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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2022

OR

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

Commission file number: 814-00821

FRANKLIN BSP LENDING CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Maryland	**27-2614444**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
9 West 57th Street, 49th Floor, Suite 4920 **New York, New York**	**10019**
(Address of Principal Executive Office)	(Zip Code)

(212) 588-6770
(Registrant’s Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act: **None.**

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value $0.001 per share

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

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

There is no established market for the Registrant's shares of common stock. The number of shares of the registrant's common stock, $0.001 par value, outstanding as of March 9, 2023 was 230,114,311.

Documents Incorporated by Reference

Portions of the registrant's definitive Proxy Statement relating to the registrant's 2023 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of the Company's fiscal year, are incorporated by reference in Part III of this Annual Report on Form 10-K as indicated herein.

FRANKLIN BSP LENDING CORPORATION
FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2022

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PART I

ITEM 1. BUSINESS

SUMMARY OF RISK FACTORS

The following is a summary of the principal risk factors associated with an investment in us:

- Global economic, political and market conditions may adversely affect our business, results of operations and financial condition, including our revenue growth and profitability;
- Events beyond our control, including public health crises, could adversely impact our portfolio companies and our results of our operations;
- The capital markets are currently in a period of disruption and economic uncertainty. Such market conditions have adversely affected debt and equity capital markets, which have had, and may continue to have, a negative impact on our business and operations;
- Future disruptions or instability in capital markets could negatively impact our ability to raise capital, and have a material adverse effect on our business, financial condition, and results of operations;
- The discontinuation of LIBOR and the transition to any new reference rates may affect the value of our LIBOR-indexed portfolio investments and may increase the cost of borrowing under our credit facilities, which in each case could affect our results of operations or financial condition;
- The amount of any distributions we pay is uncertain. Our distributions to our stockholders may exceed our earnings. Therefore, portions of the distributions that we pay may represent a return of capital to you which will lower your tax basis in your shares and reduce the amount of funds we have for investment in targeted assets. We may not be able to pay you distributions, and our distributions may not grow over time;
- Price declines in the large corporate leveraged loan market may adversely affect the fair value of debt securities we hold, reducing our net asset value through increased net unrealized depreciation;
- Our ability to achieve our investment objective depends on our Adviser's and its affiliates' ability to manage and support our investment process. If our Adviser were to lose any members of its senior management team, our ability to achieve our investment objective could be significantly harmed;
- Because our business model depends to a significant extent upon relationships with investment banks, business brokers, loan syndication and trading desks, and commercial banks, the inability of our Adviser to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business;
- A significant portion of our investment portfolio is recorded at fair value as determined in good faith by our Board of Directors and, as a result, there is and will be uncertainty as to the value of our portfolio investments;
- Our Board of Directors may change our operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse;
- We are subject to risks related to corporate social responsibility;
- Efforts to comply with the Sarbanes-Oxley Act will involve significant expenditures, and non-compliance with the Sarbanes-Oxley Act may adversely affect us;
- Terrorist attacks, acts of war, natural disasters, disease outbreaks or pandemics may impact our portfolio companies and harm our business, operating results and financial condition;
- We are highly dependent on information systems and systems failures or interruption could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to pay dividends and other distributions;
- Our business could suffer in the event our Adviser or any other party that provides us with services essential to our operations experiences system failures or cyber-incidents or a deficiency in cybersecurity;
- To the extent that our Adviser serves as a "joint bookrunner" in connection with the underwriting of a loan or other security to be acquired, it may be subject to underwriter liability under the federal securities laws. This liability can be managed principally through the exercise of due diligence regarding any such offering. In addition, if it acts as joint bookrunner for a loan or other securities offering and is not successful in syndicating the loan or offering, our Adviser may acquire a larger amount of the subject securities than it had planned, and it may be required to hold such loan or security for a longer period than it had anticipated;
- We could potentially be involved in litigation arising out of our operations in the normal course of business;

- The time and resources that individuals and the executive officers of our Adviser devote to us may be diverted, and we may face additional competition due to the fact that neither our Adviser, nor its affiliates, is prohibited from raising money for or managing another entity that makes the same types of investments that we target;
- There are significant potential conflicts of interest that could impact our investment returns;
- Our fee structure may induce our Adviser to make speculative investments or incur debt;
- In selecting and structuring investments appropriate for us, our Adviser will consider our investment and tax objectives and those of our stockholders as a whole, not the investment, tax or other objectives of any stockholder individually;
- Our Adviser can resign on 120 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business, and results of operations;
- Our failure to invest a sufficient portion of our assets in qualifying assets could result in our failure to maintain our status as a BDC;
- Regulations governing our operation as a BDC and RIC will affect our ability to raise, and the way in which we raise, additional capital or borrow for investment purposes, which may have a negative effect on our growth;
- We are uncertain of our sources for funding our future capital needs; if we cannot obtain debt or equity financing on acceptable terms, our ability to acquire investments and to expand our operations will be adversely affected;
- Our investments in portfolio companies may be risky, and we could lose all or part of our investment;
- There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims;
- Second priority liens on collateral securing our loans may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us;
- We generally will not control our portfolio companies;
- The effect of global climate change may impact the operations of our portfolio companies;
- The lack of liquidity in our investments may adversely affect our business;
- Because we borrow money, the potential for gain or loss on amounts invested in us will be magnified and may increase the risk of investing in us;
- As a result of certain limitations in our share repurchase program, you will have limited opportunities to sell your shares and, to the extent you are able to sell your shares under the program, you may not be able to recover the amount of your investment in our shares;
- Your interest in us will be diluted if we issue additional shares, which could reduce the overall value of your investment;
- Our shares will not be listed on an exchange or quoted through a quotation system for the foreseeable future, if ever. Therefore, you will have limited liquidity and may not receive a full return of your invested capital if you sell your shares;
- We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income; and
- You may have current tax liability on distributions you elect to reinvest in our common stock but would not receive cash from such distributions to pay such tax liability.

Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our business, financial condition and/or operating results. For a more detailed discussion of the risks that you should consider prior to investing in our securities, see the section below entitled "Risk Factors."

GENERAL

Franklin BSP Lending Corporation (“FBLC,” or the “Company,” which may also be referred to as “we,” “us,” or “our”) is an externally managed, non-diversified closed-end management investment company. We have elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). In addition, we have elected to be treated for United States ("U.S.") federal income tax purposes, and intend to qualify annually, as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”).

We were incorporated in Maryland in May 2010 and commenced our initial public offering (the “IPO”) on January 25, 2011. As of December 31, 2022, we had approximately $3.0 billion of total assets.

Effective on January 1, 2022, we changed our name from “Business Development Corporation of America” to “Franklin BSP Lending Corporation”.

We are externally managed by our investment adviser, Franklin BSP Lending Adviser, L.L.C. (the “Adviser”), a subsidiary of Benefit Street Partners LLC (“BSP”), a leading credit-focused alternative asset management firm. We believe we benefit from the significant investment platform, personnel, scale, and resources of our Adviser and BSP. Our investment activities are managed by the Adviser, and supervised by our Board of Directors ("Board"), a majority of whom are independent of the Adviser and its affiliates. As a BDC, we are required to comply with certain regulatory requirements. See “Regulation” for discussion of BDC regulation and other regulatory considerations.

Effective on January 1, 2022, the Adviser changed its name from “BDCA Adviser, LLC” to “Franklin BSP Lending Adviser, L.L.C.”.

Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in senior secured loans, and to a lesser extent, mezzanine loans, unsecured loans and equity of predominantly private U.S. middle market companies. We define middle market companies as those with EBITDA of between $25 million and $100 million annually, although we may invest in larger or smaller companies. We also purchase interests in loans or corporate bonds through secondary market transactions. As of December 31, 2022, 76.5% of our portfolio was invested in senior secured loans. See “*Item 1. Business — Regulation as a Business Development Company*” for discussion of BDC regulation and other regulatory considerations.

Senior secured loans generally are senior debt instruments that rank ahead of subordinated debt and equity in priority of payments and are generally secured by liens on the operating assets of a borrower which may include inventory, receivables, plant, property, and equipment. Mezzanine debt is subordinated to senior loans and is generally unsecured. We may also invest in the equity and junior debt tranches of collateralized loan obligation investment vehicles (“Collateralized Securities” or “CLOs”). For a discussion of the risks inherent in our portfolio investments, please see the discussion under Part I, Item 1A. “Risk Factors”.

On January 20, 2021, FBLC and Cliffwater Corporate Lending Fund (“CCLF”) formed a joint venture, FBLC Senior Loan Fund, LLC (the “SLF”), that invests primarily in senior secured loans, and to a lesser extent may invest in mezzanine loans, unsecured loans and equity of predominantly private U.S. middle market companies. SLF was formed as a Delaware limited liability company and is not consolidated by FBLC for financial reporting purposes. FBLC provides capital to SLF in the form of LLC equity interests. At formation, FBLC and CCLF owned 87.5% and 12.5%, respectively, of the LLC equity interests of SLF. As of December 31, 2022, FBLC and CCLF owned 79.8% and 20.2%, respectively, of the LLC equity interests of SLF. Profit and loss are allocated based on each members' ownership percentage of the joint venture's net asset value. SLF has an Administrative and Loan Services Agreement with BSP, an affiliate of the Company, pursuant to which BSP provides certain operational and valuation services for SLF's investments; as well as certain agreements with third-party service providers. FBLC and CCLF each appoint two members to SLF's four-person board of members. All material decisions with respect to SLF, including those involving its investment portfolio, require unanimous approval of a quorum of the board of members. Quorum is defined as (i) the presence of two members of the board of members; provided that at least one individual is present that was elected, designated or appointed by each member; (ii) the presence of three members of the board of members; provided that the individual that was elected, designated or appointed by the member with only one individual present shall be entitled to cast two votes on each matter; and (iii) the presence of four members of the board of members; provided that two individuals are present that were elected, designated or appointed by each member.

As part of the initial contribution to SLF, FBLC contributed $751.8 million of assets including $664.2 million of investments and $42.4 million of cash as well as $446.9 million worth of liabilities including the Citi Credit Facility (as defined below) debt of $344.4 million in exchange for $304.9 million of equity in SLF. As of December 31, 2022 and December 31, 2021, FBLC’s investment in SLF consisted of equity contributions of $304.9 million. FBLC’s investment in SLF is classified as “Equity/Other” on the Consolidated Schedules of Investments, and other disclosures unless otherwise indicated. Subsequent to the initial contribution, FBLC may sell investments to SLF.

We co-invest, subject to the conditions included in the exemptive order we received from the U.S. Securities and Exchange Commission (the "SEC"), with certain of our affiliates. See "Material Conflicts of Interests" below. We believe that such co-investments afford us additional investment opportunities and an ability to build a diverse portfolio.

ABOUT OUR ADVISER, BSP AND FRANKLIN TEMPLETON

Our Adviser is served by BSP's origination, investment, and portfolio management team. In total, BSP consists of over 117 investment professionals and over 242 total employees as of January 31, 2023. The Adviser, a Delaware limited liability company, is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Adviser is a subsidiary of BSP, which is also registered as an investment adviser under the Advisers Act.

BSP is a leading credit-focused alternative asset management firm with approximately $77[1] billion in assets under management as of January 31, 2023. Established in 2008, the BSP platform manages funds for institutions and high-net-worth investors across various credit funds and complementary strategies, including private/opportunistic debt, structured credit, high yield, special situations, and commercial real estate debt. These strategies complement each other as they all leverage the sourcing, analytical, compliance, and operational capabilities that encompass BSP's robust platform.

Our investment committee consists of Thomas Gahan, Chief Executive Officer of BSP, Michael Paasche, Senior Managing Director of BSP, Blair D. Faulstich, Senior Portfolio Manager for Private Debt, and Saahil Mahajan, Managing Director of BSP, each with substantial experience in originating, underwriting and structuring credit investments.

Franklin Resources, Inc. (NYSE:BEN), an affiliate of BSP and the Adviser, is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 155 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company brings extensive capabilities in equity, fixed income, alternatives and custom multi-asset solutions. With offices in over 30 countries and 1,300 investment professionals, the company has more than 75 years of investment experience and approximately $1.5 trillion in assets under management as of January 31, 2023.

