oaktree Fund Administration, LLC, or the Oaktree Administrator, a subsidiary of Oaktree, provides certain administrative and other services necessary for us to operate pursuant to an administration agreement, as amended from time to time, or the Administration Agreement.

We seek to generate current income and capital appreciation by providing companies with flexible and innovative financing solutions, including first and second lien loans, unsecured and mezzanine loans, bonds, preferred equity and certain equity co-investments. We may also seek to generate capital appreciation and income through secondary investments at discounts to par in either private or syndicated transactions. Our portfolio may also include certain structured finance and other non-traditional structures. We invest in companies that typically possess business models we expect to be resilient in the future with underlying fundamentals that will provide strength in future downturns. We intend to deploy capital across credit and economic cycles with a focus on long-term results, which we believe will enable us to build lasting partnerships with financial sponsors and management teams, and we may seek to opportunistically take advantage of dislocations in the financial markets and other situations that may benefit from Oaktree's credit and structuring expertise. Sponsors may include financial sponsors, such as an institutional investor or a private equity firm, or a strategic entity seeking to invest in a portfolio company. Oaktree is generally focused on middle-market companies, which we define as companies with enterprise values of between $100 million and $750 million. We generally invest in securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Below investment grade securities, which are often referred to as "high yield" and "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal.

Oaktree intends to continue to reposition our portfolio into investments that are better aligned with Oaktree's overall approach to credit investing and that it believes have the potential to generate attractive returns across market cycles. Since becoming our investment adviser, Oaktree has performed a comprehensive review of our portfolio and categorized our portfolio into core investments, non-core performing investments and underperforming investments. Certain additional information on such categorization and our portfolio composition is included in investor presentations that we file with the SEC. Since becoming our investment adviser, Oaktree has reduced the investments it has identified as non-core by over $700 million at fair value. Over time, Oaktree intends to rotate us out of the remaining non-core investments, which were approximately $174 million at fair value as of December 31, 2019. Oaktree periodically reviews designations of investments as core and non-core and may change such designations over time.

Business Environment and Developments

We believe that the shift of commercial banks away from lending to middle-market companies following the 2008 financial crisis, including as a result of the passage of the Dodd-Frank Act, and the adoption of the Basel III Accord continues to create opportunities for non-bank lenders such as us. We believe middle-market companies represent a significant opportunity for direct lending as there are nearly 200,000 middle-market businesses, representing one-third of private sector gross domestic product and accounting for approximately 48 million jobs according to the National Center for the Middle Market. In addition, according to the S&P Global Market Intelligence LCD Middle Market Review, there was a total of $5.7 billion of syndicated middle market loan issuance in the calendar year 2019.

We believe that quantitative easing and other similar monetary policies implemented by central banks worldwide in reaction to the 2008 financial crisis have created significant inflows of capital, including from private equity sponsors, focused on yield-driven products such as sub-investment grade debt. While we believe that private equity sponsors continue to have a large pool of available capital and will continue to pursue acquisitions in the middle market, increased competition from other lenders to middle-market companies together with increased capital focused on the sector have led to spread compression and higher leverage multiples across the middle market, resulting in spreads near historically low levels, and average debt levels near historically high levels.

Despite the heightened competition, we believe that the fundamentals of middle-market companies remain strong. In this environment, we believe attractive risk-adjusted returns can be achieved by investing in companies that cannot efficiently access traditional debt capital markets. We believe that we have the resources and experience to source, diligence and structure investments in these companies and are well placed to generate attractive returns for investors.

As of December 31, 2019, 90.6% of our debt investment portfolio (at fair value) and 88.0% of our debt investment portfolio (at cost) bore interest at floating rates indexed to the London Interbank Offered Rate, or LIBOR, and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly or monthly at the borrower's option. In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S.-dollar LIBOR with the Secured Overnight Financing Rate, or SOFR, a new index calculated by short-term repurchase agreements, backed by Treasury securities. Although there have been a few issuances utilizing SOFR or the Sterling Over Night Index Average, an alternative reference rate that is based on transactions, it remains unknown whether these alternative reference rates will attain market acceptance as replacements for LIBOR. If LIBOR ceases to exist, we may need to renegotiate any credit agreements extending beyond 2021 with our prospective portfolio companies that utilize LIBOR as a factor in determining the interest rate and may also need to renegotiate the terms of the Credit Facility (as defined below), which matures in 2024. Certain of the loan agreements with our portfolio companies have included fallback language in the event that LIBOR becomes unavailable. This language generally provides that the administrative agent may identify a replacement reference rate, typically with the consent of (or prior consultation with) the borrower. In certain cases, the administrative agent will be required to obtain the consent of either a majority of the lenders under the facility, or the consent of each lender, prior to identifying a replacement reference rate. Certain of the loan agreements with our portfolio companies do not include any fallback language providing a mechanism for the parties to negotiate a new reference interest rate and will instead revert to the base rate in the event LIBOR ceases to exist.

Critical Accounting Policies

Basis of Presentation

Our Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, and pursuant to the requirements for reporting on Form 10-Q and Regulation S-X. In the opinion of management, all adjustments of a normal recurring nature considered necessary for the fair presentation of the Consolidated Financial Statements have been made. All intercompany balances and transactions have been eliminated. We are an investment company following the accounting and reporting guidance in Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 946, *Financial Services-Investment Companies*, or ASC 946.

Investment Valuation

We value our investments in accordance with FASB ASC Topic 820, Fair Value Measurements and Disclosures, or ASC 820, which defines fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. ASC 820 prioritizes the use of observable market prices over entity-specific inputs. Where observable prices or inputs are not available or reliable, valuation techniques are applied. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the investments or market and the investments' complexity.

Hierarchical levels, defined by ASC 820 and directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

- Level 1 — Unadjusted, quoted prices in active markets for identical assets or liabilities as of the measurement date.
- Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data at the measurement date for substantially the full term of the assets or liabilities.
- Level 3 — Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

If inputs used to measure fair value fall into different levels of the fair value hierarchy, an investment's level is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. This includes investment securities that are valued using "bid" and "ask" prices obtained from independent third party pricing services or directly from brokers. These investments may be classified as Level 3 because the quoted prices may be indicative in nature for securities that are in an inactive market, may be for similar securities or may require adjustments for investment-specific factors or restrictions.

Financial instruments with readily available quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment inherent in measuring fair value. As such, Oaktree obtains and analyzes readily available market quotations provided by pricing vendors and brokers for all of our investments for which quotations are available. In determining the fair value of a particular investment, pricing vendors and brokers use observable market information, including both binding and non-binding indicative quotations.

We seek to obtain at least two quotations for the subject or similar securities, typically from pricing vendors. If we are unable to obtain two quotes from pricing vendors, or if the prices obtained from pricing vendors are not within our set threshold, we seek to obtain a quote directly from a broker making a market for the asset. Oaktree evaluates the quotations provided by pricing vendors and brokers based on available market information, including trading activity of the subject or similar securities, or by performing a comparable security analysis to ensure that fair values are reasonably estimated. Oaktree also performs back-testing of valuation information obtained from pricing vendors and brokers against actual prices received in transactions. In addition to ongoing monitoring and back-testing, Oaktree performs due diligence procedures over pricing vendors to understand their methodology and controls to support their use in the valuation process. Generally, we do not adjust any of the prices received from these sources.

If the quotations obtained from pricing vendors or brokers are determined to not be reliable or are not readily available, we value such investments using any of three different valuation techniques. The first valuation technique is the transaction precedent technique, which utilizes recent or expected future transactions of the investment to determine fair value, to the extent applicable. The second valuation technique is an analysis of the enterprise value, or EV, of the portfolio company. EV means the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time. The EV analysis is typically performed to determine (i) the value of equity investments, (ii) whether there is credit impairment for debt investments and (iii) the value for debt investments that we are deemed to control under the Investment Company Act. To estimate the

EV of a portfolio company, Oaktree analyzes various factors, including the portfolio company's historical and projected financial results, macroeconomic impacts on the company, and competitive dynamics in the company's industry. Oaktree also utilizes some or all of the following information based on the individual circumstances of the portfolio company: (i) valuations of comparable public companies, (ii) recent sales of private and public comparable companies in similar industries or having similar business or earnings characteristics, (iii) purchase prices as a multiple of their earnings or cash flow, (iv) the portfolio company's ability to meet its forecasts and its business prospects, (v) a discounted cash flow analysis, (vi) estimated liquidation or collateral value of the portfolio company's assets and (vii) offers from third parties to buy the portfolio company. We may probability weight potential sale outcomes with respect to a portfolio company when uncertainty exists as of the valuation date. The third valuation technique is a market yield technique, which is typically performed for non-credit impaired debt investments. In the market yield technique, a current price is imputed for the investment based upon an assessment of the expected market yield for a similarly structured investment with a similar level of risk, and we consider the current contractual interest rate, the capital structure and other terms of the investment relative to risk of the company and the specific investment. A key determinant of risk, among other things, is the leverage through the investment relative to the EV of the portfolio company. As debt investments held by us are substantially illiquid with no active transaction market, we depend on primary market data, including newly funded transactions and industry-specific market movements, as well as secondary market data with respect to high yield debt instruments and syndicated loans, as inputs in determining the appropriate market yield, as applicable.

In accordance with ASC 820-10, certain investments that qualify as investment companies in accordance with ASC 946 may be valued using net asset value as a practical expedient for fair value. Consistent with FASB guidance under ASC 820, these investments are excluded from the hierarchical levels. These investments are generally not redeemable.

We estimate the fair value of privately held warrants using a Black Scholes pricing model, which includes an analysis of various factors and subjective assumptions, including the current stock price (by using an EV analysis as described above), the expected period until exercise, expected volatility of the underlying stock price, expected dividends and the risk-free rate. Changes in the subjective input assumptions can materially affect the fair value estimates.