MARKET OPPORTUNITY

We believe that there exists a unique opportunity for BDCs with experience in investing in middle market companies. In our view, middle market companies provide attractive current yields and significant downside protection.

Our current opportunity is highlighted by the following factors:

- *Large, persistent and compelling market opportunity.* The fundamental premise underpinning the Company's investment thesis is that there is a compelling near-and medium-term opportunity to provide capital to middle market companies on attractive terms. This opportunity is a function of the size and growth rate of the middle market segment of the U.S. economy as well as a substantial, persistent and structurally-driven supply/demand imbalance for middle market debt capital across North America.
- *Large pool of uninvested private equity capital likely to seek additional capital to support private investments.* We believe there remains a large pool of uninvested private equity capital available to middle market companies. We expect that private equity firms will remain active investors in middle market companies and that these private equity firms will seek to supplement their equity investments with senior secured and mezzanine debt and equity co-investments from other sources, such as us.
- *Refinancing activities will provide continued opportunities to extend capital to middle market companies.* A significant volume of senior secured and mezzanine debt is expected to come due over the next several years. As companies seek to refinance their debt, we believe this will create new financing opportunities for us.
- *Lower default rates and higher recovery rates in the middle market.* Default rates remain relatively low, with generally higher recovery rates in the middle market. Middle market companies are generally over-equitized as compared to large cap companies.
- *Favorable Pricing Environment in the Loan Market.* Lower valuation levels in certain situations, combined with reduced liquidity in the secondary loan market, have created opportunities to acquire relatively high yielding senior and subordinated debt, both secured and unsecured, at potentially attractive prices.

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[1] Assets under management represent all credit funds and separately managed accounts managed and administered by Benefit Street Partners or Alcentra. Benefit Street Partners acquired Alcentra on November 1, 2022.

BUSINESS STRATEGY

Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in first and second lien senior secured debt investments and mezzanine debt issued by middle market companies.

We have adopted the following business strategy to achieve our investment objectives:

- *Utilize the experience and expertise of the principals of our Adviser and BSP.* Certain principals of our Adviser and BSP have a broad network of contacts with financial sponsors, commercial and investment banks, and leaders within a number of industries that we believe produce significant proprietary investment opportunities outside the normal banking auction process.
- *Focus on middle market companies with stable cash flow.* We believe that middle market lending is less competitive than the broadly syndicated loan market, and this is one factor that allows us to negotiate favorable investment terms. Such favorable terms include higher debt yields, more significant covenant protection and greater equity participation than typical of transactions involving larger companies. We generally invest in established companies with positive cash flow. We believe these companies possess better risk-adjusted return profiles than newer companies that are building management expertise or in the early stages of building a revenue base. These middle market companies represent a significant portion of the U.S. economy and often require substantial capital investment to grow their businesses.
- *Employ disciplined underwriting policies and rigorous portfolio management.* We employ an extensive underwriting process that includes a review of a prospective portfolio company's competitive position, financial performance, and industry dynamics. We prepare a detailed investment memo and, in addition, we perform substantial due diligence on potential investments, and seek to invest with management teams and/or private equity sponsors who have proven capabilities in building value. As part of the monitoring process for portfolio companies, our Adviser analyzes monthly (if available), quarterly, and annual financial statements versus the previous periods and year, reviews financial projections, and may perform other procedures including meeting with management, attending board meetings and reviewing compliance certificates and covenants.
- *Focus on long-term credit performance and principal protection.* We structure our customized loan investments on a relatively conservative basis with high cash yields, security interests (preferably first lien) where possible, cash origination fees, and appropriate leverage levels. We seek strong deal protection for our customized debt investments, including default penalties, information rights, board observation rights, and affirmative, negative and financial covenants, such as lien protection and prohibitions against change of control. We believe these protections reduce our risk of capital loss.
- *Diversification.* We seek to diversify our portfolio broadly among companies in a multitude of different industries, thereby reducing the concentration of credit risk in any one company or sector of the economy. We cannot guarantee that we will be successful in this effort.

DEAL ORIGINATION

Our Adviser and BSP have extensive relationships with private equity firms, competing lenders, loan syndication and trading desks, management teams, investment bankers, and other persons who we believe will continue to provide us with significant investment opportunities. We believe these relationships provide us with competitive advantages over other BDCs.

From time to time, we may receive referrals for new prospective investments from our portfolio companies as well as other participants in the capital markets.

INVESTMENT SELECTION

We strive to structure our debt investments with the maximum seniority and collateral that we can reasonably obtain while seeking to achieve our expectations for total returns on investments. We seek to structure our debt investments so that they often are collateralized by a first or second lien on the assets of the portfolio company. We seek to tailor the terms of our debt investments to the facts and circumstances of the transaction and prospective portfolio company, negotiating a structure that seeks to protect our rights and manage our risk while creating incentives for the portfolio company to achieve its business plan. A substantial source of our return is monthly or quarterly cash interest that we collect on our debt investments.

Our investment philosophy and portfolio construction involves:

- Company-specific research and analysis; and
- An emphasis on capital preservation, low volatility, diversification, and minimization of downside risk.

The foundation of our investment philosophy is intensive credit investment analysis. We follow a rigorous selection process based on:

- A comprehensive analysis of company creditworthiness, including a quantitative and qualitative assessment of the company's business;
- An evaluation of the management team and support from equity investors;
- An assessment of the competitive landscape;
- An analysis of business strategy and long-term industry trends; and
- An in-depth examination of capital structure, financial results, and financial projections.

We seek to identify those companies exhibiting superior fundamental risk-return profiles with a particular focus on investments with the following characteristics:

- *Established companies with a history of positive and stable operating cash flows.* We seek to invest in established companies with sound historical financial performance. We typically focus on companies with a history of profitability.
- *Ability to exert meaningful influence.* We target investment opportunities in which we will be the lead investor where we can add value through active participation. Our focus is typically on first lien investments.
- *Experienced management team.* We will require that our portfolio companies have an experienced management team. We also seek to invest in companies that have a strong equity incentive program in place that properly aligns the interests of management with such company's investors.
- *Strong franchises and sustainable competitive advantages.* We seek to invest in companies with proven products and/ or services and strong regional or national operations.
- *Diverse customer bases and product offerings.* We seek to invest in companies with diverse customer bases and product offerings.

While we believe that the criteria listed above are important in identifying and investing in companies, not all of these criteria will be met by each company in which we invest.

INVESTMENT STRUCTURE

Once we have determined that a company is suitable for investment, we work with its management and its other capital providers to structure our investment in the company. We negotiate among these parties to agree on how our investment is expected to perform relative to the other capital in the company's capital structure. We structure our investments as described below.

First Lien Loans. When we structure investments in secured first lien loans, we obtain security interests in the assets of the company as collateral in support of the repayment of such loans. This collateral may take the form of first-priority liens on the assets of the company.

Second Lien Loans. When we structure investments in secured second lien loans, we obtain security interests in the assets of the company as collateral in support of the repayment of such loans. This collateral may take the form of second priority liens on the assets of the company.

Subordinated Loans. We structure these investments as unsecured subordinated loans that provide for relatively high fixed interest rates that provide us with current interest income. Subordinated loans rank senior only to a company's equity securities and rank junior to all of such company's other indebtedness in priority of payment. These loans typically have interest-only payments (often representing a combination of cash pay and payment-in-kind ("PIK") interest) in the early years. Subordinated loan investments are generally more volatile than secured loans and may involve a greater risk of loss of principal. In addition, the PIK feature of many subordinated loans, which effectively operates as negative amortization of loan principal, increases credit risk exposure over the life of the loan.

Warrants and Equity Securities. In some cases, we may purchase equity interests or receive nominally priced warrants or options to buy an equity interest in the company in connection with a loan. This can allow us to achieve additional investment return from an equity interest. We may structure such warrants to include provisions protecting our rights, as well as a "put," or right to sell such securities back to the company, upon the occurrence of specified events.

INTENSIVE CREDIT ANALYSIS/DUE DILIGENCE

The disciplined process through which we make investment decisions with respect to a customized financing transaction involves extensive research into the target company, its industry, its growth prospects and its ability to withstand adverse conditions. If the investment team responsible for the transaction determines that an investment opportunity should be pursued, we engage in an intensive due diligence process. Though each transaction involves a somewhat different approach, the regular due diligence steps generally to be undertaken may include:

- Meeting with senior management to understand the business more fully and evaluate the ability of the senior management team;
- Checking management backgrounds and references;
- Performing a detailed review of financial performance, earnings, and potential for earnings growth;
- Commissioning a quality of earnings report;
- Visiting the headquarters and conducting other on site diligence;
- Contacting customers and vendors to assess both business prospects and industry practices;
- Conducting a competitive analysis and comparing the company to its main competitors;
- Researching industry and relevant publications to understand industry wide growth trends;
- Assessing asset value and the ability of physical infrastructure and information systems to handle anticipated growth;
- Investigating legal risks and financial and accounting systems;
- Engaging third party experts and consultants to assist in the due diligence process; and
- Building detailed projected financial models with an emphasis on downside scenarios.

PORTFOLIO MONITORING

Our Adviser continually monitors each of our portfolio companies to determine if each company is meeting its business plan and to assess the appropriate course of action for each company.

We employ several methods of evaluating and monitoring the performance and value of our investments, which may include, but are not limited to, the following:

- Assessment of success in adhering to the portfolio company's business plan and compliance with covenants;
- Regular contact with portfolio company management and, if appropriate, the financial or strategic sponsor, to discuss financial position, requirements, and accomplishments;
- Attendance at and participation in board meetings of the portfolio company (if available); and
- Review of monthly (if available), quarterly, and annual financial statements and financial projections for the portfolio company.

PORTFOLIO ASSET QUALITY

Our Adviser employs an investment rating system to categorize our investments. In addition to various risk management and monitoring tools, our Adviser grades the credit risk of all debt investments on a scale of 1 to 5 no less frequently than quarterly. This system is intended primarily to reflect the underlying risk of a portfolio debt investment relative to the inherent risk at the time the original debt investment was made (i.e., at the time of acquisition), although it may also take into account under certain circumstances the performance of the portfolio company's business, the collateral coverage of the investment and other relevant factors.

Loan Rating	Summary Description
1	Debt investment exceeding fundamental performance expectations and/or capital gain expected. Trends and risk factors since the time of investment are favorable.
2	Performing consistent with expectations and a full return of principal and interest expected. Trends and risk factors are neutral to favorable. All investments are initially rated a "2".
3	Performing debt investment requiring closer monitoring. Trends and risk factors show some deterioration.
4	Underperforming debt investment. Some loss of interest or dividend expected, but still expecting a positive return on investment. Trends and risk factors are negative.
5	Underperforming debt investment with expected loss of interest and some principal.

Our Adviser's internal performance ratings do not constitute any rating of investments by a nationally recognized statistical rating organization or represent or reflect any third-party assessment of any of our investments.

The weighted average risk rating of our investments based on fair value was 2.2 and 2.1 as of December 31, 2022 and December 31, 2021, respectively. As of December 31, 2022, we had 5 portfolio companies on non-accrual with a total amortized cost of $44.6 million and fair value of $8.2 million, which represented 1.5% and 0.3% of our investment portfolio's total amortized cost, and fair value, respectively. As of December 31, 2021, we had 6 portfolio companies on non-accrual with a total amortized cost of $42.5 million and fair value of $12.2 million, which represented 1.5% and 0.4% of our investment portfolio's total amortized cost, and fair value, respectively.

The following table shows the distribution of our investments on the 1 to 5 internal performance rating scale at fair value as of December 31, 2022 and 2021:

	December 31, 2022		December 31, 2021	
Internal Performance Rating	Investments at Fair Value (in thousands)	Percentage of Total Investments	Investments at Fair Value (in thousands)	Percentage of Total Investments
1	$ 54,877	1.8 %	$ 75,776	2.7 %
2	2,052,745	71.4 %	2,169,927	78.1 %
3	531,741	18.5 %	270,944	9.7 %
4	21,743	0.8 %	8,779	0.3 %
5	7,646	0.3 %	9,784	0.4 %
Not rated [(1)]	206,392	7.2 %	243,754	8.8 %
Total	$ 2,875,144	100.0 %	$ 2,778,964	100.0 %

[(1)] Includes equity investments

DETERMINATION OF NET ASSET VALUE

The Adviser, acting pursuant to delegated authority from, and under the oversight of our Board of Directors, determines the net asset value ("NAV") of our investment portfolio each quarter and at such other times as required by law. The NAV per share of our outstanding shares of common stock is determined quarterly by dividing the value of total assets minus liabilities by the total number of shares outstanding. Securities for which market quotations are readily available are valued at the reported closing price on the valuation date. Securities for which market quotations are not readily available are valued at fair value as determined by our Valuation Designee. In connection with that determination, our Valuation Designee utilizes independent valuation firms, portfolio company valuations using relevant inputs, including but not limited to, indicative dealer quotes, values of like securities, the most recent portfolio company financial statements, and forecasts.

We classify the fair value measurements of our assets and liabilities into a fair value hierarchy in accordance with Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurement, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The guidance defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, which includes inputs such as quoted prices for similar securities in active markets and quoted prices for identical securities where there is little or no activity in the market; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

With respect to investments for which market quotations are not readily available, our Valuation Designee undertakes a multi-step valuation process each quarter, as described below:

- Each portfolio company or investment will be valued by our Valuation Designee, with assistance from one or more independent valuation firms engaged by our Board of Directors or as noted below, with respect to investments in an investment fund;
- The independent valuation firm(s) conduct independent appraisals and make an independent assessment of the value of each investment; and
- Our Valuation Designee, under the supervision of the Board of Directors determines the fair value of each investment, in good faith, based on the input of the Adviser and independent valuation firm (to the extent applicable) and our Valuation Designee's own analysis. Our Valuation Designee also has established a Valuation Committee to assist our Valuation Designee in carrying out its designated responsibilities, subject to oversight of the Board of Directors.

Determination of fair values involves subjective judgments and estimates. Below is a description of factors that our Valuation Designee may consider when valuing our debt and equity investments.

Securities for which market quotations are readily available on an exchange are valued at the reported closing price on the valuation date. Our Valuation Designee may also obtain quotes with respect to certain of our investments from pricing services or brokers or dealers in order to value assets. When doing so, we determine whether the quote obtained is readily available according to U.S. generally accepted accounting principles (“U.S. GAAP”) to determine the fair value of the security. If determined to be readily available, we use the quote obtained.

Investments without a readily available market quotation are primarily valued using a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in fair value pricing our investments include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company’s ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, and enterprise values, among other factors. When available, broker quotations and/or quotations provided by pricing services are considered as an input in the valuation process.

For an investment in an investment fund that does not have a readily determinable fair value, we measure the fair value of the investment predominately based on the net asset value per share of the investment fund if the net asset value of the investment fund is calculated in a manner consistent with the measurement principles of ASC Topic 946, Financial Services - Investment Companies, as of our measurement date.

For investments in Collateralized Securities, our Valuation Designee models both the assets and liabilities of each Collateralized Securities' capital structure. The model uses a waterfall engine to store the collateral data, generate cash flows from the assets, and distribute the cash flows to the liability structure based on the contractual priority of payments. The cash flows are discounted using rates that incorporate risk factors such as default risk, interest rate risk, downgrade risk, and credit spread risk, among others. In addition, our Valuation Designee considers broker quotations and/or comparable trade activity as inputs to determining fair value when available.

DETERMINATIONS IN CONNECTION WITH OFFERINGS

Although we are no longer offering shares of our common stock in a continuous public offering, we may, from time to time, elect to issue shares of our common stock in private placements. We are prohibited under the 1940 Act from selling our shares of common stock at an offering price, after deducting selling commissions and dealer manager fees, that is below our net asset value per share unless we obtain prior Board of Directors and stockholder approval. On June 4, 2021, we received stockholder approval to sell shares of our common stock in an amount not to exceed 25% of our then-outstanding common stock immediately prior to each such sale at a price below our then-current NAV, subject to certain conditions. In connection with any issuance of our common stock, our Board of Directors or a committee thereof review the then current offering price per share, if available, against the current estimated net asset value per share to ensure that we are not selling shares of our common stock at a price that, after deducting selling commissions and dealer manager fees, was below our net asset value per share. If shares are to be sold at a price below our net asset value per share pursuant to shareholder approval thereof, then a majority of our directors who have no financial interest in the sale and a majority of such directors who are not interested persons of us or the Adviser must determine that such sale would be in our best interests and those of our stockholders.

In reviewing our offering price in connection with any closing, the Board of Directors or a committee thereof expects to consider the following factors, among others, in making such determination:

- the net asset value of our common stock disclosed in the most recent periodic report we filed with the SEC;
- our Adviser's assessment of whether any material change in the net asset value of our common stock has occurred (including through the realization of net gains on the sale of our portfolio investments) from the period beginning on the date of the most recently disclosed net asset value to the period ending two days prior to the date of the closing on and sale of our common stock; and
- the magnitude of the difference between the net asset value disclosed in the most recent periodic report we filed with the SEC and our Adviser's assessment of any material change in the net asset value since the date of the most recently disclosed net asset value, and the offering price of the shares of our common stock at the date of closing.

Importantly, this determination requires that we calculate net asset value per share within 48 hours of each closing. In addition, it involves a determination by the Board of Directors or a committee thereof that we are not selling shares at a price that, after deducting selling commissions and dealer manager fees, is below the then current net asset value per share at the time at which the sale of shares is made. To the extent that there is even a remote possibility that we may issue shares of our common stock at a price which, after deducting selling commissions and dealer manager fees, is below the then current net asset value per share, the Board of Directors or a committee thereof will elect either to postpone the closing until such time that there is no longer the possibility of the occurrence of such event or to undertake to change the offer price.

These processes and procedures are part of our compliance policies and procedures. We record all determinations described in this section, and these records are maintained with other records we are required to maintain under the 1940 Act.

INVESTMENT ADVISORY AND MANAGEMENT SERVICES AGREEMENT

Pursuant to the Investment Advisory and Management Services Agreement, as amended (the "Investment Advisory Agreement"), our Adviser oversees the management of our activities and is responsible for making investment decisions with respect to our portfolio.

Prior to February 1, 2019, our Adviser provided investment advisory and management services under the investment advisory and management services agreement, effective November 1, 2016, (the "Prior Investment Advisory Agreement") and most recently re-approved by the Board in August 2018. The terms of the Prior Investment Advisory Agreement were materially identical to the Investment Advisory Agreement. The Prior Investment Advisory Agreement automatically terminated on February 1, 2019 upon the indirect change of control of the Adviser on the consummation of Franklin Resources, Inc.'s ("FRI") and Templeton International, Inc.'s (collectively with FRI, "Franklin Templeton") acquisition of BSP (the "FT Transaction"). The Board renewed the Investment Advisory Agreement on January 30, 2023.

Responsibilities of the Adviser

Subject to the overall supervision of our Board of Directors, our Adviser manages our day-to-day operations and provides investment advisory and management services to us. Under the terms of our Investment Advisory Agreement, our Adviser, among other things:

- Determines the composition and allocation of our portfolio, the nature and timing of the changes in our portfolio, and the manner of implementing such changes;
- Identifies, evaluates, and negotiates the structure of the investments we make;
- Executes, monitors, and services our investments;
- Determines the securities and other assets that we will purchase, retain, or sell;
- Performs due diligence on prospective portfolio companies; and
- Provides us with such other investment advisory, research and related services as we may, from time to time, reasonably require for the investment of our funds.

Our Adviser's services under the Investment Advisory Agreement are not exclusive, and they are free to furnish similar services to other entities so long as their services to us are not impaired.

Compensation of the Adviser

Pursuant to the Investment Advisory Agreement and for the investment advisory and management services provided thereunder, we pay our Adviser a base management fee and an incentive fee.

Base Management Fee

The base management fee is calculated at an annual rate of 1.5% of our average gross assets (including assets purchased with borrowed funds). The Company's gross assets increase or decrease with any appreciation or depreciation associated with a derivative contract. The base management fee is payable quarterly in arrears. Average gross assets are calculated based on the average value of our gross assets at the end of the two most recently completed calendar quarters. All or any part of the base management fee not taken as to any quarter is deferred without interest and may be taken in such other quarter as the Adviser will determine. However, any deferred base management fee must be taken within three calendar years of the date on which such fee was first payable by us. The base management fee for any partial month or quarter is appropriately pro-rated.

Incentive Fees

The incentive fee consists of two parts. The first part is referred to as the incentive fee on income and it is calculated and payable quarterly in arrears based on our “Pre-Incentive Fee Net Investment Income” for the immediately preceding quarter. “Pre-Incentive Fee Net Investment Income” means interest income, dividend income, and any other income (including any other fees, other than fees for providing managerial assistance, such as commitment, origination, structuring, diligence and consulting fees, or other fees that the we receive from portfolio companies) accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement with BSP, 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 original issue discount debt instruments with PIK interest and zero coupon securities), accrued income that we have 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. The payment of the incentive fee on income is subject to payment of a preferred return to investors each quarter, expressed as a quarterly rate of return on the value of our net assets at the end of the most recently completed calendar quarter, of 1.75% (7.00% annualized), subject to a “catch up” feature (as described below). The calculation of the incentive fee on income for each quarter is as follows:

- No incentive fee on income is payable to the Adviser in any calendar quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the preferred return rate of 1.75%, or 7.00% annualized (the “Preferred Return”), on net assets;
- 100% of our Pre-Incentive Fee Net Investment Income, if any, that exceeds the preferred return but is less than or equal to 2.1875% in any calendar quarter (8.75% annualized) is payable to the Adviser. This portion of our incentive fee on income is referred to as the “catch up” and is intended to provide the Adviser with an incentive fee of 20% on all of our Pre-Incentive Fee Net Investment Income when our Pre-Incentive Fee Net Investment Income reaches 2.1875% (8.75% annualized) in any calendar quarter; and
- For any quarter in which our Pre-Incentive Fee Net Investment Income exceeds 2.1875% (8.75% annualized), the incentive fee on income equals 20% of the amount of our Pre-Incentive Fee Net Investment Income, as the Preferred Return and catch-up will have been achieved.

The second part of the incentive fee, referred to as the “incentive fee on capital gains during operations,” is an incentive fee on capital gains earned on liquidated investments from the portfolio during operations prior to our liquidation and is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, if earlier). This fee equals 20% of our incentive fee capital gains, which equals our realized capital gains on a cumulative basis from inception, calculated as of the end of each calendar 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.

Payment of our expenses

All investment professionals and staff of the Adviser and BSP, when and to the extent engaged in providing investment advisory and management services to us, and the compensation and routine overhead expenses of such personnel allocable to such services (including health insurance, 401(k) plan benefits, payroll taxes and other compensation related matters), are provided and paid for by the Adviser. We bear all other costs and expenses of our operations and transactions, including (without limitation) fees and expenses relating to:

- expenses deemed to be “organization and offering expenses” of the Company for purposes of Conduct Rule 2310(a)(12) of the Financial Industry Regulatory Authority, or FINRA;
- amounts paid to third parties for administrative services;
- amounts paid to third party experts relating to the investigation and monitoring of our investments;
- the cost of calculating our net asset value;

- the cost of effecting sales and repurchases of shares of our common stock and other securities;
- management and incentive fees payable pursuant to the Investment Advisory Agreement;
- fees payable to third parties relating to, or associated with, making investments and valuing investments (including third-party valuation firms);
- transfer agent and custodial fees;
- fees and expenses associated with marketing efforts (including attendance at investment conferences and similar events);
- federal and state registration fees;
- any exchange listing fees;
- federal, state, and local taxes;
- independent directors' fees and expenses;
- brokerage commissions;
- costs of proxy statements;
- stockholders' reports and notices;
- costs of preparing government filings, including periodic and current reports with the SEC;
- fidelity bond, liability insurance, and other insurance premiums;
- printing and mailing; and
- independent accountants and outside legal costs.

We reimburse the Adviser for all of our expenses incurred by the Adviser as well as the actual cost of goods and services used for or by us and obtained from entities not affiliated with the Adviser. The Adviser may be reimbursed for the administrative services performed by it on our behalf. However, such reimbursement is limited to be an amount equal to the lower of the Adviser's actual cost or the amount we would be required to pay third parties for the provision of comparable administrative services in the same geographic location; and provided, further, that such costs are reasonably allocated to us on the basis of assets, revenues, time records, or other method conforming with generally accepted accounting principles. No reimbursement shall be permitted for services for which the Adviser is entitled to compensation by way of a separate fee.