Our Board of Directors undertakes a multi-step valuation process each quarter in connection with determining the fair value of our investments:

- The quarterly valuation process begins with each portfolio company or investment being initially valued by Oaktree's valuation team in conjunction with Oaktree's portfolio management team and investment professionals responsible for each portfolio investment;

- Preliminary valuations are then reviewed and discussed with management of Oaktree;

- Separately, independent valuation firms engaged by our Board of Directors prepare valuations of our investments, on a selected basis, for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment, and submit the reports to us and provide such reports to Oaktree and the Audit Committee of our Board of Directors;

- Oaktree compares and contrasts its preliminary valuations to the valuations of the independent valuation firms and prepares a valuation report for the Audit Committee;

- The Audit Committee reviews the preliminary valuations with Oaktree, and Oaktree responds and supplements the preliminary valuations to reflect any discussions between Oaktree and the Audit Committee;

- The Audit Committee makes a recommendation to our full Board of Directors regarding the fair value of the investments in our portfolio; and

- Our Board of Directors discusses valuations and determines the fair value of each investment in our portfolio.

The fair value of our investments as of December 31, 2019 and September 30, 2019 was determined in good faith by our Board of Directors. Our Board of Directors has and will continue to engage independent valuation firms to provide assistance regarding the determination of the fair value of a portion of our portfolio securities for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment each quarter, and the Board of Directors may reasonably rely on that assistance. As of December 31, 2019, 94.7% of our portfolio at fair value was valued either based on market quotations, the transactions precedent approach or corroborated by independent valuation firms. However, our Board of Directors is responsible for the ultimate valuation of the portfolio investments at fair value as determined in good faith pursuant to our valuation policy and a consistently applied valuation process.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been reported had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

As of December 31, 2019 and September 30, 2019, approximately 96.8% and 97.1%, respectively, of our total assets represented investments at fair value.

Revenue Recognition

Interest Income

Interest income, adjusted for accretion of original issue discount, or OID, is recorded on an accrual basis to the extent that such amounts are expected to be collected. We stop accruing interest on investments when it is determined that interest is no longer collectible. Investments that are expected to pay regularly scheduled interest in cash are generally placed on non-accrual status when there is reasonable doubt that principal or interest cash payments will be collected. Cash interest payments received on investments may be recognized as income or a return of capital depending upon management’s judgment. A non-accrual investment is restored to accrual status if past due principal and interest are paid in cash, and the portfolio company, in management’s judgment, is likely to continue timely payment of its remaining obligations. As of December 31, 2019, there were three investments on which we had stopped accruing cash and/or payment in kind, or PIK interest or OID income.

In connection with our investment in a portfolio company, we sometimes receive nominal cost equity that is valued as part of the negotiation process with the portfolio company. When we receive nominal cost equity, we allocate our cost basis in the investment between debt securities and the nominal cost equity at the time of origination. Any resulting discount from recording the loan, or otherwise purchasing a security at a discount, is accreted into interest income over the life of the loan.

For our secured borrowings, the interest earned on the entire loan balance is recorded within interest income and the interest earned by the buyer from the partial loan sales is recorded within interest expense in the Consolidated Statements of Operations.

PIK Interest Income

Our investments in debt securities may contain PIK interest provisions. PIK interest, which typically represents contractually deferred interest added to the loan balance that is generally due at the end of the loan term, is generally recorded on the accrual basis to the extent such amounts are expected to be collected. We generally cease accruing PIK interest if there is insufficient value to support the accrual or if we do not expect the portfolio company to be able to pay all principal and interest due. Our decision to cease accruing PIK interest on a loan or debt security involves subjective judgments and determinations based on available information about a particular portfolio company, including whether the portfolio company is current with respect to its payment of principal and interest on its loans and debt securities; financial statements and financial projections for the portfolio company; our assessment of the portfolio company's business development success; information obtained by us in connection with periodic formal update interviews with the portfolio company's management and, if appropriate, the private equity sponsor; and information about the general economic and market conditions in which the portfolio company operates. Our determination to cease accruing PIK interest is generally made well before our full write-down of a loan or debt security. In addition, if it is subsequently determined that we will not be able to collect any previously accrued PIK interest, the fair value of the loans or debt securities would be reduced by the amount of such previously accrued, but uncollectible, PIK interest. The accrual of PIK interest on our debt investments increases the recorded cost bases of these investments in our Consolidated Financial Statements including for purposes of computing the capital gains incentive fee payable by us to Oaktree. To maintain our status as a RIC, certain income from PIK interest may be required to be distributed to our stockholders, even though we have not yet collected the cash and may never do so.

Fee Income

Oaktree may provide financial advisory services to portfolio companies and, in return, we may receive fees for capital structuring services. These fees are generally nonrecurring and are recognized by us upon the investment closing date. We may also receive additional fees in the ordinary course of business, including servicing, amendment and prepayment fees, which are classified as fee income and recognized as they are earned or the services are rendered.

We have also structured exit fees across certain of our portfolio investments to be received upon the future exit of those investments. These fees are typically paid to us upon the earliest to occur of (i) a sale of the borrower or substantially all of the assets of the borrower, (ii) the maturity date of the loan or (iii) the date when full prepayment of the loan occurs. The receipt of such fees is contingent upon the occurrence of one of the events listed above for each of the investments. These fees are included in net investment income over the life of the loan.

Dividend Income

We generally recognize dividend income on the ex-dividend date. Distributions received from equity investments are evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, we will not record distributions from such equity investments as dividend income unless there are sufficient earnings at the portfolio company prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

Portfolio Composition

Our investments principally consist of loans, common and preferred equity and warrants in privately-held companies and Senior Loan Fund JV I, LLC, or SLF JV I. Our loans are typically secured by a first, second or subordinated lien on the assets of the portfolio company and generally have terms of up to ten years (but an expected average life of between three and four years). We believe the environment for direct lending remains active, and, as a result, a number of our portfolio companies were able to refinance and repay their loans during the three months ended December 31, 2019.

During the three months ended December 31, 2019, we originated $134.2 million of investment commitments in nine new and four existing portfolio companies and funded $136.2 million of investments.

During the three months ended December 31, 2019, we received $97.0 million of proceeds from prepayments, exits, other paydowns and sales and exited seven portfolio companies.

A summary of the composition of our investment portfolio at cost and fair value as a percentage of total investments is shown in the following tables:

	December 31, 2019	September 30, 2019
Cost:		
Senior secured debt	78.13%	77.35%
Subordinated debt	6.32	6.88
Debt investments in SLF JV I	6.26	6.36
Common equity and warrants	3.49	3.48
LLC equity interests of SLF JV I	3.21	3.26
Preferred equity	2.59	2.67
Total	**100.00%**	**100.00%**

	December 31, 2019	September 30, 2019
Fair value:		
Senior secured debt	79.53%	78.64%
Debt investments in SLF JV I	6.56	6.69
Subordinated debt	4.84	5.65
Common equity and warrants	4.22	4.10
Preferred equity	2.65	2.82
LLC equity interests of SLF JV I	2.20	2.10
Total	**100.00%**	**100.00%**

The industry composition of our portfolio at cost and fair value as a percentage of total investments was as follows:

	December 31, 2019	September 30, 2019
Cost:		
Application Software	9.96%	8.73%
Multi-Sector Holdings (1)	9.52	9.67
Health Care Services	7.24	6.62
Data Processing & Outsourced Services	6.58	6.46
Property & Casualty Insurance	5.56	4.83
Biotechnology	5.42	5.43
Pharmaceuticals	4.11	3.92
Specialized Finance	3.48	3.52
Auto Parts & Equipment	2.89	2.82
Research & Consulting Services	2.58	2.30
Real Estate Services	2.55	2.60
Health Care Technology	2.38	3.37
Aerospace & Defense	2.19	2.23
Specialty Chemicals	2.07	2.10
Systems Software	2.06	2.10
Movies & Entertainment	2.00	1.25
Oil & Gas Refining & Marketing	1.97	2.01
Integrated Telecommunication Services	1.97	2.23
Internet Services & Infrastructure	1.85	2.15
Managed Health Care	1.79	1.83
Electrical Components & Equipment	1.67	1.40
Advertising	1.58	2.80
Education Services	1.50	1.04
Airport Services	1.46	—
Independent Power Producers & Energy Traders	1.44	—
Construction & Engineering	1.24	1.55
Health Care Distributors	1.24	1.49
General Merchandise Stores	1.23	1.25
Diversified Support Services	1.22	1.24
Apparel, Accessories & Luxury Goods	1.16	1.20
Industrial Machinery	1.04	1.13
IT Consulting & Other Services	0.97	0.99
Alternative Carriers	0.76	1.94
Oil & Gas Equipment & Services	0.76	0.80
Oil & Gas Storage & Transportation	0.75	0.77
Airlines	0.69	0.70
Trading Companies & Distributors	0.67	0.68
Specialized REITs	0.63	0.55
Household Appliances	0.51	0.52
Food Retail	0.44	0.96
Commercial Printing	0.40	0.40
Restaurants	0.20	0.20
Leisure Facilities	0.12	0.12
Specialty Stores	0.08	0.09
Thrifts & Mortgage Finance	0.06	0.08
Other Diversified Financial Services	0.01	0.01
Interactive Media & Services	—	1.44
Environmental & Facilities Services	—	0.39
Human Resource & Employment Services	—	0.05
Department Stores	—	0.04
Total	**100.00%**	**100.00%**

	December 31, 2019	September 30, 2019
Fair value:		
Application Software	10.32%	9.00%
Multi-Sector Holdings (1)	8.91	8.94
Data Processing & Outsourced Services	6.96	6.83
Biotechnology	6.28	5.96
Property & Casualty Insurance	5.85	5.16
Health Care Services	4.46	4.06
Pharmaceuticals	4.31	4.18
Specialized Finance	3.65	3.58
Research & Consulting Services	2.88	2.60
Auto Parts & Equipment	2.84	2.82
Real Estate Services	2.68	2.75
Health Care Technology	2.59	3.64
Aerospace & Defense	2.29	2.35
Systems Software	2.17	2.19
Oil & Gas Refining & Marketing	2.16	2.20
Movies & Entertainment	2.10	1.29
Internet Services & Infrastructure	1.93	2.26
Managed Health Care	1.88	1.93
Electrical Components & Equipment	1.80	1.39
Integrated Telecommunication Services	1.71	2.01
Specialty Chemicals	1.58	1.64
Airport Services	1.53	—
Independent Power Producers & Energy Traders	1.51	—
Advertising	1.31	2.59
Construction & Engineering	1.30	1.67
Health Care Distributors	1.28	1.53
Diversified Support Services	1.26	1.30
General Merchandise Stores	1.12	1.18
Airlines	1.09	1.12
Industrial Machinery	1.07	1.17
IT Consulting & Other Services	0.99	0.96
Leisure Products	0.99	1.05
Oil & Gas Equipment & Services	0.87	0.95
Apparel, Accessories & Luxury Goods	0.86	0.92
Alternative Carriers	0.85	2.06
Oil & Gas Storage & Transportation	0.81	0.83
Trading Companies & Distributors	0.70	0.72
Specialized REITs	0.66	0.57
Household Appliances	0.53	0.53
Education Services	0.52	—
Food Retail	0.48	1.04
Commercial Printing	0.41	0.41
Leisure Facilities	0.29	0.33
Restaurants	0.19	0.19
Thrifts & Mortgage Finance	0.03	0.05
Interactive Media & Services	—	1.56
Environmental & Facilities Services	—	0.41
Human Resource & Employment Services	—	0.05
Department stores	—	0.03
Total	**100.00%**	**100.00%**

(1) This industry includes our investment in SLF JV I.