Duration and termination

The Adviser serves as our investment adviser pursuant to the Investment Advisory Agreement, which was approved by our shareholders effective February 1, 2019. The Board most recently approved the Investment Advisory Agreement in January 2023, and, unless terminated earlier, it will remain in effect from year to year if approved annually by our Board of Directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors 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 us without penalty upon not less than 60 days' written notice and by the Adviser upon not less than 120 days' written notice. Any termination by us must be authorized either by our Board of Directors or by vote of our stockholders.

In determining to approve the Investment Advisory Agreement, our Board of Directors requested information from the Adviser that enabled it to evaluate a number of factors relevant to its determination. These factors included the nature, quality, and extent of services performed by the Adviser, the Adviser's ability to manage conflicts of interest effectively, our short and long-term performance, our costs, including as compared to comparable BDCs that engage in similar investing activities, the Adviser's profitability, any economies of scale, and any other benefits of the relationship for the Adviser. Based on the information reviewed and the considerations detailed above, our Board of Directors, including all of our directors who are not interested persons of us or the Adviser, concluded that the investment advisory fee rates and terms are fair and reasonable in relation to the services provided and approved the Investment Advisory Agreement as being in the best interests of our stockholders.

Indemnification

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties, or by reason of the reckless disregard of its duties and obligations, the Adviser 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 us for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Adviser's services under the Investment Advisory Agreement or otherwise as our investment adviser.

ADMINISTRATION AGREEMENTS

On March 18, 2011, we entered into a fund administration servicing agreement and a fund accounting servicing agreement with U.S. Bancorp Fund Services, LLC (the "Administrator"). Our Administrator provides the administrative services, such as accounting, financial reporting, legal and compliance support, and investor relations support, necessary for us to operate.

On November 1, 2016, we entered into an administration agreement with BSP (the "Administration Agreement"), pursuant to which BSP provides us with office facilities and administrative services. The Administration Agreement may be terminated by either party without penalty upon not less than 60 days' written notice to the other.

COMPLIANCE

We, along with our Adviser, have adopted and implemented written policies and procedures reasonably designed to prevent violations of the federal securities laws, and our Board of Directors is required to review these compliance policies and procedures annually to assess their adequacy and the effectiveness of their implementation. We have designated Guy F. Talarico as our chief compliance officer.

COMPETITION

Our primary competition in providing financing for acquisitions, buyouts and recapitalizations of middle market companies include other BDCs, public and private buyout and other private equity funds, commercial and investment banks, commercial financing companies, and, to the extent they provide an alternative form of financing, hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical, and marketing resources than we do. For example, some competitors may have a lower cost of funds as well as access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC. We use the industry information of the Adviser's investment professionals, to which we have access, to assess investment risks and determine appropriate pricing for our investments in portfolio companies. In addition, we believe that our relationships and those of the Adviser and BSP will enable us to discover, and compete effectively for, financing opportunities with attractive middle market companies in the industries in which we seek to invest.

STAFFING

We do not currently have any employees and do not expect to have any employees in the foreseeable future. The services necessary for the operation of our business are provided to us by our officers and the employees of our Adviser and BSP and our Administrator pursuant to the terms of the Investment Advisory Agreement and the servicing agreements that we have entered into with our Administrator.

REGULATION

We have elected to be regulated as a BDC under the 1940 Act. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates, principal underwriters, and the affiliates of those affiliates or underwriters. The 1940 Act also requires that a majority of the directors be persons other than "interested persons," as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless approved by a majority of our outstanding voting securities. The 1940 Act defines "a majority of the outstanding voting securities" as the lesser of (i) 67% or more of the voting securities present at a meeting if the holders of more than 50% of our outstanding voting securities are present or represented by proxy or (ii) 50% of our voting securities.

We are generally not able to issue and sell our common stock at a price below net asset value per share. See "Item 1A. Risk Factors - Risks Related to Business Development Companies - *Regulations governing our operation as a BDC and RIC will affect our ability to raise, and the way in which we raise, additional capital or borrow for investment purposes, which may have a negative effect on our growth."* We may, however, sell our common stock, or warrants, options, or rights to acquire our common stock, at a price below the then current net asset value of our common stock if our Board of Directors determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. In addition, we may generally issue new shares of our common stock at a price below net asset value in rights offerings to existing stockholders, in payment of dividends and in certain other limited circumstances.

As a BDC, we may be examined periodically by the SEC for compliance with the 1940 Act. Our Adviser is a registered investment adviser and is also subject to examination by the SEC.

We are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misconduct, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of such person's office.

Asset Coverage

We are only allowed to borrow money such that our asset coverage, which, as defined in the 1940 Act, measures the ratio of total assets less total liabilities not represented by senior securities to total borrowings, equals at least 200% after such borrowing, with certain limited exceptions. Although the Small Business Credit Availability Act of 2018 (the "SBCAA") amended the 1940 Act to permit BDCs to incur increased leverage if certain conditions are met, we do not presently intend to avail ourselves of the increased leverage limits permitted by the SBCAA. If we were to avail ourselves of the increased leverage permitted by the SBCAA, this would effectively allow us to double our leverage, which would increase leverage risk and expenses. We may use borrowed funds, known as "leverage," to make investments and to attempt to increase returns to our stockholders by reducing our overall cost of capital. We currently have credit facilities with Wells Fargo and JPM and have $460.0 million in aggregate principal of unsecured notes outstanding.

Qualifying assets

As a BDC, we are required to comply with certain regulatory requirements. For instance, we have to invest at least 70% of our total assets in "qualifying assets," including securities of U.S. operating companies whose securities are not listed on a national securities exchange, U.S. operating companies with listed securities that have equity market capitalizations of less than $250 million, cash, cash equivalents, U.S. government securities, and high-quality debt investments that mature in one year or less.

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. The principal categories of qualifying assets relevant to our business are any of the following:

1. Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer which:

   a. is organized under the laws of, and has its principal place of business in, the United States;

   b. is not an investment company (other than a small business investment company wholly owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and

   c. satisfies any of the following:

      i. does not have any class of securities that is traded on a national securities exchange;

      ii. has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than $250 million;

      iii. is controlled by a BDC or a group of companies including a BDC and the BDC has an affiliated person who is a director of the eligible portfolio company; or

      iv. is a small and solvent company having total assets of not more than $4.0 million and capital and surplus of not less than $2.0 million

2. Securities of any eligible portfolio company that we control.

3. Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.

4. Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.

5. Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of warrants or rights relating to such securities.

6. Cash, cash equivalents, U.S. government securities, or high-quality debt securities maturing in one year or less from the time of investment.

In addition, a BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in (1), (2), or (3) above.

Temporary investments

Pending investment in other types of "qualifying assets," as described above, our investments may consist of cash, cash equivalents, U.S. government securities, or high-quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as temporary investments, so that 70% of our assets are qualifying assets. Typically, we will invest in U.S. Treasury bills or in repurchase agreements; provided that such agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price that is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25% of our total assets constitute repurchase agreements from a single counterparty, we would not meet the diversification tests in order to qualify as a RIC for federal income tax purposes. Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. Our Adviser will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Significant managerial assistance to portfolio companies

A BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in "Regulation-Qualifying assets" above. BDCs generally must offer to make available to the issuer of the securities significant managerial assistance, except in circumstances where either (i) the BDC controls such issuer of securities or (ii) the BDC purchases such securities in conjunction with one or more other persons acting together and one of the other persons in the group makes available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the BDC, through its directors, officers, or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations, or business objectives and policies of a portfolio company.

Indebtedness and Senior Securities

We are permitted, under specified conditions, to issue multiple classes of debt and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 200% immediately after each such issuance. In addition, while any senior securities remain outstanding, we must make provision to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5% of the value of our total assets for temporary or emergency purposes without regard to asset coverage. For a discussion of the risks associated with leverage, See "Item 1A. Risk Factors - Risks Related to Business Development Companies - *Regulations governing our operation as a BDC and RIC will affect our ability to raise, and the way in which we raise, additional capital or borrow for investment purposes, which may have a negative effect on our growth."*

Code of Ethics

We have adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to the code may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code's requirements.

Our code of ethics is posted on our website at http://www.fblendingcorp.com and was filed with the SEC as an exhibit to our registration statement. In addition, the code of ethics is available on the EDGAR Database on the SEC's Internet site at http://www.sec.gov.

Election to be Taxed as a RIC

We have elected to be treated as a RIC under Subchapter M of the Code commencing with our taxable year ended December 31, 2011 and intend to qualify annually thereafter as a RIC. As a RIC, we generally will not have to pay corporate-level U.S. federal income taxes on any income that we distribute to our stockholders from our taxable earnings and profits. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, in order to obtain RIC tax treatment, we must distribute to our stockholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our net ordinary income plus the excess, if any, of realized net short-term capital gain over realized net long-term capital loss, (the "Annual Distribution Requirement"). Even if we qualify as a RIC, we generally will be subject to corporate-level U.S. federal income tax on our undistributed taxable income and could be subject to U.S. federal excise, state, local, and foreign taxes.

In order to qualify to be treated as a RIC for U.S. federal income tax purposes, we must, among other things: qualify to be treated as a BDC or be registered as a management investment company under the 1940 Act at all times during each taxable year; meet the Annual Distribution Requirement; derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale or other disposition of stock or other securities or currencies, or other income derived with respect to our business of investing in such stock, securities, or currencies and net income derived from an interest in a "qualified publicly traded partnership" as defined in the Code (the "90% Income Test"); and diversify our holdings so that at the end of each quarter of the taxable year: (i) at least 50% of the value of our assets consists of cash, cash equivalents, U.S. Government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer (which for these purposes includes the equity securities of a "qualified publicly traded partnership"); and (ii) no more than 25% of the value of our assets is invested in the securities, other than U.S. Government securities or securities of other RICs, (i) of one issuer (ii) of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or (iii) of one or more "qualified publicly traded partnerships," or the Diversification Tests.

Provided that we continue to qualify as a RIC and satisfy the Annual Distribution Requirement, we will not be subject to U.S. federal income tax on the portion of our investment company taxable income and net capital gain (which generally is defined as net long-term capital gain in excess of net short-term capital loss) that we timely distribute to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gain not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income of RICs unless we distribute in a timely manner an amount at least equal to the sum of: (1) 98% of our ordinary income for each calendar year; (2) 98.2% of our capital gain net income for the one-year period ending October 31 in that calendar year; and (3) any income recognized, but not distributed, in preceding years and on which we paid no U.S. federal income tax.

We have also formed and expect to continue to form consolidated subsidiaries (the "Consolidated Holding Companies"). These Consolidated Holding Companies enable us to hold equity securities of portfolio companies organized as pass-through entities while continuing to satisfy the requirements of a RIC under the Code. See "Regulation" for discussion of BDC regulation and other regulatory considerations.

In determining whether or not a RIC is in compliance with the Diversification Tests, the 90% Income Test and the Annual Distribution Requirement, a RIC may take into consideration certain cure provisions contained in the Code.

In order to meet the 90% Income Test, we may establish one or more special purpose corporations to hold assets from which we do not anticipate earning dividend, interest or other qualifying income under the 90% Income Test. Any investments held through a special purpose corporation would generally be subject to U.S. federal income and other taxes, and therefore we can expect to achieve a reduced after-tax yield on such investments.

We may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with payment-in-kind interest or, in certain cases, increasing interest rates or issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in income other amounts that we have not yet received in cash, such as deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. We anticipate that a portion of our income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash.

Because any original issue discount or other amounts accrued will be included in our investment company taxable income for the year of the accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the Annual Distribution Requirement necessary to obtain and maintain RIC tax treatment under the Code. We may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. federal income tax.

Furthermore, a portfolio company in which we invest may face financial difficulty that requires us to work-out, modify or otherwise restructure our investment in the portfolio company. Any such restructuring may result in unusable capital losses and future non-cash income. Any restructuring may also result in our recognition of a substantial amount of non-qualifying income for purposes of the 90% Income Test, such as cancellation of indebtedness income in connection with the work-out of a leveraged investment (which, while not free from doubt, may be treated as non-qualifying income) or the receipt of other non-qualifying income.

Gain or loss realized by us from warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will generally be treated as capital gain or loss. Such gain or loss generally will be long-term or short-term, depending on how long we held a particular warrant.

Our investment in non-U.S. securities may be subject to non-U.S. income, withholding and other taxes. In that case, our yield on those securities would be decreased. Stockholders will generally not be entitled to claim a credit or deduction with respect to non-U.S. taxes paid by us.

If we purchase shares in a “passive foreign investment company,” or PFIC, we may be subject to U.S. federal income tax on a portion of any “excess distribution” or gain from the disposition of such shares even if such income is distributed as a taxable dividend by us to our stockholders. Additional charges in the nature of interest may be imposed on us in respect of deferred taxes arising from such distributions or gains. If we invest in a PFIC and elect to treat the PFIC as a “qualified electing fund” under the Code, or QEF, in lieu of the foregoing requirements, we will be required to include in income each year a portion of the ordinary earnings and net capital gain of the QEF, even if such income is not distributed to it. Alternatively, we can elect to mark-to-market at the end of each taxable year our shares in a PFIC; in this case, we will recognize as ordinary income any increase in the value of such shares and as ordinary loss any decrease in such value to the extent it does not exceed prior increases included in income. Under either election, we may be required to recognize in a year income in excess of our distributions from PFICs and our proceeds from dispositions of PFIC stock during that year, and such income will nevertheless be subject to the Annual Distribution Requirement and will be taken into account for purposes of the 4% U.S. federal excise tax. We intend to limit and/or manage our holdings in PFICs to minimize our liability for any taxes and related interest charges. In addition, income required to be included as a result of a QEF election would be qualifying income for purposes of the 90% Income Test if we receive a distribution of such income from the PFIC in the same taxable year to which the inclusion relates, or if the included income is derived with respect to our business of investing.

Under Section 988 of the Code, gain or loss attributable to fluctuations in exchange rates between the time we accrue income, expenses, or other liabilities denominated in a foreign currency and the time we actually collect such income or pay such expenses or liabilities are generally treated as ordinary income or loss. Similarly, gain or loss on foreign currency forward contracts and the disposition of debt denominated in a foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates, are also treated as ordinary income or loss.

Although we do not presently expect to do so, we are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. However, under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain “asset coverage” tests are met. See “Item 1. Business — Regulation as a Business Development Company — Qualifying Assets” and “— Indebtedness and Senior Securities.” Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or to avoid the excise tax, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

If we fail to satisfy the Annual Distribution Requirement or otherwise fail to qualify as a RIC in any taxable year, we will be subject to tax in that year on all of our taxable income, regardless of whether we make any distributions to our stockholders. In that case, all of such income will be subject to corporate-level U.S. federal income tax, reducing the amount available to be distributed to our stockholders. See “*Item 1. Business — Certain U.S. Federal Income Tax Considerations — Failure To Obtain RIC Tax Treatment.*”

As a RIC, we are not allowed to carry forward or carry back a net operating loss for purposes of computing our investment company taxable income in other taxable years. U.S. federal income tax law generally permits a RIC to carry forward (i) the excess of its net short-term capital loss over its net long-term capital gain for a given year as a short-term capital loss arising on the first day of the following year and (ii) the excess of its net long-term capital loss over its net short-term capital gain for a given year as a long-term capital loss arising on the first day of the following year. However, future transactions we engage in may cause our ability to use any capital loss carryforwards, and unrealized losses once realized, to be limited under Section 382 of the Code. Certain of our investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things, (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (ii) convert lower taxed long-term capital gain and qualified dividend income into higher taxed short-term capital gain or ordinary income, (iii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (iv) cause us to recognize income or gain without a corresponding receipt of cash, (v) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (vi) adversely alter the characterization of certain complex financial transactions, and (vii) produce income that will not be qualifying income for purposes of the 90% Income Test. We will monitor our transactions and may make certain tax elections in order to mitigate the effect of these provisions.

As described above, to the extent that we invest in equity securities of entities that are treated as partnerships for U.S. federal income tax purposes, the effect of such investments for purposes of the 90% Income Test and the Diversification Tests will depend on whether or not the partnership is a "qualified publicly traded partnership" (as defined in the Code). If the partnership is a "qualified publicly traded partnership," the net income derived from such investments will be qualifying income for purposes of the 90% Income Test and will be "securities" for purposes of the Diversification Tests. If the partnership, however, is not treated as a "qualified publicly traded partnership," the consequences of an investment in the partnership will depend upon the amount and type of income of the partnership allocable to us and our proportionate share of the underlying assets of the partnership. The income derived from such investments may not be qualifying income for purposes of the 90% Income Test and, therefore, could adversely affect our qualification as a RIC. We intend to monitor our investments in equity securities of entities that are treated as partnerships for U.S. federal income tax purposes to prevent our disqualification as a RIC.

We may invest in preferred securities or other securities the U.S. federal income tax treatment of which may not be clear or may be subject to recharacterization by the IRS. To the extent the tax treatment of such securities or the income from such securities differs from the expected tax treatment, it could affect the timing or character of income recognized, requiring us to purchase or sell securities, or otherwise change our portfolio, in order to comply with the tax rules applicable to RICs under the Code.

Taxation of U.S. Stockholders

Whether an investment in shares of our Common Stock is appropriate for a U.S. stockholder will depend upon that person's particular circumstances. An investment in shares of our Common Stock by a U.S. stockholder may have adverse tax consequences. The following summary generally describes certain U.S. federal income tax consequences of an investment in shares of our Common Stock by taxable U.S. stockholders and not by U.S. stockholders that are generally exempt from U.S. federal income taxation. U.S. stockholders should consult their own tax advisors before making an investment in our common stock.Distributions by us generally are taxable to U.S. stockholders as ordinary income or capital gain. Distributions of our "investment company taxable income" (which is, generally, our ordinary income excluding net capital gain) will be taxable as ordinary income to U.S. stockholders to the extent of our current or accumulated earnings and profits, whether paid in cash or reinvested in additional common stock. To the extent such distributions paid by us to noncorporate U.S. stockholders (including individuals) are attributable to dividends from U.S. corporations and certain qualified foreign corporations, such distributions generally will be eligible for taxation at rates applicable to "qualifying dividends" (at a maximum tax rate of 20%) provided that we properly report such distribution as "qualified dividend income" and certain holding period and other requirements are satisfied. In this regard, it is not anticipated that a significant portion of distributions paid by us will be attributable to qualifying dividends; therefore, our distributions generally will not qualify for the preferential rates applicable to qualified dividend income. Distributions of our net capital gain (which is generally our net long-term capital gain in excess of net short-term capital loss) properly reported by us as "capital gain dividends" will be taxable to a U.S. stockholder as long-term capital gain (at a maximum rate of 20% in the case of individuals, trusts or estates), regardless of the U.S. stockholder's holding period for his, her or its common stock and regardless of whether paid in cash or reinvested in additional common stock. Distributions in excess of our current and accumulated earnings and profits first will reduce a U.S. stockholder's adjusted tax basis in such stockholder's common stock and, after the adjusted basis is reduced to zero, will constitute capital gain to such U.S. stockholder.

U.S. Stockholders who receive distributions in the form of stock generally are subject to the same federal income tax consequences as are stockholders who elect to receive their distributions in cash. The U.S. stockholder will have an adjusted tax basis in the additional shares of our Common Stock purchased through the plan equal to the amount of the reinvested distribution. The additional shares will have a new holding period commencing on the day following the day on which the shares are credited to the U.S. stockholder's account.

Although we currently intend to distribute any long-term capital gain at least annually, we may in the future decide to retain some or all of our long-term capital gain, but designate the retained amount as a "deemed distribution." In that case, among other consequences, we will pay tax on the retained amount, each U.S. stockholder will be required to include his, her or its proportionate share of the deemed distribution in income as if it had been actually distributed to the U.S. stockholder, and the U.S. stockholder will be entitled to claim a credit equal to his, her or its allocable share of the tax paid thereon by us. The amount of the deemed distribution net of such tax will be added to the U.S. stockholder's tax basis for his, her or its common stock. Since we expect to pay tax on any retained capital gain at our regular corporate tax rate, and since that rate is in excess of the maximum rate currently payable by individuals on net capital gain, the amount of tax that individual stockholders will be treated as having paid and for which they will receive a credit will exceed the tax they owe on the retained net capital gain. Such excess generally may be claimed as a credit against the U.S. stockholder's other U.S. federal income tax obligations or may be refunded to the extent it exceeds a stockholder's liability for U.S. federal income tax. A stockholder that is not subject to U.S. federal income tax or otherwise required to file a U.S. federal income tax return would be required to file a U.S. federal income tax return on the appropriate form in order to claim a refund for the taxes we paid. In order to utilize the deemed distribution approach, we must provide written notice to our stockholders prior to the expiration of 60 days after the close of the relevant taxable year. We cannot treat any of our investment company taxable income as a "deemed distribution."

For purposes of determining (1) whether the Annual Distribution Requirement is satisfied for any year and (2) the amount of capital gain dividends paid for that year, we may, under certain circumstances, elect to treat a dividend that is paid during the following taxable year as if it had been paid during the taxable year in question. If we make such an election, the U.S. stockholder will still be treated as receiving the dividend in the taxable year in which the distribution is made. However, any dividend declared by us in October, November or December of any calendar year, payable to stockholders of record on a specified date in any such month and actually paid during January of the following year, will be treated as if it had been received by our U.S. stockholders on December 31 of the year in which the dividend was declared.

We may have the ability to declare a large portion of a distribution in shares of our Common Stock to satisfy the Annual Distribution Requirement. If a portion of such distribution is paid in cash (which portion may be as low as 20% based on certain public and private rulings issued by the IRS) and certain requirements are met, the entire distribution to the extent of our current and accumulated earnings and profits will be treated as a dividend for U.S. federal income tax purposes. As a result, U.S. stockholders will be taxed on the distribution as if the entire distribution was cash distribution, even though most of the distribution was paid in shares of our Common Stock.

If an investor purchases shares of our Common Stock shortly before the record date of a distribution, the price of the shares will include the value of the distribution and the investor will be subject to tax on the distribution even though it represents a return of his, her or its investment.

A U.S. stockholder generally will recognize taxable gain or loss if the stockholder sells or otherwise disposes of his, her or its shares of our Common Stock. The amount of gain or loss will be measured by the difference between such stockholder's adjusted tax basis in the common stock sold and the amount of the proceeds received in exchange. Any gain arising from such sale or disposition generally will be treated as long-term capital gain or loss if the stockholder has held his, her or its shares for more than one year.

Otherwise, it will be classified as short-term capital gain or loss. However, any capital loss arising from the sale or disposition of shares of our Common Stock held for six months or less will be treated as long-term capital loss to the extent of the amount of capital gain dividends received, or undistributed capital gain deemed received, with respect to such shares. In addition, all or a portion of any loss recognized upon a disposition of shares of our Common Stock may be disallowed if other substantially identical shares are purchased (whether through reinvestment of distributions or otherwise) within 30 days before or after the disposition. The ability to otherwise deduct capital loss may be subject to other limitations under the Code.

In general, U.S. stockholders taxed at individual rates currently are subject to a maximum U.S. federal income tax rate of 20% on their recognized net capital gain (i.e., the excess of realized net long-term capital gains over realized net short-term capital losses), including any long-term capital gain derived from an investment in our shares. Such rate is lower than the maximum rate on ordinary income currently payable by such U.S. stockholders. In addition, individuals with modified adjusted gross incomes in excess of $200,000 ($250,000 in the case of married individuals filing jointly) and certain estates and trusts are subject to an additional 3.8% tax on their "net investment income," which generally includes net income from interest, dividends, annuities, royalties, and rents, and net capital gains (other than certain amounts earned from trades or businesses). Corporate U.S. stockholders currently are subject to U.S. federal income tax on net capital gain at the maximum 21% rate also applied to ordinary income.

Noncorporate stockholders with net capital loss for a year (which we define as capital loss in excess of capital gain) generally may deduct up to $3,000 of such losses against their ordinary income each year; any net capital loss of a noncorporate stockholder in excess of $3,000 generally may be carried forward and used in subsequent years as provided in the Code. Corporate stockholders generally may not deduct any net capital loss for a year, but may carry back such losses for three years or carry forward such losses for five years.