Loans and Debt Securities on Non-Accrual Status

As of each of December 31, 2019 and September 30, 2019, there were three investments on which we had stopped accruing cash and/or PIK interest or OID income.

The percentages of our debt investments at cost and fair value by accrual status as of December 31, 2019 and September 30, 2019 were as follows:

	December 31, 2019				September 30, 2019			
	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio	Cost	% of Debt Portfolio	Fair Value	% of Debt Portfolio
Accrual	$ 1,336,000	95.74%	$ 1,334,143	99.97%	$ 1,311,849	95.72%	$ 1,305,718	99.79%
PIK non-accrual (1)	12,661	0.91	—	—	12,661	0.92	—	—
Cash non-accrual (2)	46,745	3.35	461	0.03	46,107	3.36	2,706	0.21
Total	**$ 1,395,406**	**100.00%**	**$ 1,334,604**	**100.00%**	**$ 1,370,617**	**100.00%**	**$ 1,308,424**	**100.00%**

(1) PIK non-accrual status is inclusive of other non-cash income, where applicable.
(2) Cash non-accrual status is inclusive of PIK and other non-cash income, where applicable.

Senior Loan Fund JV I, LLC

In May 2014, we entered into a limited liability company, or LLC, agreement with Trinity Universal Insurance Company, a subsidiary of Kemper Corporation, or Kemper, to form SLF JV I. We co-invest in senior secured loans of middle-market companies and other corporate debt securities with Kemper through our investment in SLF JV I. SLF JV I is managed by a four person Board of Directors, two of whom are selected by us and two of whom are selected by Kemper. All portfolio decisions and investment decisions in respect of SLF JV I must be approved by the SLF JV I investment committee, which consists of one representative selected by us and one representative selected by Kemper (with approval from a representative of each required). Since we do not have a controlling financial interest in SLF JV I, we do not consolidate SLF JV I.

SLF JV I is capitalized pro rata with LLC equity interests as transactions are completed and may be capitalized with additional subordinated notes issued to us and Kemper by SLF JV I. On December 28, 2018, we and Kemper directed the redemption of our holdings of mezzanine notes issued by SLF Repack Issuer 2016, LLC, a wholly-owned, special purpose issuer subsidiary of SLF JV I. Upon such redemption, the assets collateralizing the mezzanine notes, which consisted of equity interests of SLF JV I Funding LLC, or the Equity Interests, were distributed in-kind to each of us and Kemper, based upon our respective holdings of mezzanine notes. Upon such distribution, we and Kemper each then directed that a portion of our respective Equity Interests holdings be contributed to SLF JV I in exchange for LLC equity interests of SLF JV I and the remainder be applied as payment for the subordinated notes of SLF JV I. SLF Repack Issuer 2016, LLC was dissolved following the foregoing redemption and liquidation. The subordinated notes issued by SLF JV I, or the SLF JV 1 Subordinated Notes, and the mezzanine notes issued by SLF Repack Issuer 2016, LLC, or the SLF Repack Notes, collectively are referred to as the SLF JV I Notes. Prior to their redemption on December 28, 2018, the SLF Repack Notes consisted of Class A mezzanine secured deferrable floating rate notes and Class B mezzanine secured deferrable fixed rate notes. The SLF JV I Subordinated Notes are (and the SLF Repack Notes were, prior to their redemption) senior in right of payment to SLF JV I LLC equity interests and subordinated in right of payment to SLF JV I's secured debt. As of December 31, 2019 and September 30, 2019, we and Kemper owned, in the aggregate, 87.5% and 12.5%, respectively, of the LLC equity interests of SLF JV I and the outstanding SLF JV I Subordinated Notes.

SLF JV I has a senior revolving credit facility with Deutsche Bank AG, New York Branch, or, as amended, the Deutsche Bank I Facility, which permitted up to $250.0 million of borrowings as of December 31, 2019 and September 30, 2019. Borrowings under the Deutsche Bank I Facility are secured by all of the assets of SLF JV I Funding LLC, a special purpose financing subsidiary of SLF JV I. As of December 31, 2019, the reinvestment period of the Deutsche Bank I Facility was scheduled to expire June 28, 2021 and the maturity date for the Deutsche Bank I Facility was June 29, 2026. As of December 31, 2019, borrowings under the Deutsche Bank I Facility accrued interest at a rate equal to the 3-month LIBOR plus 1.85% per annum during the reinvestment period and 3-month LIBOR plus 2.00% per annum during the amortization period. Under the Deutsche Bank I Facility, $189.7 million and $170.2 million of borrowings were outstanding as of December 31, 2019 and September 30, 2019, respectively.

As of December 31, 2019 and September 30, 2019, SLF JV I had total assets of $351.7 million and $360.9 million, respectively. SLF JV I's portfolio primarily consisted of senior secured loans to 51 portfolio companies as of each of December 31, 2019 and September 30, 2019. The portfolio companies in SLF JV I are in industries similar to those in which we may invest directly. As of December 31, 2019, our investment in SLF JV I consisted of LLC equity interests of $32.2 million, at fair value, and subordinated notes of $96.3 million, at fair value. As of September 30, 2019, our investment in SLF JV I consisted of LLC equity interests of $30.1 million, at fair value, and SLF JV I Subordinated Notes of $96.3 million, at fair value.

As of each of December 31, 2019 and September 30, 2019, we and Kemper had funded approximately $165.5 million to SLF JV I, of which $144.8 million was from us. As of December 31, 2019 and September 30, 2019, we and Kemper had the option to fund additional

SLF JV I Notes, subject to additional equity funding to SLF JV I. As of each of December 31, 2019 and September 30, 2019, we had commitments to fund LLC equity interests in SLF JV I of $17.5 million, of which $1.3 million was unfunded.

Below is a summary of SLF JV I's portfolio, followed by a listing of the individual loans in SLF JV I's portfolio as of December 31, 2019 and September 30, 2019:

	December 31, 2019	September 30, 2019
Senior secured loans (1)	$324,586	$340,960
Weighted average interest rate on senior secured loans (2)	6.31%	6.57%
Number of borrowers in SLF JV I	51	51
Largest exposure to a single borrower (1)	$10,808	$10,835
Total of five largest loan exposures to borrowers (1)	$50,333	$50,510

(1) At principal amount.
(2) Computed using the weighted average annual interest rate on accruing senior secured loans at fair value.

SLF JV I Portfolio as of December 31, 2019

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Access CIG, LLC	First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	5.44%	Diversified Support Services	$ 9,276	$ 9,235	$ 9,284	
AdVenture Interactive, Corp.	927 shares of common stock		Advertising		1,390	1,314	(4)
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.44%	Electrical Components & Equipment	6,118	5,972	6,126	(4)
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	5.74%	Integrated Telecommunication Services	7,425	7,270	7,454	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 4/1/2022	6.55%	Pharmaceuticals	9,429	9,169	8,266	
Anastasia Parent, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/11/2025	5.68%	Personal Products	2,850	2,344	2,443	
Apptio, Inc.	First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	8.96%	Application Software	4,615	4,538	4,531	(4)
	First Lien Revolver, LIBOR+7.25% cash due 1/10/2025		Application Software	—	(6)	(7)	(4)(5)
Total Apptio, Inc.					**4,532**	**4,524**	
Aurora Lux Finco S.À.R.L.	First Lien Term Loan, LIBOR+6.00% cash due 12/24/2026	7.93%	Airport Services	6,500	6,338	6,338	(4)
Blackhawk Network Holdings, Inc.	First Lien Term Loan, LIBOR+3.00% cash due 6/15/2025	4.80%	Data Processing & Outsourced Services	9,850	9,831	9,868	
Boxer Parent Company Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	6.05%	Systems Software	7,590	7,501	7,522	(4)
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	5.79%	Oil & Gas Equipment & Services	7,388	7,359	6,353	
C5 Technology Holdings, LLC	171 Common Units		Data Processing & Outsourced Services		—	—	(4)
	7,193,539.63 Preferred Units				7,194	7,194	(4)
Total C5 Technology Holdings, LLC					**7,194**	**7,194**	
Cast & Crew Payroll, LLC	First Lien Term Loan, LIBOR+4.00% cash due 2/9/2026	5.80%	Application Software	4,963	4,913	4,994	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	6.94%	Oil & Gas Refining & Marketing	7,940	7,860	7,990	(4)
Connect U.S. Finco LLC	First Lien Delayed Draw Term Loan, LIBOR+4.50% cash due 12/11/2026	6.29%	Alternative Carriers	3,272	3,112	3,331	(4)(5)
Cortes NP Acquisition Corporation	First Lien Term Loan, LIBOR+4.00% cash due 11/30/2023	5.93%	Electrical Components & Equipment	4,290	4,075	4,290	(4)
Curium Bidco S.à.r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	5.94%	Biotechnology	5,985	5,940	6,041	
Dcert Buyer, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/16/2026	5.80%	Internet Services & Infrastructure	8,000	7,980	8,040	
Ellie Mae, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/17/2026	5.94%	Application Software	4,987	4,963	5,028	
eResearch Technology, Inc.	First Lien Term Loan, LIBOR+4.50% cash due 11/20/2026	6.39%	Application Software	7,500	7,425	7,570	
Falmouth Group Holdings Corp.	First Lien Term Loan, LIBOR+6.75% cash due 12/14/2021	8.55%	Specialty Chemicals	4,938	4,909	4,910	
Frontier Communications Corporation	First Lien Term Loan, LIBOR+3.75% cash due 6/15/2024	5.55%	Integrated Telecommunication Services	6,457	6,384	6,502	
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	6.04%	Systems Software	7,840	7,784	7,771	
GoodRx, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 10/10/2025	4.55%	Interactive Media & Services	7,832	7,816	7,894	

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Guidehouse LLP	Second Lien Term Loan, LIBOR+8.00% cash due 5/1/2026	9.80%	Research & Consulting Services	$ 6,000	$ 5,976	$ 5,910	(4)
Helios Software Holdings, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/24/2025	6.18%	Systems Software	4,000	3,960	3,979	
Indivior Finance S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 12/19/2022	6.43%	Pharmaceuticals	7,864	7,771	7,287	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+3.75% cash due 11/27/2023	5.68%	Alternative Carriers	10,000	9,897	10,035	
KIK Custom Products Inc.	First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	5.79%	Household Products	8,000	7,974	7,876	
Mindbody, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 2/14/2025	8.79%	Internet Services & Infrastructure	4,524	4,446	4,442	(4)
	First Lien Revolver, LIBOR+7.00% cash due 2/14/2025		Internet Services & Infrastructure	—	(8)	(9)	(4)(5)
Total Mindbody, Inc.					**4,438**	**4,433**	
Navicure, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/22/2026	5.80%	Health Care Technology	6,000	5,970	6,041	
New IPT, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	6.94%	Oil & Gas Equipment & Services	1,203	1,203	1,203	(4)
	21.876 Class A Common Units in New IPT Holdings, LLC		Oil & Gas Equipment & Services		—	1,268	(4)
Total New IPT, Inc.					**1,203**	**2,471**	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	6.56%	Electrical Components & Equipment	6,877	6,852	6,774	
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	6.80%	Application Software	5,977	5,948	5,889	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/25/2026	5.80%	Application Software	7,289	7,253	7,335	
	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/25/2026		Application Software	—	(3)	4	(5)
Total OEConnection LLC					**7,250**	**7,339**	
Red Ventures, LLC	First Lien Term Loan, LIBOR+3.00% cash due 11/8/2024	4.80%	Interactive Media & Services	3,980	3,962	4,013	
Sabert Corporation	First Lien Term Loan, LIBOR+4.50% cash due 12/10/2026	6.25%	Metal & Glass Containers	4,350	4,307	4,395	
Salient CRGT, Inc.	First Lien Term Loan, LIBOR+6.50% cash due 2/28/2022	8.29%	Aerospace & Defense	2,189	2,169	2,080	(4)
Scientific Games International, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 8/14/2024	4.55%	Casinos & Gaming	6,499	6,476	6,526	
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	6.93%	Footwear	8,397	8,382	7,516	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	6.44%	Health Care Services	9,825	9,754	9,813	
Sirva Worldwide, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	7.44%	Diversified Support Services	4,875	4,802	4,826	
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 10/1/2026	6.19%	Personal Products	8,000	7,960	8,086	
Supermoose Borrower, LLC	First Lien Term Loan, LIBOR+3.75% cash due 8/29/2025	5.55%	Application Software	4,619	4,267	4,424	(4)
Thruline Marketing, Inc.	927 Class A Units in FS AVI Holdco, LLC		Advertising		1,088	658	(4)
Thunder Finco (US), LLC	First Lien Term Loan, LIBOR+4.25% cash due 11/26/2026	6.04%	Movies & Entertainment	8,000	7,920	8,000	
Triple Royalty Sub LLC	Fixed Rate Bond 144A 9.00% cash due 4/15/2033		Pharmaceuticals	4,955	4,955	5,128	
Uber Technologies, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	5.74%	Application Software	9,850	9,813	9,861	(4)
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	5.05%	Movies & Entertainment	4,477	4,477	4,513	
Uniti Group LP	First Lien Term Loan, LIBOR+5.00% cash due 10/24/2022	6.80%	Specialized REITs	6,385	6,220	6,286	(4)

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Valeant Pharmaceuticals International Inc.	First Lien Term Loan, LIBOR+2.75% cash due 11/27/2025	4.49%	Pharmaceuticals	$ 1,722	$ 1,714	$ 1,733	
Veritas US Inc.	First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	6.30%	Application Software	6,876	6,841	6,640	(4)
Verra Mobility, Corp.	First Lien Term Loan, LIBOR+3.75% cash due 2/28/2025	5.55%	Data Processing & Outsourced Services	10,808	10,821	10,893	
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	9.68%	Aerospace & Defense	6,000	5,951	5,929	(4)
				$ 324,586	**$ 330,414**	**$ 330,401**	

(1) Represents the current interest rate as of December 31, 2019. All interest rates are payable in cash, unless otherwise noted.
(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, we have provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All the LIBOR shown above is in U.S. dollars. As of December 31, 2019, the reference rates for SLF JV I's variable rate loans were the 30-day LIBOR at 1.80%, the 60-day LIBOR at 1.85%, the 90-day LIBOR at 1.94% and the 180-day LIBOR at 1.92%. Most loans include an interest floor, which generally ranges from 0% to 1%.
(3) Represents the current determination of fair value as of December 31, 2019 utilizing a similar technique as us in accordance with ASC 820. However, the determination of such fair value is not included in our Board of Directors' valuation process described elsewhere herein.
(4) This investment is held by both us and SLF JV I as of December 31, 2019.
(5) Investment has undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.

SLF JV I Portfolio as of September 30, 2019

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Access CIG, LLC	First Lien Term Loan, LIBOR+3.75% cash due 2/27/2025	6.07%	Diversified support services	$ 9,300	$ 9,256	$ 9,201	
AdVenture Interactive, Corp.	927 shares of common stock		Advertising		1,390	1,295	(4)
AI Ladder (Luxembourg) Subco S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 7/9/2025	6.60%	Electrical components & equipment	6,145	5,992	5,659	(4)
Air Newco LP	First Lien Term Loan, LIBOR+4.75% cash due 5/31/2024	6.79%	IT consulting & other services	9,900	9,875	9,916	
AL Midcoast Holdings LLC	First Lien Term Loan, LIBOR+5.50% cash due 8/1/2025	7.60%	Oil & gas storage & transportation	9,900	9,801	9,764	
Altice France S.A.	First Lien Term Loan, LIBOR+4.00% cash due 8/14/2026	6.03%	Integrated telecommunication services	7,444	7,282	7,439	
Alvogen Pharma US, Inc.	First Lien Term Loan, LIBOR+4.75% cash due 4/1/2022	6.79%	Pharmaceuticals	7,656	7,656	6,963	
Apptio, Inc.	First Lien Term Loan, LIBOR+7.25% cash due 1/10/2025	9.56%	Application software	4,615	4,534	4,530	(4)
	First Lien Revolver, LIBOR+7.25% cash due 1/10/2025		Application software	—	(7)	(7)	(4)(5)
Total Apptio, Inc.					**4,527**	**4,523**	
Blackhawk Network Holdings, Inc.	First Lien Term Loan, LIBOR+3.00% cash due 6/15/2025	5.04%	Data processing & outsourced services	9,875	9,855	9,858	
Boxer Parent Company Inc.	First Lien Term Loan, LIBOR+4.25% cash due 10/2/2025	6.29%	Systems software	7,609	7,518	7,336	(4)
Brazos Delaware II, LLC	First Lien Term Loan, LIBOR+4.00% cash due 5/21/2025	6.05%	Oil & gas equipment & services	7,406	7,376	6,855	
C5 Technology Holdings, LLC	171 Common Units		Data Processing & Outsourced Services		—	—	(4)
	7,193,539.63 Preferred Units				7,194	7,194	(4)
Total C5 Technology Holdings, LLC					**7,194**	**7,194**	