When we are not a publicly offered regulated investment company for any taxable year, a non-corporate U.S. shareholder's pro rata portion of our affected expenses, including our management fees, will be treated as an additional dividend to the shareholder and will be deductible by such shareholder only to the extent permitted under the limitations described below. A "publicly offered regulated investment company" is a regulated investment company whose shares are either (i) continuously offered pursuant to a public offering, (ii) regularly traded on an established securities market or (iii) held by at least 500 persons at all times during the taxable year. For taxable years beginning before 2026, certain expenses (including advisory fees), referred to as miscellaneous itemized deductions generally are not deductible by non-corporate U.S. shareholders, including individuals, trusts, and estates. For taxable years beginning in 2026 or later, miscellaneous itemized deductions generally are deductible by a non-corporate U.S. shareholder (such as an individual, trust or estate) only to the extent that the aggregate of such U.S. shareholder's miscellaneous itemized deductions exceeds 2% of such U.S. shareholder's adjusted gross income for U.S. federal income tax purposes, are not deductible for purposes of the alternative minimum tax and are subject to the overall limitation on itemized deductions under Section 68 of the Code. We do not anticipate that we will initially constitute a publicly offered regulated investment company although it is possible that we may qualify at some point in the future.

We (or the applicable withholding agent) will send to each of our U.S. stockholders, as promptly as possible after the end of each calendar year, a notice reporting the amounts to be included in such U.S. stockholder's taxable income for such year as ordinary income and as long-term capital gain. In addition, the U.S. federal income tax status of each year's distributions generally will be reported to the IRS (including the amount of dividends, if any, eligible for the 20% maximum rate). Dividends paid by us generally will not be eligible for the dividends-received deduction or the preferential tax rate applicable to qualifying dividends. Distributions may also be subject to additional state, local and foreign taxes depending on a U.S. stockholder's particular situation.

We (or the applicable withholding agent) may be required to withhold U.S. federal income tax, or backup withholding, from all distributions to any noncorporate U.S. stockholder (1) who fails to furnish us with a correct taxpayer identification number or a certificate that such stockholder is exempt from backup withholding or (2) with respect to whom the IRS notifies us that such stockholder has failed to properly report certain interest and dividend income to the IRS and to respond to notices to that effect. An individual's taxpayer identification number is his or her social security number. Backup withholding tax is not an additional tax, and any amount withheld may be refunded or credited against the U.S. stockholder's U.S. federal income tax liability, provided that proper information is timely provided to the IRS.

Under U.S. Treasury regulations, if a stockholder recognizes a loss with respect to shares of our Common Stock of $2 million or more for a noncorporate stockholder or $10 million or more for a corporate stockholder in any single taxable year (or a greater loss over a combination of years), the stockholder must file with the IRS a disclosure statement on Internal Revenue Service Form 8886 (or successor form). Direct stockholders of portfolio securities in many cases are excepted from this reporting requirement, but under current guidance, stockholders of a RIC are not excepted. Future guidance may extend the current exception from this reporting requirement to stockholders of most or all RICs. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Significant monetary penalties apply to a failure to comply with this reporting requirement. States may also have a similar reporting requirement. Stockholders should consult their own tax advisors to determine the applicability of these regulations in light of their individual circumstances.

Taxation of Non-U.S. Stockholders

Whether an investment in the shares is appropriate for a Non-U.S. stockholder will depend upon that person's particular circumstances. An investment in the shares by a Non-U.S. stockholder may have adverse tax consequences. Non-U.S. stockholders should consult their tax advisers before investing in our common stock.

Distributions of our "investment company taxable income" to Non-U.S. stockholders that are not "effectively connected" with a U.S. trade or business carried on by the Non-U.S. stockholder, will generally be subject to withholding of U.S. federal income tax at a rate of 30% (or lower rate provided by an applicable treaty) to the extent of our current and accumulated earnings and profits, unless an applicable exception applies. However, we generally are not required to withhold any amounts with respect to distributions of (i) U.S.-source interest income that would not have been subject to withholding of U.S. federal income tax if they had been earned directly by a Non-U.S. stockholder, and (ii) net short-term capital gains in excess of net long-term capital losses that would not have been subject to withholding of U.S. federal income tax if they had been earned directly by a Non-U.S. stockholder, in each case only to the extent that such distributions are properly reported by us as "interest-related dividends" or "short-term capital gain dividends," as the case may be, and certain other requirements are met. No certainty can be provided that any of our distributions would be reported as eligible for this exception.

Actual or deemed distributions of our net capital gain to a Non-U.S. stockholder, and gains realized by a Non-U.S. stockholder upon the sale of our common stock, that are not effectively connected with a U.S. trade or business carried on by the Non-U.S. stockholder, will generally not be subject to U.S. federal withholding tax and generally will not be subject to U.S. federal income tax unless the Non-U.S. stockholder is a nonresident alien individual and is physically present in the United States for more than 182 days during the taxable year and meets certain other requirements. However, withholding of U.S. federal income tax at a rate of 30% on capital gain of nonresident alien individuals who are physically present in the United States for more than the 182 day period only applies in exceptional cases because any individual present in the United States for more than 182 days during the taxable year is generally treated as a resident for U.S. income tax purposes; in that case, he or she would be subject to U.S. income tax on his or her worldwide income at the graduated rates applicable to U.S. citizens, rather than the 30% U.S. Federal withholding tax.

If we distribute our net capital gain in the form of deemed rather than actual distributions (which we may do in the future), a Non-U.S. stockholder will be entitled to a U.S. federal income tax credit or tax refund equal to the stockholder's allocable share of the tax we pay on the capital gain deemed to have been distributed. In order to obtain the refund, the Non-U.S. stockholder must obtain a U.S. taxpayer identification number and file a U.S. federal income tax return even if the Non-U.S. stockholder would not otherwise be required to obtain a U.S. taxpayer identification number or file a U.S. federal income tax return. Accordingly, investment in the shares may not be appropriate for a Non-U.S. stockholder.

Distributions of our "investment company taxable income" and net capital gain (including deemed distributions) to Non-U.S. stockholders, and gains realized by Non-U.S. stockholders upon the sale of our common stock that is "effectively connected" with a U.S. trade or business carried on by the Non-U.S. stockholder (or if an income tax treaty applies, attributable to a "permanent establishment" in the United States), will be subject to U.S. federal income tax at the graduated rates applicable to U.S. citizens, residents and domestic corporations. Corporate Non-U.S. stockholders may also be subject to an additional branch profits tax at a rate of 30% imposed by the Code (or lower rate provided by an applicable treaty). In the case of a non-corporate Non-U.S. stockholder, we may be required to withhold U.S. federal income tax from distributions that are otherwise exempt from withholding tax (or taxable at a reduced rate) unless the Non-U.S. stockholder certifies his or her foreign status under penalties of perjury or otherwise establishes an exemption.

We may have the ability to declare a large portion of a distribution in shares of our Common Stock to satisfy the Annual Distribution Requirement. If a portion of such dividend is paid in cash (which portion may be as low as 20% under certain public and private rulings issued by the IRS) and certain requirements are met, the entire distribution to the extent of our current and accumulated earnings and profits will be treated as a dividend for U.S. federal income tax purposes. As a result, non-U.S. stockholders will be taxed on the distribution as if the entire distribution was cash distribution, even though most of the distribution was paid in shares of our Common Stock.

The tax consequences to a Non-U.S. stockholder entitled to claim the benefits of an applicable tax treaty may differ from those described herein. Non-U.S. stockholders are advised to consult their own tax advisers with respect to the particular tax consequences to them of an investment in our shares.

A Non-U.S. stockholder who is a nonresident alien individual may be subject to information reporting and backup withholding of U.S. federal income tax on dividends unless the Non-U.S. stockholder provides us or the dividend paying agent with an IRS Form W-8BEN or IRS Form W-8BEN-E (or an acceptable substitute form) or otherwise meets documentary evidence requirements for establishing that it is a Non-U.S. stockholder or otherwise establishes an exemption from backup withholding.

Legislation commonly referred to as the "Foreign Account Tax Compliance Act," or "FATCA," generally imposes a 30% withholding tax on payments of certain types of income to foreign financial institutions ("FFIs") unless such FFIs either (i) enter into an agreement with the U.S. Treasury to report certain required information with respect to accounts held by U.S. persons (or held by foreign entities that have U.S. persons as substantial owners) or (ii) reside in a jurisdiction that has entered into an intergovernmental agreement ("IGA") with the United States to collect and share such information and are in compliance with the terms of such IGA and any enabling legislation or regulations. The types of income subject to the tax include U.S. source interest and dividends. The information required to be reported includes the identity and taxpayer identification number of each account holder that is a U.S. person and transaction activity within the holder's account. In addition, subject to certain exceptions, this legislation also imposes a 30% withholding on payments to foreign entities that are not FFIs unless the foreign entity certifies that it does not have a greater than 10% U.S. owner or provides the withholding agent with identifying information on each greater than 10% U.S. owner. Under certain circumstances, a Non-U.S. Stockholder might be eligible for refunds or credits of such taxes.

Non-U.S. persons should consult their own tax advisors with respect to the U.S. federal income tax and withholding tax, and state, local and foreign tax consequences of an investment in the shares.

Failure to Obtain RIC Tax Treatment

If we were unable to obtain tax treatment as a RIC, we would be subject to tax on all of our taxable income at regular corporate rates. We would not be able to deduct distributions to stockholders, nor would they be required to be made. Distributions would generally be taxable to our stockholders as dividend income to the extent of our current and accumulated earnings and profits (in the case of noncorporate U.S. stockholders, at a maximum rate applicable to qualified dividend income of 20%). Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends-received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain.

If we fail to meet the RIC requirements for more than two consecutive years and then seek to re-qualify as a RIC, we would be required to recognize gain to the extent of any unrealized appreciation in our assets unless we made a special election to pay corporate-level U.S. federal income tax on any such unrealized appreciation during the succeeding five-year period.

Possible Legislative or Other Actions Affecting Tax Considerations

Prospective investors should recognize that the present U.S. federal income tax treatment of an investment in our stock may be modified by legislative, judicial or administrative action at any time, and that any such action may affect investments and commitments previously made. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process any by the IRS and the U.S. Treasury Department, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. federal tax laws and interpretations thereof could adversely affect the tax consequences of an investment in our stock.

The discussion set forth herein does not constitute tax advice, and potential investors should consult their own tax advisors concerning the tax considerations relevant to their particular situation.

Proxy Voting Policies and Procedures

We delegate our proxy voting responsibility to our Adviser. The proxy voting policies and procedures that our Adviser follows are set forth below and are intended to comply with Section 206 of, and Rule 206(4)-6 under the Advisers Act. The guidelines will be reviewed periodically by our Adviser and our non-interested directors, and, accordingly, are subject to change.

As an investment adviser registered under the Advisers Act, our Adviser has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, it recognizes that it must vote client securities in a timely manner free of conflicts of interest and in the best interests of its clients.

Our Adviser will vote proxies relating to our securities in the best interest of its clients' stockholders. It will review on a case-by-case basis each proposal submitted for a stockholder vote to determine its impact on the portfolio securities held by its clients. Although our Adviser will generally vote against proposals that may have a negative impact on its clients' portfolio securities, it may vote for such a proposal if there exists compelling long-term reasons to do so.

The proxy voting decisions of our Adviser are made by the senior officers who are responsible for monitoring each of its clients' investments. To ensure that its vote is not the product of a conflict of interest, it will require that: (a) anyone involved in the decision-making process disclose to its chief compliance officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (b) employees involved in the decision making process or vote administration are prohibited from revealing how our Adviser intends to vote on a proposal in order to reduce any attempted influence from interested parties.

You may obtain information, without charge, regarding how we voted proxies with respect to our portfolio securities by making a written request for proxy voting information to: Chief Financial Officer, 9 West 57th Street, 49th Floor, Suite 4920, New York, NY 10019.

MATERIAL CONFLICTS OF INTEREST

Investment Advisory Agreement

We entered into the Investment Advisory Agreement on February 1, 2019 under which the Adviser, subject to the overall supervision of our Board of Directors manages the day-to-day operations of, and provides investment advisory services to us. The Adviser and its affiliates also provide investment advisory services to other funds that have investment mandates that are similar, in whole and in part, with ours. The Adviser and its affiliates serve as investment adviser or sub-adviser to private funds and registered open-end funds, and serves as an investment adviser to a public real estate investment trust. The Adviser's policies are designed to manage and mitigate the conflicts of interest associated with the allocation of investment opportunities pursuant to the SEC exemptive order. See "Co-Investment Relief". In addition, any affiliated fund currently formed or formed in the future and managed by the Adviser or its affiliates may have overlapping investment objectives with our own and, accordingly, may invest in asset classes similar to those targeted by us. However, in certain instances due to regulatory, tax, investment, or other restrictions, certain investment opportunities may not be appropriate for either us or other funds managed by the Adviser or its affiliates.

Prior to February 1, 2019, our Adviser provided investment advisory services to us pursuant to the Prior Investment Advisory Agreement, which was terminated in connection with the FT Transaction. For additional information regarding the Investment Advisory Agreement and the Prior Investment Advisory Agreement, please see the section entitled "Item 1. Business - Investment Advisory and Management Services Agreement." The Board renewed the Investment Advisory Agreement on January 30, 2023.

Administration Agreement

In connection with the Administration Agreement effective November 1, 2016, BSP provides us with office facilities and administrative services.

Co-Investment Relief

The 1940 Act generally prohibits BDCs from entering into negotiated co-investments with affiliates absent an order from the SEC. The SEC staff has granted us exemptive relief that allows us to enter into certain negotiated co-investment transactions alongside other funds managed by the Adviser or its affiliates ("Affiliated Funds") in a manner consistent with our investment objective, positions, policies, strategies, and restrictions as well as regulatory requirements and other pertinent factors, subject to compliance with certain conditions (the "Order"). Pursuant to the Order, we are permitted to co-invest with our affiliates if a "required majority" (as defined in Section 57(o) of the 1940 Act) of our eligible directors make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the transactions, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned, and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective and strategies.

AVAILABLE INFORMATION

We file with or submit to the SEC annual, quarterly, and current periodic reports, proxy statements and other information meeting the informational requirements of the Exchange Act. The SEC maintains an Internet website that contains reports, proxy and information statements, and other information filed electronically by us with the SEC at http://www.sec.gov. Our Internet address is http://www.fblendingcorp.com. We make available free of charge on our Internet website our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

ITEM 1A. RISK FACTORS

Investing in our securities involves a high degree of risk. Before making an investment in the Company, you should carefully consider the following risk factors. The risks and uncertainties set forth below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem to be immaterial may also impair our business operations. If any of the following risks were to occur, our business or financial condition could be materially adversely affected. In such case, the net asset value of our common stock could decline, and you may lose all or part of your investment.

Risks Related to our Adviser and its Affiliates

We may be obligated to pay our Adviser incentive compensation even if we incur a net loss due to a decline in the value of our portfolio.

The Investment Advisory Agreement entitles our Adviser to receive incentive compensation on income regardless of any capital losses. In such case, we may be required to pay our Adviser incentive compensation for a fiscal quarter even if there is a decline in the value of our portfolio or if we incur a net loss for that quarter.

We expect that any incentive fee payable by us that relates to our net investment income may be computed and paid on income that may include interest that has been accrued but not yet received. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously included in the calculation of the incentive fee will become uncollectible. Pursuant to the Investment Advisory Agreement, our Adviser will not be under any obligation to reimburse us for any part of the incentive fee it received that was based on accrued income that we never received as a result of a default by an entity on the debt instrument that resulted in the accrual of such income, and such circumstances would result in our paying an incentive fee on income we never received.

Moreover, to the extent that we are required to recognize in our taxable income such interest income that has been accrued but not yet paid, our payment of incentive fees to the Adviser on such income may make it difficult to meet (or may further amplify existing difficulties in meeting) the Annual Distribution Requirement (as defined below) necessary to maintain RIC tax treatment under the Code. As a result, we may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital, or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. Federal income tax. For additional discussion regarding the tax implications of a RIC, see "U.S. Federal Income Tax Risks - *We may be subject to corporate-level U.S. federal taxes if we fail to maintain our qualification as a RIC*."

The time and resources that individuals and the executive officers of our Adviser devote to us may be diverted, and we may face additional competition due to the fact that neither our Adviser nor its affiliates are prohibited from raising money for or managing another entity that makes the same types of investments that we target.

Affiliates and executive officers of the Adviser currently manage other investment entities and are not prohibited from raising money for and managing future investment entities that make the same types of investments as those we target. As a result, the time and resources that the executive officers and individuals employed by the Adviser and its affiliates devote to us may be diverted, and during times of intense activity in other areas of business, they may devote less time and resources to our business than is necessary or appropriate.

There are significant potential conflicts of interest that could impact our investment returns.

We pay management and incentive fees to our Adviser and reimburse our Adviser for certain expenses it incurs on our behalf. In addition, investors in our common stock invest on a gross basis and receive distributions on a net basis after expenses, resulting in a lower rate of return than one might achieve through direct investments.

The part of the incentive fee payable by us that relates to our pre-incentive fee net investment income is computed and paid on income that may include interest that is accrued but not yet received in cash. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the incentive fee will become uncollectible.

Our fee structure may induce our Adviser to make speculative investments or incur debt.

The incentive fee payable by us to our Adviser may create an incentive for it to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The way in which this incentive fee is determined may encourage the Adviser to use leverage to increase the return on our investments. In addition, the fact that our management fee is payable based upon our gross assets, which would include any borrowings for investment purposes, may encourage our Adviser to use leverage to make additional investments. Under certain circumstances, the use of leverage may increase the likelihood of default, which would disfavor holders of our common stock. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during cyclical economic downturns.

In selecting and structuring investments appropriate for us, our Adviser will consider our investment and tax objectives and those of our stockholders as a whole, not the investment, tax or other objectives of any stockholder individually.

Our stockholders may have conflicting investment, tax, and other objectives with respect to their investments in us. The conflicting interests of individual stockholders may relate to or arise from, among other things, the nature of our investments, the structure or the acquisition of our investments, and the timing of the disposition of our investments. As a consequence, conflicts of interest may arise in connection with decisions made by our Adviser, including with respect to the nature or structuring of our investments, that may be more beneficial for one stockholder than for another stockholder, especially with respect to stockholders' individual tax situations.

Our Adviser can resign on 120 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business, and results of operations.

Our Adviser has the right to resign under the Investment Advisory Agreement at any time upon not less than 120 days' written notice, whether we have found a replacement or not. If our Adviser were to resign, we may not be able to find a new investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 120 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our business, financial condition, results of operations, and cash flows as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and investment activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by our Adviser and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our business, financial condition, results of operations, and cash flows.

Our Administrator can resign on 60 days' notice, and we may not be able to find a suitable replacement, resulting in a disruption in our operations that could adversely affect our financial condition, business, and results of operations.

Our Administrator has the right to resign under the Administration Agreement at any time upon not less than 60 days' written notice, whether we have found a replacement or not. If our Administrator resigns, we may not be able to find a new administrator or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business, and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and administrative activities is likely to suffer if we are unable to identify and reach an agreement with a service provider or individuals with the expertise possessed by our Administrator. Even if we are able to retain a comparable service provider or individuals to perform such services, whether internal or external, their integration into our business and lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our business, financial condition, results of operations and cash flows.

Risks Related to Business Development Companies

Our failure to invest a sufficient portion of our assets in qualifying assets could result in our failure to maintain our status as a BDC.

As a BDC, we may not acquire any assets other than "qualifying assets" unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets are qualifying assets. See "Item 1. Business - Regulation." Therefore, we may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets. We may also be required to re-classify investments previously identified as qualifying assets as non-qualifying assets due to a change in the underlying business, a change in law or regulation, or for other reasons. Similarly, these rules could prevent us from making additional investments in existing portfolio companies, which could result in the dilution of our position, or could require us either to dispose of investments at an inopportune time or to refrain from making additional investments to comply with the 1940 Act. If we were forced to sell non-qualifying investments in our portfolio for compliance purposes, the proceeds from such sales could be significantly less than the current value of such investments.

Failure to maintain our status as a BDC would reduce our operating flexibility.

If we do not remain a BDC, we might be regulated as a registered closed-end investment company under the 1940 Act, which would subject us to substantially more regulatory restrictions under the 1940 Act and correspondingly decrease our operating flexibility.

Regulations governing our operation as a BDC and RIC will affect our ability to raise, and the way in which we raise, additional capital or borrow for investment purposes, which may have a negative effect on our growth.

We may need to access the capital markets periodically to raise cash to fund new investments. We may also issue “senior securities,” including borrowing money from banks or other financial institutions, in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 200% after such incurrence or issuance. Our ability to issue different types of securities is also limited. Compliance with these requirements may unfavorably limit our investment opportunities and reduce our ability compared to other companies to profit from favorable spreads between the rates at which we can borrow and the rates at which we can lend. As a BDC, therefore, we intend to continuously issue equity at a rate more frequent than our privately owned competitors, which may lead to greater stockholder dilution.

Although Congress passed the SBCAA, which amended the 1940 Act to permit BDCs to incur increased leverage if certain conditions are met, we are currently prevented from availing ourselves of the increased leverage by covenants contained in the indenture governing our outstanding notes. If we were to avail ourselves of the increased leverage permitted by the SBCAA, this would effectively allow us to double our leverage, which would increase leverage risk and expenses.

We have incurred leverage to generate capital to make additional investments. If the value of our assets declines, we may be unable to satisfy the asset coverage test under the 1940 Act, which could prohibit us from paying distributions and could prevent us from being subject to tax as a RIC. If we cannot satisfy the asset coverage test, we may be required to sell a portion of our investments and, depending on the nature of our debt financing, repay a portion of our indebtedness at a time when such sales and repayments may be disadvantageous.

Under the 1940 Act, we generally are prohibited from issuing or selling our common stock at a price per share, after deducting selling commissions and dealer manager fees, that is below net asset value per share, which may be a disadvantage as compared to other public companies. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value of our common stock if (1) our Board of Directors and independent directors determine that such sale is in our best interests and the best interests of our stockholders, and (2) our stockholders in general, as well as those stockholders that are not affiliated with us approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board of Directors, closely approximates the fair value of such securities.

Our ability to enter into transactions with our affiliates is restricted.

The 1940 Act generally prohibits BDCs from entering into negotiated co-investments with affiliates absent an order from the SEC. Unless otherwise provided in the allocation policy, if an investment opportunity is appropriate for both us and other investment funds, the investment opportunity requires more than the price to be negotiated and cannot be effected pursuant to the terms of our Order, the investment opportunity will be made available to the other investment fund or us on an alternating basis based on the date of closing of each such investment opportunity and each fund’s available capital. As a result, the Adviser and/or its affiliates may face conflicts in allocating investment opportunities between us and such other entities. Although the Adviser and its affiliates will endeavor to allocate investment opportunities in a fair and equitable manner and consistent with applicable allocation procedures, it is possible that, in the future, we may not be given the opportunity to participate in investments made by investment funds managed by the Adviser or its affiliates.

On August 5, 2015, we received exemptive relief from the SEC that permits us greater flexibility to negotiate the terms of co-investments if our Board of Directors determines that it would be advantageous for us to co-invest with other accounts sponsored or managed by the Adviser or its affiliates in a manner consistent with our investment objectives, positions, policies, strategies, and restrictions as well as regulatory requirements and other pertinent factors. Under the terms of this exemptive relief, a “required majority” (as defined in Section 57(o) of the 1940 Act) of our eligible directors is required to make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the proposed transaction are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment strategies and policies. We believe that co-investment by us and accounts sponsored or managed by the Adviser and its affiliates affords us additional investment opportunities and an ability to achieve greater diversification.

We are uncertain of our sources for funding our future capital needs; if we cannot obtain debt or equity financing on acceptable terms, our ability to acquire investments and to expand our operations will be adversely affected.