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Cast & Crew Payroll, LLC	First Lien Term Loan, LIBOR+4.00% cash due 2/9/2026	6.05%	Application software	$ 4,975	$ 4,925	$ 5,018	
CITGO Petroleum Corp.	First Lien Term Loan, LIBOR+5.00% cash due 3/28/2024	7.10%	Oil & gas refining & marketing	7,960	7,880	8,010	(4)
Connect U.S. Finco LLC	First Lien Term Loan, LIBOR+4.50% cash due 9/23/2026	7.10%	Alternative Carriers	8,000	7,840	7,888	(4)
Curium Bidco S.à r.l.	First Lien Term Loan, LIBOR+4.00% cash due 7/9/2026	6.10%	Biotechnology	6,000	5,955	6,030	
Dcert Buyer, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 8/8/2026	6.26%	Internet services & infrastructure	8,000	7,980	7,985	
DigiCert, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 10/31/2024	6.04%	Internet services & infrastructure	8,250	8,148	8,249	(4)
Ellie Mae, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/17/2026	6.04%	Application software	5,000	4,975	5,015	
Everi Payments Inc.	First Lien Term Loan, LIBOR+3.00% cash due 5/9/2024	5.04%	Casinos & gaming	4,764	4,742	4,776	
Falmouth Group Holdings Corp.	First Lien Term Loan, LIBOR+6.75% cash due 12/14/2021	8.95%	Specialty chemicals	4,938	4,909	4,910	
Frontier Communications Corporation	First Lien Term Loan, LIBOR+3.75% cash due 6/15/2024	5.80%	Integrated telecommunication services	6,473	6,400	6,471	
Gentiva Health Services, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 7/2/2025	5.81%	Healthcare services	7,920	7,801	7,974	
Gigamon, Inc.	First Lien Term Loan, LIBOR+4.25% cash due 12/27/2024	6.29%	Systems software	7,860	7,801	7,644	
GoodRx, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 10/10/2025	4.81%	Interactive media & services	7,852	7,835	7,862	
Guidehouse LLP	Second Lien Term Loan, LIBOR+7.50% cash due 5/1/2026	9.54%	Research & consulting services	6,000	5,975	5,925	(4)
Indivior Finance S.a.r.l.	First Lien Term Loan, LIBOR+4.50% cash due 12/19/2022	6.76%	Pharmaceuticals	7,898	7,797	7,272	
Intelsat Jackson Holdings S.A.	First Lien Term Loan, LIBOR+3.75% cash due 11/27/2023	5.80%	Alternative Carriers	10,000	9,891	10,042	
KIK Custom Products Inc.	First Lien Term Loan, LIBOR+4.00% cash due 5/15/2023	6.26%	Household products	8,000	7,972	7,610	
McDermott Technology (Americas), Inc.	First Lien Term Loan, LIBOR+5.00% cash due 5/9/2025	7.10%	Oil & gas equipment & services	4,187	4,119	2,676	
Mindbody, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 2/14/2025	9.06%	Internet services & infrastructure	4,524	4,443	4,438	(4)
	First Lien Revolver, LIBOR+7.00% cash due 2/15/2025		Internet services & infrastructure	—	(9)	(9)	(4)(5)
Total Mindbody, Inc.					**4,434**	**4,429**	
Navicure, Inc.	First Lien Term Loan, LIBOR+3.75% cash due 9/18/2026	6.13%	Healthcare technology	6,000	5,970	6,008	
New IPT, Inc.	First Lien Term Loan, LIBOR+5.00% cash due 3/17/2021	7.10%	Oil & gas equipment & services	1,422	1,422	1,422	(4)
	21.876 Class A Common Units in New IPT Holdings, LLC		Oil & gas equipment & services		—	1,268	(4)
Total New IPT, Inc.					**1,422**	**2,690**	
Northern Star Industries Inc.	First Lien Term Loan, LIBOR+4.50% cash due 3/31/2025	6.56%	Electrical components & equipment	6,895	6,868	6,792	
Novetta Solutions, LLC	First Lien Term Loan, LIBOR+5.00% cash due 10/17/2022	7.05%	Application software	5,993	5,961	5,882	
OCI Beaumont LLC	First Lien Term Loan, LIBOR+4.00% cash due 3/13/2025	6.10%	Commodity chemicals	7,880	7,872	7,890	
OEConnection LLC	First Lien Term Loan, LIBOR+4.00% cash due 9/24/2026	6.13%	Application software	7,312	7,275	7,298	
	First Lien Delayed Draw Term Loan, LIBOR+4.00% cash due 9/24/2026		Application software	—	(3)	(1)	(5)
Total OEConnection LLC					**7,272**	**7,297**	
Red Ventures, LLC	First Lien Term Loan, LIBOR+3.00% cash due 11/8/2024	5.04%	Interactive media & services	3,990	3,971	4,011	

Portfolio Company	Investment Type	Cash Interest Rate (1)(2)	Industry	Principal	Cost	Fair Value (3)	Notes
Salient CRGT, Inc.	First Lien Term Loan, LIBOR+6.00% cash due 2/28/2022	8.05%	Aerospace & defense	$ 2,205	$ 2,183	$ 2,094	(4)
Scientific Games International, Inc.	First Lien Term Loan, LIBOR+2.75% cash due 8/14/2024	4.79%	Casinos & gaming	6,516	6,491	6,470	
SHO Holding I Corporation	First Lien Term Loan, LIBOR+5.00% cash due 10/27/2022	7.26%	Footwear	8,420	8,403	7,999	
Signify Health, LLC	First Lien Term Loan, LIBOR+4.50% cash due 12/23/2024	6.60%	Healthcare services	9,850	9,775	9,838	
Sirva Worldwide, Inc.	First Lien Term Loan, LIBOR+5.50% cash due 8/4/2025	7.54%	Diversified support services	4,906	4,833	4,759	
Sunshine Luxembourg VII SARL	First Lien Term Loan, LIBOR+4.25% cash due 9/25/2026	6.59%	Personal products	8,000	7,960	8,048	
Thruline Marketing, Inc.	First Lien Term Loan, LIBOR+7.00% cash due 4/3/2022	9.10%	Advertising	1,854	1,851	1,854	(4)
	927 Class A Units in FS AVI Holdco, LLC		Advertising		1,088	658	(4)
Total Thruline Marketing, Inc.					**2,939**	**2,512**	
Triple Royalty Sub LLC	Fixed Rate Bond 144A 9.0% Toggle PIK cash due 4/15/2033		Pharmaceuticals	5,000	5,000	5,175	
Uber Technologies, Inc.	First Lien Term Loan, LIBOR+4.00% cash due 4/4/2025	6.03%	Application software	9,875	9,836	9,836	(4)
UFC Holdings, LLC	First Lien Term Loan, LIBOR+3.25% cash due 4/29/2026	5.30%	Movies & entertainment	4,489	4,489	4,506	
Uniti Group LP	First Lien Term Loan, LIBOR+5.00% cash due 10/24/2022	7.04%	Specialized REITs	6,401	6,221	6,256	(4)
Valeant Pharmaceuticals International Inc.	First Lien Term Loan, LIBOR+2.75% cash due 11/27/2025	4.79%	Pharmaceuticals	1,772	1,764	1,778	
Veritas US Inc.	First Lien Term Loan, LIBOR+4.50% cash due 1/27/2023	6.60%	Application software	6,894	6,856	6,534	(4)
Verra Mobility, Corp.	First Lien Term Loan, LIBOR+3.75% cash due 2/28/2025	5.79%	Data processing & outsourced services	10,835	10,849	10,894	
WP CPP Holdings, LLC	Second Lien Term Loan, LIBOR+7.75% cash due 4/30/2026	10.01%	Aerospace & defense	6,000	5,949	5,974	(4)
				$ 340,960	**$ 347,985**	**$ 345,032**	

(1) Represents the current interest rate as of September 30, 2019. All interest rates are payable in cash, unless otherwise noted.
(2) The interest rate on the principal balance outstanding for all floating rate loans is indexed to LIBOR and/or an alternate base rate (e.g., prime rate), which typically resets semi-annually, quarterly, or monthly at the borrower's option. The borrower may also elect to have multiple interest reset periods for each loan. For each of these loans, we have provided the applicable margin over LIBOR or the alternate base rate based on each respective credit agreement and the cash interest rate as of period end. All the LIBOR shown above is in U.S. dollars. As of September 30, 2019, the reference rates for SLF JV I's variable rate loans were the 30-day LIBOR at 2.04%, the 60-day LIBOR at 2.09%, the 90-day LIBOR at 2.10%, the 180-day LIBOR at 2.06%, and the PRIME at 5.00%. Most loans include an interest floor, which generally ranges from 0% to 1%.
(3) Represents the current determination of fair value as of September 30, 2019 utilizing a similar technique as us in accordance with ASC 820. However, the determination of such fair value is not included in our Board of Directors' valuation process described elsewhere herein.
(4) This investment was held by both us and SLF JV I as of September 30, 2019.
(5) Investment had undrawn commitments. Unamortized fees are classified as unearned income which reduces cost basis, which may result in a negative cost basis. A negative fair value may result from the unfunded commitment being valued below par.

Both the cost and fair value of our debt investment in the SLF JV I were $96.3 million as of each of December 31, 2019 and September 30, 2019. We earned interest income of $2.2 million and $2.8 million on our debt investment in the SLF JV I for the three months ended December 31, 2019 and 2018, respectively. Our debt investment in the SLF JV I bears interest at a rate of one-month LIBOR plus 7.0% per annum and matures on December 29, 2028.

The cost and fair value of the LLC equity interests in SLF JV I held by us was $49.3 million and $32.2 million, respectively, as of December 31, 2019, and $49.3 million and $30.1 million, respectively, as of September 30, 2019. We did not earn dividend income for the three months ended December 31, 2019 and December 31, 2018, with respect to our investment in the LLC equity interests of SLF JV I. The LLC equity interests of SLF JV I are dividend producing to the extent SLF JV I has residual cash to be distributed on a quarterly basis.

Below is certain summarized financial information for SLF JV I as of December 31, 2019 and September 30, 2019 and for the three months ended December 31, 2019 and 2018:

	December 31, 2019		September 30, 2019	
Selected Balance Sheet Information:				
Investments at fair value (cost December 31, 2019: $330,414; cost September 30, 2019: $347,985)	$	330,401	$	345,032
Cash and cash equivalents		9,762		3,674
Restricted cash		5,157		5,242
Other assets		6,410		6,912
Total assets	**$**	**351,730**	**$**	**360,860**
Senior credit facility payable	$	189,710	$	170,210
Debt securities payable at fair value (proceeds December 31, 2019: $110,000; proceeds September 30, 2019: $110,000)		110,000		110,000
Other liabilities		15,194		46,303
Total liabilities		**314,904**		**326,513**
Members' equity		36,826		34,347
Total liabilities and members' equity	**$**	**351,730**	**$**	**360,860**

	Three months ended December 31, 2019		Three months ended December 31, 2018	
Selected Statements of Operations Information:				
Interest income	$	5,393	$	5,438
Other income		6		9
Total investment income		**5,399**		**5,447**
Interest expense		4,641		5,154
Other expenses		67		50
Total expenses (1)		**4,708**		**5,204**
Net unrealized appreciation (depreciation)		2,941		(3,456)
Net realized gains (losses)		(1,152)		(5,005)
Net income (loss)	**$**	**2,480**	**$**	**(8,218)**

(1) There are no management fees or incentive fees charged at SLF JV I.

SLF JV I has elected to fair value the debt securities issued to us and Kemper under FASB ASC Topic 825, *Financial Instruments - Fair Value Option*. The debt securities are valued based on the total assets less the total liabilities senior to the mezzanine notes of SLF JV I in an amount not exceeding par under the enterprise value technique.

During the three months ended December 31, 2019 and 2018, we did not sell any debt investments to SLF JV I.

Discussion and Analysis of Results and Operations

Results of Operations

Net increase (decrease) in net assets resulting from operations includes net investment income, net realized gains (losses) and net unrealized appreciation (depreciation). Net investment income is the difference between our income from interest, dividends and fees and total expenses. Net realized gains (losses) is the difference between the proceeds received from dispositions of investment related assets and liabilities and their stated costs. Net unrealized appreciation (depreciation) is the net change in the fair value of our investment related assets and liabilities carried at fair value during the reporting period, including the reversal of previously recorded unrealized appreciation (depreciation) when gains or losses are realized.

Comparison of three months ended December 31, 2019 and December 31, 2018

Total Investment Income

Total investment income includes interest on our investments, fee income and dividend income.

Total investment income for the three months ended December 31, 2019 and December 31, 2018 was $31.0 million and $38.3 million, respectively. For the three months ended December 31, 2019, this amount consisted of $29.6 million of interest income from portfolio investments (which included $1.2 million of PIK interest), $1.1 million of fee income and $0.3 million of dividend income. For the three months ended December 31, 2018, this amount consisted of $36.6 million of interest income from portfolio investments (which included $0.8 million of PIK interest), $1.2 million of fee income and $0.5 million of dividend income. The decrease of $7.3 million, or (19.1)%, in our total investment income for the three months ended December 31, 2019, as compared to the three months ended December 31, 2018, was due primarily to a $7.1 million decrease in interest income, which was attributable to lower levels of OID accretion, primarily attributable to $5.6 million of OID accretion related to one of our investments during the three months ended December 31, 2018, and decreases in LIBOR on our floating rate investments.

Expenses

Net expenses (expenses net of fee waivers) for the three months ended December 31, 2019 and December 31, 2018 were $23.1 million and $21.0 million, respectively. Net expenses increased for the three months ended December 31, 2019, as compared to the three months ended December 31, 2018, by $2.2 million, or 10.3%, due primarily to a $5.3 million increase in incentive fees (net of waivers), which was attributable to a $5.2 million reversal of previously accrued fee waivers, partially offset by a $2.4 million decrease in interest expense resulting from decreases to LIBOR and a lower level of average borrowings during the quarter, a $0.3 million decrease in professional fees and a $0.3 million decrease in administrator expense.

To ensure compliance with Section 15(f) of the Investment Company Act, Oaktree entered into a two-year contractual fee waiver with us, which ended on October 17, 2019, pursuant to which Oaktree waived any management or incentive fees payable under the Investment Advisory Agreement that exceeded what would have been paid to Fifth Street Asset Management Inc., or the Former Adviser, in the aggregate under the investment advisory agreement between us and the Former Adviser. At the end of the two-year period, Oaktree permanently waived $3.9 million. Prior to the end of the two-year period, amounts potentially subject to waiver under the two-year contractual fee waiver were accrued quarterly based on a theoretical "liquidation basis." As of September 30, 2019, we had accrued cumulative fee waivers of $9.1 million. During the three months ended December 31, 2019, we reversed $5.2 million of previously accrued fee waivers since the two-year fee waiver period has ended.

Net Investment Income

As a result of the $7.3 million decrease in total investment income and the $2.2 million increase in net expenses, net investment income for the three months ended December 31, 2019 decreased by $9.5 million, or (54.7)%, compared to the three months ended December 31, 2018.

Realized Gain (Loss)

Realized gains or losses are measured by the difference between the net proceeds from the sale or redemption of investments, secured borrowings and foreign currency and the cost basis without regard to unrealized appreciation or depreciation previously recognized, and includes investments written-off during the period, net of recoveries. Realized losses may also be recorded in connection with our determination that certain investments are considered worthless securities and/or meet the conditions for loss recognition per the applicable tax rules.

During the three months ended December 31, 2019 and 2018, we recorded aggregate net realized gains (losses) of $3.3 million and $18.0 million, respectively, in connection with the exits or restructurings of various investments. See "*Note 9. Realized Gains or Losses and Net Unrealized Appreciation or Depreciation*" in the notes to the accompanying Consolidated Financial Statements for more details regarding investment realization events for the three months ended December 31, 2019 and 2018.

Net Unrealized Appreciation (Depreciation)

Net unrealized appreciation or depreciation is the net change in the fair value of our investments, secured borrowings and foreign currency during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

During the three months ended December 31, 2019 and 2018, we recorded net unrealized appreciation (depreciation) of $2.9 million and $(7.0) million, respectively. For the three months ended December 31, 2019, this consisted of $3.9 million of net unrealized appreciation on equity investments and $2.2 million of net unrealized appreciation on debt investments, partially offset by $1.7 million of net unrealized depreciation related to exited investments (a portion of which results in a reclassification to realized gains) and $1.5 million net unrealized depreciation of foreign currency forward contracts. For the three months ended December 31, 2018, this consisted of $15.5 million of net unrealized depreciation related to exited investments (a portion of which results in a reclassification to realized gains), $5.6 million of net unrealized depreciation on equity investments and $0.4 million of net unrealized depreciation of foreign currency forward contracts, partially offset by $14.5 million of net unrealized appreciation on debt investments.

Financial Condition, Liquidity and Capital Resources

We have a number of alternatives available to fund our investment portfolio and our operations, including raising equity, increasing or refinancing debt and funding from operational cash flow. We generally expect to fund the growth of our investment portfolio through additional debt and equity capital, which may include securitizing a portion of our investments. We cannot assure you, however, that our efforts to grow our portfolio will be successful. For example, our common stock has generally traded at prices below net asset value for the past several years, and we are currently limited in our ability to raise additional equity at prices below the then-current net asset value per share. We intend to continue to generate cash primarily from cash flows from operations, including interest earned, and future borrowings. We intend to fund our future distribution obligations through operating cash flow or with funds obtained through future equity and debt offerings or credit facilities, as we deem appropriate.

Our primary uses of funds are investments in our targeted asset classes and cash distributions to holders of our common stock. We may from time to time repurchase or redeem some or all of our outstanding notes in open-market transactions, privately negotiated transactions or otherwise. At a special meeting of our stockholders held on June 28, 2019, our stockholders approved the application of the reduced asset coverage requirements in Section 61(a)(2) of the Investment Company Act to us effective as of June 29, 2019. As a result of the reduced asset coverage requirement, we can incur $2 of debt for each $1 of equity as compared to $1 of debt for each $1 of equity. As of December 31, 2019, we had $540.0 million in senior securities and our asset coverage ratio was 271.9%. However, we generally expect to target a debt to equity ratio of 0.70x to 0.85x (i.e., one dollar of equity for each $0.70 to $0.85 of debt outstanding).

For the three months ended December 31, 2019, we experienced a net increase in cash and cash equivalents of $6.1 million. During that period, we used $43.5 million of net cash from operating activities, primarily from funding $115.8 million of investments, a $35.8 million of net decrease in payables from unsettled transactions and the cash activities related to $7.8 million of net investment income, partially offset by $97.0 million of principal payments and sale proceeds received. During the same period, net cash provided by financing activities was $49.6 million, primarily consisting of $63.0 million of net borrowings under the Credit Facility (as defined below), partially offset by $12.9 million of cash distributions paid to our stockholders and $0.5 million of repurchases of common stock under our dividend reinvestment plan, or DRIP.

For the three months ended December 31, 2018, we experienced a net increase in cash and cash equivalents and restricted cash of $43.2 million. During that period, we received $86.9 million of net cash from operating activities, primarily from $208.3 million of principal payments and sale proceeds received, a $29.8 million decrease in net receivables from unsettled transactions and the cash activities related to $17.3 million of net investment income, partially offset by funding $162.4 million of investments and net revolvers. During the same period, net cash used in financing activities was $43.7 million, primarily consisting of $30.0 million of net repayments under the Credit Facility, $0.3 million of repayments of secured borrowings, $13.0 million of cash distributions paid to our stockholders and $0.4 million of repurchases of common stock under our DRIP.

As of December 31, 2019, we had $21.5 million in cash and cash equivalents, portfolio investments (at fair value) of $1.5 billion, $10.4 million of interest, dividends and fees receivable, $19.2 million of net payables from unsettled transactions, $377.8 million of borrowings outstanding under our Credit Facility, $158.6 million of unsecured notes payable (net of unamortized financing costs) and unfunded commitments of $101.7 million.

As of September 30, 2019, we had $15.4 million in cash and cash equivalents, portfolio investments (at fair value) of $1.4 billion, $11.2 million of interest, dividends and fees receivable, $55.0 million of net payables from unsettled transactions, $314.8 million of borrowings outstanding under our Credit Facility, $158.5 million of unsecured notes payable (net of unamortized financing costs) and unfunded commitments of $88.3 million.

Significant Capital Transactions

The following table reflects the distributions per share that we have paid, including shares issued under our DRIP, on our common stock since October 1, 2017:

Date Declared	Record Date	Payment Date	Amount per Share	Cash Distribution	DRIP Shares Issued (1)	DRIP Shares Value
August 7, 2017	December 15, 2017	December 29, 2017	$ 0.125	$ 17.3 million	58,456	$ 0.3 million
February 5, 2018	March 15, 2018	March 30, 2018	0.085	11.5 million	122,884	0.5 million
May 3, 2018	June 15, 2018	June 29, 2018	0.095	13.0 million	87,283	0.4 million
August 1, 2018	September 15, 2018	September 28, 2018	0.095	13.2 million	34,575	0.2 million
November 19, 2018	December 17, 2018	December 28, 2018	0.095	13.0 million	87,429	0.4 million
February 1, 2019	March 15, 2019	March 29, 2019	0.095	13.1 million	59,603	0.3 million
May 3, 2019	June 14, 2019	June 28, 2019	0.095	13.1 million	61,093	0.3 million
August 2, 2019	September 13, 2019	September 30, 2019	0.095	13.1 million	61,205	0.3 million
November 12, 2019	December 13, 2019	December 31, 2019	0.095	12.9 million	87,747	0.5 million

(1) Shares were purchased on the open market and distributed.

Indebtedness

See "*Note 6. Borrowings*" and "*Note 13. Unsecured Notes*" in the Consolidated Financial Statements for more details regarding our indebtedness.

Credit Facility

On February 25, 2019, we amended and restated our senior secured revolving credit facility, or, as amended and restated, the Credit Facility, pursuant to a senior secured revolving credit agreement, with the lenders party thereto, ING Capital LLC, as administrative agent, ING Capital LLC, JPMorgan Chase Bank, N.A. and Merrill Lynch, Pierce, Fenner & Smith Incorporated as joint lead arrangers and joint bookrunners, and JPMorgan Chase Bank, N.A. and Bank of America, N.A., as syndication agents, to increase the size of facility from $600 million to $680 million (with an "accordion" feature that permits us, under certain circumstances, to increase the size of the facility up to $1.02 billion), extend the period during which we may make drawings from expiring on November 30, 2020 to expiring on February 25, 2023, extend the final maturity date from November 30, 2021 to February 25, 2024, and lower the interest rate margins (a) for LIBOR loans (which may be 1-, 2-, 3- or 6-month, at our option), from 2.75% to 2.25% or from 2.25% to 2.00% and (b) for alternate base rate loans, from 1.75% to 1.25% or from 1.25% to 1.00%, each depending on our senior debt coverage ratio. Additionally, on April 1, 2019, we increased the size of the Credit Facility from $680 million to $700 million under the "accordion" feature. As of December 31, 2019, we were able to borrow up to $700 million under the Credit Facility.

Each loan or letter of credit originated or assumed under the Credit Facility is subject to the satisfaction of certain conditions. Borrowings under the Credit Facility are subject to the facility's various covenants and the leverage restrictions contained in the Investment Company Act. We cannot be assured that we will be able to borrow funds under the Credit Facility at any particular time or at all.

The following table describes significant financial covenants, as of December 31, 2019, with which we must comply under the Credit Facility on a quarterly basis:

Financial Covenant	Description	Target Value	September 30, 2019 Reported Value (1)
Minimum shareholders' equity	Net assets shall not be less than the greater of (a) 40% of total assets and (b) $700 million plus 50% of the aggregate net proceeds of all sales of equity interests after November 30, 2017	$700 million	$931 million
Asset coverage ratio	Asset coverage ratio shall not be less than the greater of 1.50:1 and the statutory test applicable to us	1.50:1	2.95:1
Interest coverage ratio	Interest coverage ratio shall not be less than 2.00:1	2.00:1	3.09:1
Minimum net worth	Net worth shall not be less than $600 million	$600 million	$888 million

(1) As contractually required, we report financial covenants based on the last filed quarterly or annual report, in this case our Annual Report on Form 10-K for the year ended September 30, 2019. We were in compliance with all financial covenants under the Credit Facility based on the financial information contained in this Quarterly Report on Form 10-Q.

On December 13, 2019, we amended the Credit Facility to (1) reduce the required ratio of total assets (less total liabilities) to total indebtedness of us and our subsidiaries (subject to certain exceptions), from 1.65 to 1.00 to 1.50 to 1.00 and (2) modify the definition of Advance Rate to reference asset coverage of 1.50 to 1.00, rather than 1.65 to 1.00.

As of December 31, 2019 and September 30, 2019, we had $377.8 million and $314.8 million of borrowings outstanding under the Credit Facility, respectively, which had a fair value of $377.8 million and $314.8 million, respectively. Our borrowings under the Credit Facility bore interest at a weighted average interest rate of 3.983% and 4.677% for the three months ended December 31, 2019 and 2018, respectively. For the three months ended December 31, 2019 and 2018, we recorded interest expense (inclusive of fees) of $4.0 million and $3.3 million, respectively, related to the Credit Facility.

2019 Notes

Our 4.875% unsecured notes due 2019, or the 2019 Notes, matured on March 1, 2019 and were fully repaid during the three months ended March 31, 2019. For the three months ended December 31, 2018, we recorded interest expense of $3.0 million (inclusive of fees) related to the 2019 Notes. As of December 31, 2019 and September 30, 2019, there were no 2019 Notes outstanding.

2024 Notes

For each of the three months ended December 31, 2019 and 2018, we recorded interest expense of $1.2 million (inclusive of fees) related to our 5.875% unsecured notes due 2024, or the 2024 Notes. During the three months ended December 31, 2019 and 2018, we did not repurchase any of the 2024 Notes in the open market.

As of December 31, 2019, there were $75.0 million of 2024 Notes outstanding, which had a carrying value and fair value of $74.0 million and $77.0 million, respectively. As of September 30, 2019, there were $75.0 million of 2024 Notes outstanding, which had a carrying value and fair value of $73.9 million and $77.4 million, respectively. The 2024 Notes may be redeemed at our option on not less than 30 nor more than 60 days' notice to holders. See "-*Recent Developments.*" As of December 31, 2019, the 2024 Notes were listed on the New York Stock Exchange under the trading symbol "OSLE" with a par value of $25.00 per note.

2028 Notes

For each of the three months ended December 31, 2019 and 2018, we recorded interest expense of $1.4 million (inclusive of fees) related to our 6.125% unsecured notes due 2028, or the 2028 Notes. During the three months ended December 31, 2019 and 2018, we did not repurchase any of the 2028 Notes in the open market.

As of December 31, 2019, there were $86.3 million of 2028 Notes outstanding, which had a carrying value and fair value of $84.7 million and $88.6 million, respectively. As of September 30, 2019, there were $86.3 million of 2028 Notes outstanding, which had a carrying value and fair value of $84.6 million and $87.6 million, respectively. The 2028 Notes may be redeemed at our option on not less than 30 nor more than 60 days' notice to holders. As of December 31, 2019, the 2028 Notes were listed on the Nasdaq Global Select Market under the trading symbol "OCSLL" with a par value of $25.00 per note.

Off-Balance Sheet Arrangements

We may be a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. As of December 31, 2019, our only off-balance sheet arrangements consisted of $101.7 million of unfunded commitments, which was comprised of $96.9 million to provide debt financing to certain of our portfolio companies, $1.3 million to provide equity financing to SLF JV I and $3.5 million related to unfunded limited partnership interests. As of September 30, 2019, our only off-balance sheet arrangements consisted of $88.3 million of unfunded commitments, which was comprised of $83.5 million to provide debt financing to certain of its portfolio companies, $1.3 million to provide equity financing to SLF JV I and $3.5 million related to unfunded limited partnership interests. Such commitments are subject to our portfolio companies' satisfaction of certain financial and nonfinancial covenants and may involve, to varying degrees, elements of credit risk in excess of the amount recognized in our Consolidated Statements of Assets and Liabilities.

A list of unfunded commitments by investment (consisting of revolvers, term loans with delayed draw components, SLF JV I subordinated notes and LLC equity interests, and limited partnership interests) as of December 31, 2019 and September 30, 2019 is shown in the table below:

	December 31, 2019	September 30, 2019
Assembled Brands Capital LLC	$ 35,182	$ 35,182
Connect U.S. Finco LLC	17,732	—
P2 Upstream Acquisition Co.	9,000	9,000
PaySimple, Inc.	8,702	12,250
Sorrento Therapeutics, Inc.	7,500	7,500
Corrona, LLC	5,494	—
Pingora MSR Opportunity Fund I-A, LP	3,500	3,500
Mindbody, Inc.	3,048	3,048
Acquia Inc.	2,240	—
New IPT, Inc.	2,229	2,229
4 Over International, LLC	1,849	1,977
Apptio, Inc.	1,538	1,538
Senior Loan Fund JV I, LLC	1,328	1,328
iCIMs, Inc.	882	882
Ministry Brands, LLC	800	800
GKD Index Partners, LLC	578	1,156
PLATO Learning Inc. (1)	107	746
TerSera Therapeutics, LLC	—	4,200
Thruline Marketing, Inc.	—	3,000
Total	**$ 101,709**	**$ 88,336**

(1) This investment was on cash non-accrual status as of December 31, 2019 and September 30, 2019.

Contractual Obligations

The following table reflects information pertaining to our debt outstanding under the Credit Facility, the 2024 Notes and the 2028 Notes:

	Debt Outstanding as of September 30, 2019	Debt Outstanding as of December 31, 2019	Weighted average debt outstanding for the three months ended December 31, 2019	Maximum debt outstanding for the three months ended December 31, 2019
Credit Facility	$ 314,825	$ 377,825	$ 328,314	$ 377,825
2024 Notes	75,000	75,000	75,000	75,000
2028 Notes	86,250	86,250	86,250	86,250
Total debt	**$ 476,075**	**$ 539,075**	**$ 489,564**	

The following table reflects our contractual obligations arising from the Credit Facility, the 2024 Notes and the 2028 Notes:

	Payments due by period as of December 31, 2019				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Credit Facility	$ 377,825	$ —	$ —	$ 377,825	$ —
Interest due on Credit Facility	59,828	14,405	28,809	16,614	—
2024 Notes	75,000	—	—	75,000	—
Interest due on 2024 Notes	21,307	4,406	8,813	8,088	—
2028 Notes	86,250	—	—	—	86,250
Interest due on 2028 Notes	44,043	5,283	10,566	10,566	17,628
Total	**$ 664,253**	**$ 24,094**	**$ 48,188**	**$ 488,093**	**$ 103,878**

Regulated Investment Company Status and Distributions

We have qualified and elected to be treated as a RIC under Subchapter M of the Code for tax purposes. As long as we continue to qualify as a RIC, we will not be subject to tax on our investment company taxable income (determined without regard to any deduction for dividends paid) or realized net capital gains, to the extent that such taxable income or gains is distributed, or deemed to be distributed as dividends, to stockholders on a timely basis.

Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation. Distributions declared and paid by us in a taxable year may differ from taxable income for that taxable year as such distributions may include the distribution of taxable income derived from the current taxable year or the distribution of taxable income derived from the prior taxable year carried forward into and distributed in the current taxable year. Distributions also may include returns of capital.

To maintain RIC tax treatment, we must, among other things, distribute dividends, with respect to each taxable year, of an amount at least equal to 90% of our investment company taxable income (i.e., our net ordinary income and our realized net short-term capital gains in excess of realized net long-term capital losses, if any), determined without regard to any deduction for dividends paid. As a RIC, we are also subject to a federal excise tax, based on distribution requirements of our taxable income on a calendar year basis. We anticipate timely distribution of our taxable income in accordance with tax rules. We did not incur a U.S. federal excise tax for calendar years 2018 and 2019. We may incur a federal excise tax in future years.

We intend to distribute at least 90% of our annual taxable income (which includes our taxable interest and fee income) to our stockholders. The covenants contained in the Credit Facility may prohibit us from making distributions to our stockholders, and, as a result, could hinder our ability to satisfy the distribution requirement associated with our ability to be subject to tax as a RIC. In addition, we may retain for investment some or all of our net capital gains (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) and treat such amounts as deemed distributions to our stockholders. If we do this, our stockholders will be treated as if they received actual distributions of the capital gains we retained and then reinvested the net after-tax proceeds in our common stock. Our stockholders also may be eligible to claim tax credits (or, in certain circumstances, tax refunds) equal to their allocable share of the tax we paid on the capital gains deemed distributed to them. To the extent our taxable earnings for a fiscal and taxable year fall below the total amount of our dividend distributions for that fiscal and taxable year, a portion of those distributions may be deemed a return of capital to our stockholders.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage test for borrowings applicable to us as a Business Development Company under the Investment Company Act and due to provisions in our credit facilities and debt instruments. If we do not distribute a certain percentage of our taxable income annually, we will suffer adverse tax consequences, including possible loss of our ability to be subject to tax as a RIC. We cannot assure stockholders that they will receive any distributions or distributions at a particular level.

A RIC may treat a distribution of its own stock as fulfilling its RIC distribution requirements if each stockholder elects to receive his or her entire distribution in either cash or stock of the RIC, subject to certain limitations regarding the aggregate amount of cash to be distributed to all stockholders. If these and certain other requirements are met, for U.S federal income tax purposes, the amount of the dividend paid in stock will be equal to the amount of cash that could have been received instead of stock. We have no current intention of paying dividends in shares of our stock in accordance with these guidelines.

We may generate qualified net interest income or qualified net short-term capital gains that may be exempt from U.S. withholding tax when distributed to foreign stockholders. A RIC is permitted to designate distributions of qualified net interest income and qualified short-term capital gains as exempt from U.S. withholding tax when paid to non-U.S. shareholders with proper documentation. The following table, which may be subject to change as we finalize our annual tax filings, lists the percentage of qualified net interest income and qualified short-term capital gains for the year ended September 30, 2019, our last tax year end.

Year Ended	Qualified Net Interest Income	Qualified Short-Term Capital Gains
September 30, 2019	89.6%	—

We have adopted a DRIP that provides for the reinvestment of any distributions that we declare in cash on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, if our Board of Directors declares a cash distribution, then our stockholders who have not “opted out” of the DRIP will have their cash distributions automatically reinvested in additional shares of our common stock, rather than receiving a cash distribution. If our shares are trading at a premium to net asset value, we typically issue new shares to implement the DRIP, with such shares issued at the greater of the most recently computed net asset value per share of our common stock or

95% of the current market value per share of our common stock on the payment date for such distribution. If our shares are trading at a discount to net asset value, we typically purchase shares in the open market in connection with our obligations under the DRIP.

Related Party Transactions

We have entered into the Investment Advisory Agreement with Oaktree and the Administration Agreement with Oaktree Administrator, a wholly-owned subsidiary of Oaktree. Mr. John B. Frank, an interested member of our Board of Directors, has an indirect pecuniary interest in Oaktree. Oaktree is a registered investment adviser under the Advisers Act that is partially and indirectly owned by OCG. See "*Note 11. Related Party Transactions – Investment Advisory Agreement*" and "*– Administrative Services*" in the notes to the accompanying Consolidated Financial Statements.

Recent Developments

Distribution Declaration

On January 31, 2020, our Board of Directors declared a quarterly distribution of $0.095 per share, payable on March 31, 2020 to stockholders of record on March 13, 2020.

2024 Notes Redemption

On January 31, 2020, we announced that we will redeem 100%, or $75,000,000 aggregate principal amount, of the issued and outstanding 2024 Notes on March 2, 2020, or the Redemption Date, following which they will be delisted from the New York Stock Exchange. The redemption price per 2024 Note will be $25 plus accrued and unpaid interest to, but not including, the Redemption Date.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

We are subject to financial market risks, including changes in the valuations of our investment portfolio and interest rates.

Valuation Risk

Our investments may not have a readily available market price, and we value these investments at fair value as determined in good faith by our Board of Directors, with the assistance of the Audit Committee and Oaktree. There is no single standard for determining fair value in good faith and valuation methodologies involve a significant degree of management judgment. In addition, our valuation methodology utilizes discount rates in part in valuing our investments, and changes in those discount rates may have an impact on the valuation of our investments. Accordingly, valuations by us do not necessarily represent the amounts which may eventually be realized from sales or other dispositions of investments. Estimated fair values may differ from the values that would have been used had a ready market for the investment existed, and the differences could be material to the financial statements.

Interest Rate Risk

We are subject to financial market risks, including changes in interest rates. Changes in interest rates may affect both our cost of funding and our interest income from portfolio investments, cash and cash equivalents and idle fund investments. Our risk management systems and procedures are designed to identify and analyze our risk, to set appropriate policies and limits and to continually monitor these risks and limits by means of reliable administrative and information systems and other policies and programs. Our investment income will be affected by changes in various interest rates, including LIBOR and prime rates, to the extent our debt investments include floating interest rates.

As of December 31, 2019, 90.6% of our debt investment portfolio (at fair value) and 88.0% of our debt investment portfolio (at cost) bore interest at floating rates. The composition of our floating rate debt investments by cash interest rate floor (excluding PIK) as of December 31, 2019 and September 30, 2019 was as follows:

	December 31, 2019		September 30, 2019	
($ in thousands)	**Fair Value**	**% of Floating Rate Portfolio**	**Fair Value**	**% of Floating Rate Portfolio**
Under 1%	$ 543,087	44.92%	$ 489,464	41.64%
1% to 2%	665,845	55.08	685,995	58.36
Total	**$ 1,208,932**	**100.00%**	**$ 1,175,459**	**100.00%**

Based on our Consolidated Statement of Assets and Liabilities as of December 31, 2019, the following table shows the approximate annualized net increase (decrease) in net assets resulting from operations of hypothetical base rate changes in interest rates, assuming no changes in our investment and capital structure. However, there can be no assurances our portfolio companies will be able to meet their contractual obligations at any or all levels on increases in interest rates.

($ in thousands)

Basis point increase	**Increase in Interest Income**	**(Increase) in Interest Expense**	**Net increase (decrease) in net assets resulting from operations**
300	$ 37,212	$ (11,335)	$ 25,877
200	24,774	(7,557)	17,217
100	12,337	(3,778)	8,559

Basis point decrease	**(Decrease) in Interest Income**	**Decrease in Interest Expense**	**Net increase (decrease) in net assets resulting from operations**
100	$ (11,223)	$ 3,778	$ (7,445)
200 (1)	(15,499)	6,848	(8,651)

____

(1) The effect of a greater than 200 basis point decrease is limited by interest rate floors on certain investments.

We regularly measure exposure to interest rate risk. We assess interest rate risk and manage our interest rate exposure on an ongoing basis by comparing our interest rate sensitive assets to our interest rate sensitive liabilities. Based on this review, we determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates. The following table shows a comparison of the interest rate base for our interest-bearing cash and outstanding investments, at principal, and our outstanding borrowings as of December 31, 2019 and September 30, 2019:

	December 31, 2019		**September 30, 2019**	
($ in thousands)	**Interest Bearing Cash and Investments**	**Borrowings**	**Interest Bearing Cash and Investments**	**Borrowings**
Money market rate	$ 16,018	$ —	$ 9,611	$ —
Prime rate	383	—	48,036	14,000
LIBOR				
30 day	742,322	377,825	686,880	300,825
60 day	31,713	—	9,000	—
90 day	409,688	—	402,603	—
180 day	16,175	—	20,967	—
EURIBOR				
30 day	19,644	—	19,078	—
UK LIBOR				
30 day	23,846	—	22,181	—
Fixed rate	179,056	161,250	185,809	161,250
Total	**$ 1,438,845**	**$ 539,075**	**$ 1,404,165**	**$ 476,075**

Item 4. ***Controls and Procedures***

Management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2019. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Based on the evaluation of our disclosure controls and procedures as of December 31, 2019, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, in timely identifying, recording, processing, summarizing and reporting any material information relating to us that is required to be disclosed in the reports we file or submit under the Exchange Act.

There were no changes in our internal control over financial reporting that occurred during the three months ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. ***Legal Proceedings***

Although we may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise, we are currently not a party to any pending material legal proceedings.

Item 1A. ***Risk Factors***

There have been no material changes during the three months ended December 31, 2019 to the risk factors discussed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended September 30, 2019.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds.***

None.

Item 3. ***Defaults Upon Senior Securities***

None.

Item 4. ***Mine Safety Disclosures***

Not applicable.

Item 5. ***Other Information***

None.

Item 6. ***Exhibits***

10.1	Amendment No. 1 to Amended and Restated Senior Secured Revolving Credit Agreement, dated as of December 13, 2019, among the Registrant, as Borrower, the lenders party thereto from time to time and ING Capital LLC, as administrative agent for the lenders thereunder (Incorporated by reference to Exhibit 10.1 filed with the Registrant's Current Report on Form 8-K (File No. 814-00755) filed on December 17, 2019).
31.1*	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1*	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).
32.2*	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).

* Filed herewith.

SIGNATURES

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

OAKTREE SPECIALTY LENDING CORPORATION

By:	/s/ Armen Panossian
	Armen Panossian
	Chief Executive Officer
By:	/s/ Mel Carlisle
	Mel Carlisle
	Chief Financial Officer and Treasurer

Date: February 5, 2020

Exhibit 31.1

I, Armen Panossian, Chief Executive Officer of Oaktree Specialty Lending Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended December 31, 2019 of Oaktree Specialty Lending Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated this 5th day of February, 2020.

By: /s/ Armen Panossian

Armen Panossian
Chief Executive Officer

Exhibit 31.2

I, Mel Carlisle, Chief Financial Officer of Oaktree Specialty Lending Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended December 31, 2019 of Oaktree Specialty Lending Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 5th day of February, 2020.

By: /s/ Mel Carlisle

Mel Carlisle
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the quarterly report on Form 10-Q for the quarter ended **December 31, 2019** (the “Report”) of **Oaktree Specialty Lending Corporation** (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, **Armen Panossian**, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Armen Panossian

Name: Armen Panossian

Date: February 5, 2020

Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the quarterly report on Form 10-Q for the quarter ended **December 31, 2019** (the “Report”) of **Oaktree Specialty Lending Corporation** (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, **Mel Carlisle**, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Mel Carlisle
Name: Mel Carlisle

Date: February 5, 2020