The net proceeds from the sale of shares of our common stock will be used for our investment opportunities, operating expenses, and for payment of various fees and expenses such as management fees, incentive fees, and other fees. Any working capital reserves we maintain may not be sufficient for investment purposes, and we may require debt or equity financing to operate. In order to maintain our RIC tax treatment we must distribute to our stockholders on a timely basis generally an amount equal to at least 90% of our investment company taxable income, determined without regard to any deduction for dividends paid, and the amounts of such distributions will therefore not be available to fund investment originations or to repay maturing debt. In addition, with certain limited exceptions, we are only allowed to borrow amounts or issue debt securities or preferred stock, which we refer to collectively as "senior securities," such that our asset coverage, as calculated pursuant to the 1940 Act, equals at least 200% immediately after such borrowing, which, in certain circumstances, may restrict our ability to borrow or issue debt securities or preferred stock. Accordingly, in the event that we develop a need for additional capital in the future for investments or for any other reason, these sources of funding may not be available to us. Consequently, if we cannot obtain debt or equity financing on acceptable terms, our ability to acquire investments and to expand our operations will be adversely affected. As a result, we would be less able to achieve portfolio diversification and our investment objective, which may negatively impact our results of operations and reduce our ability to pay distributions to our stockholders.

Risks Related to Our Investments

Our investments in portfolio companies may be risky, and we could lose all or part of our investment.

We invest primarily in first and second lien senior secured loans and mezzanine debt and selected equity investments issued by middle market companies.

Senior Secured Loans. When the Company makes a senior secured loan to a portfolio company, it will generally take a security interest in the available assets of the portfolio company, including the equity interests of its subsidiaries, which could help mitigate the risk that the Company will not be repaid. However, there is a risk that the collateral securing the Company's loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise, and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. In some circumstances, the Company's lien could be subordinated to claims of other creditors. In addition, deterioration in a portfolio company's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that the Company will receive principal and interest payments according to the loan's terms, or at all, or that the Company will be able to collect on the loan should it be forced to enforce its remedies.

Second Lien, or Other Subordinated Loans or Debt. The Company may invest in second lien or other subordinated loans. In the event of a loss of value of the underlying assets that collateralize the loans, the subordinate portions of the loans may suffer a loss prior to the more senior portions suffering a loss. If a borrower defaults and lacks sufficient assets to satisfy the Company's loan, the Company may suffer a loss of principal or interest. If a borrower declares bankruptcy, the Company may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the loan. Issuers of subordinated debt obligations may be highly leveraged and may not have available to them more traditional sources of financing. During an economic downturn or a sustained period of rising interest rates, such issuers may be more likely to experience financial stress and may be unable to meet their obligations. In addition, certain of the Company's loans may be subordinate to other debt of the borrower. As a result, if a borrower defaults on the Company's loan or on debt senior to the Company's loan, or in the event of the bankruptcy of a borrower, the Company's loan will be satisfied only after all senior debt is paid in full. The Adviser's ability to amend the terms of the Company's loans, assign the Company's loans, accept prepayments, exercise the Company's remedies (through "standstill periods") and control decisions made in bankruptcy proceedings relating to borrowers may be limited by intercreditor arrangements if debt senior to the Company's loans exists.

Unsecured Loans or Debt. The Company may invest in unsecured loans which are not secured by collateral. In the event of default on an unsecured loan, the first priority lien holder has first claim to the underlying collateral of the loan. It is possible that no collateral value would remain for an unsecured holder and therefore result in a loss of investment to the Company. Because unsecured loans are lower in priority of payment to secured loans, they are subject to the additional risk that the cash flow of the borrower may be insufficient to meet scheduled payments after giving effect to the secured obligations of the borrower. Unsecured loans generally have greater price volatility than secured loans and may be less liquid.

Middle Market Companies. The Company will invest in the debt obligations or securities of middle market and/or less well-established companies. While middle market companies may have potential for rapid growth, they often involve higher risks. Middle market companies have more limited financial resources than larger companies and may be unable to meet their obligations under their debt securities that the Company holds, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Company realizing any guarantees it may have obtained in connection with its investment. Middle market companies also typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Less publicly available information may be available about these companies and they may not be subject to the financial and other reporting requirements applicable to public companies. They are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the company and, in turn, on the Company. Middle market companies may also have less predictable operating results and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. They may also have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity. Middle market loans may also be subject to greater illiquidity if they are privately negotiated or syndicated in comparison to publicly traded instruments or, if such instruments are publicly traded, there may be smaller relative trading volumes.

Investments in Privately Held Companies. While not a primary strategy of the Company, the Company may acquire controlling or minority equity stakes in privately held companies, which may occur, among other ways, by reason of converting debt into equity. The success of the Company's investments in privately held companies that it controls will depend in part on the Adviser's ability to develop plans and strategies to exploit new business opportunities for such companies as well as the Adviser's ability to restructure and effect improvements in the operations of such companies. The activity of developing such plans and strategies and of identifying and implementing operational improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Company will be able to successfully identify and implement such plans, strategies or improvements. To the extent that the Company owns a controlling stake in, or is deemed an affiliate of, a particular company, it may also be subject to certain additional bankruptcy or securities laws restrictions that could affect both the liquidity of the Company's interest and the Company's ability to liquidate its interest without adversely impacting the price thereof, including insider trading restrictions, the affiliate sale restrictions of Rule 144 of the Securities Act and the disclosure requirements of Sections 13 and 16 of the Exchange Act. The exercise of control over a company, depending upon the amount and type of securities owned by the Company, contractual arrangements between the company and the Company, and other relevant factual circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to the Company. The exercise of control over a company may also provide grounds for challenges to the priority and enforceability of investments or other claims the Company may have against the company if it is subject to a bankruptcy case or other insolvency proceeding.

The success of the Company's investments in minority equity stakes of privately held companies will depend in part on the performance and abilities of such companies' controlling shareholders. Because the Company will not control such companies, the Company's ability to exit from such investments may be limited. Additionally, the Company is likely to have a reduced ability to influence management of such companies. The Adviser may also have disagreements with controlling shareholders over the strategy and operations of such companies. As a result of the foregoing, the Company's equity investments in such companies may perform poorly.

Bank Loans. The Company may invest a portion of its investments in loans originated by banks and other financial institutions. The loans in which the Company invests may include term loans and revolving loans, may pay interest at a fixed or floating rate and may be senior or subordinated. Purchasers of bank loans are predominantly commercial banks, investment funds and investment banks. As secondary market trading volumes for bank loans increase, new bank loans are frequently adopting standardized documentation to facilitate loan trading which should improve market liquidity. There can be no assurance, however, that future levels of supply and demand in bank loan trading will provide an adequate degree of liquidity, that current levels of liquidity will persist and that the market will not experience periods of significant illiquidity in the future. In addition, the Company may make investments in stressed or distressed bank loans which are often less liquid than performing bank loans.

The Company may acquire interests in bank loans either directly (by way of sale or assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. Participation interests in a portion of a debt obligation typically result in a contractual relationship only with the institution participating out the interest, not with the borrower. In purchasing participations, the Company generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, and the Company may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Company will assume the credit risk of both the borrower and the institution selling the participation. The settlement process for the purchase of bank loans can take several days and, in certain instances, several weeks longer than a bond trade. The longer a trade is outstanding between the counterparties, the higher the possible risk of additional operational and settlement issues and the potential for the Company's counterparty to fail to perform.

Public Debt. In the event that the Company acquires fixed income securities and/or other instruments that are publicly traded, which may include securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated, the Company will be subject to certain inherent risks. Below investment grade securities, which are often referred to as "high yield," "speculative" or "junk," have predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. In some circumstances, the Company may be unable to obtain financial covenants or other contractual rights, including management rights, that it might otherwise be able to obtain in making privately-negotiated debt investments. Moreover, the Company may not have the same access to information in connection with investments in public instruments, either when investigating a potential investment or after making an investment, as compared to a privately-negotiated debt investment.

Term Loans, Delayed Draw Term Loans, or Revolvers. The Company may invest in a variety of different types of debt, including but not limited to term loans, delayed draw term loans, bridge loans, and revolving loans. A term loan is a loan that has a specified repayment schedule. A delayed draw term loan is a loan that typically permits the borrower to withdraw predetermined portions of the total amount borrowed at certain times. A revolving credit facility differs from a delayed draw term loan in that as the borrower repays the loan, an amount equal to the repayment may be borrowed again during the term of the revolving credit facility. Delayed draw term loans and revolving credit facilities usually provide for floating or variable rates of interest. If the Company enters into or acquires a commitment with a borrower regarding a delayed draw term loan or a revolver, the Company will be obligated on one or more dates in the future to lend the borrower monies (up to an aggregate stated amount) if called upon to do so by the borrower. These commitments may have the effect of requiring the Company to increase its investment in a borrower at a time when it might not otherwise decide to do so (including at a time when the company's financial condition makes it unlikely that such amounts will be repaid). Delayed draw term loans and revolvers may be subject to restrictions on transfer, and only limited opportunities may exist to resell such instruments. As a result, the Company may be unable to sell such investments at an opportune time or may have to resell them at less than fair market value.

Financially Troubled Companies. The Company may invest in the obligations of companies that are in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, or facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Investments in such financially troubled companies involve significantly greater risk than investments in non-troubled companies, and the repayment of obligations of financially troubled companies is subject to significant uncertainties. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Loans issued by companies in bankruptcy are also highly risky, as there are a number of significant rights throughout the bankruptcy process, which may result in losses to the Company. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. Additionally, the Company could invest in the securities of financially troubled companies that are non-U.S. issuers. Such non-U.S. issuers may be subject to bankruptcy and reorganization processes and proceedings that are not comparable to those in the United States and that may be less favorable to the rights of lenders. There is no assurance that the Adviser or their affiliates will correctly evaluate the value of the assets underlying the securities or obligations purchased by the Company or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Company invests, the Company may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated may not compensate the shareholders adequately for the risks assumed. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security in respect of which such distribution is made. In certain transactions, the Company may not be "hedged" against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

High Yield Debt. The Company may invest in high yield debt, a substantial portion of which may be rated below investment-grade by one or more nationally recognized statistical rating organizations or which may be unrated but of comparable credit quality to obligations rated below investment-grade, and have greater credit and liquidity risk than more highly rated debt obligations. High yield debt is generally unsecured and may be subordinate to other obligations of the obligor. The lower rating of high yield debt reflects a greater possibility that adverse changes in the financial condition of the obligor or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the obligor to make payment of principal and interest. Many issuers of high yield debt are highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations. In addition, many issuers of high yield debt may be in poor financial condition, experiencing poor operating results, having substantial capital needs or negative net worth or be facing special competitive or product obsolescence problems, and may include companies involved in bankruptcy or other reorganizations or liquidation proceedings. Certain of these securities may not be publicly traded, and, therefore, it may be difficult to obtain information as to the true condition of the issuers. Overall declines in the below investment-grade bond and other markets may adversely affect such issuers by inhibiting their ability to refinance their debt at maturity. High yield debt is often less liquid than higher rated securities.

High yield debt is often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. High yield debt has historically experienced greater default rates than has been the case for investment-grade securities. The Company may also invest in equity securities issued by entities with unrated or below investment-grade debt.

High yield debt may also be in the form of zero-coupon or deferred interest bonds, which are bonds which are issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero-coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments experience greater volatility in market value due to changes in the interest rates than bonds that that provide for regular payments of interest.

Levered Entities. The Company may make investments whose capital structures have significant leverage. Such investments are inherently more sensitive to declines in revenues and asset values and to increases in expenses and interest rates. The leveraged capital structure of such investments will increase the exposure of the investments to adverse economic factors such as downturns in the economy or deterioration in the condition of the investment, its underlying assets or its industry. Additionally, depending on the level in the capital structure in which the Company acquires investments, the Company may be subject to a greater risk of loss than if it acquires securities higher in a capital structure.

Convertible Securities. The Company may invest in convertible securities, which are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged.

Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Company is called for redemption, the Company will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on the Company's ability to achieve its investment objective.

Equity Securities. The Company may hold investments in equity securities. Equity securities may include common and preferred stocks and warrants, rights and equivalents. As with other investments that the Company may make, the value of equity securities held by the Company may be adversely affected by actual or perceived negative events relating to the issuer of such securities, the industry or geographic areas in which such issuer operates or the financial markets generally. However, equity securities may be even more susceptible to such events given their subordinate position in the issuer's capital structure. As such, equity securities generally have greater price volatility than fixed income securities or debt instruments. Preferred securities are subordinated to bonds and other debt securities in an issuer's capital structure in terms of priority for corporate income and liquidation payments and, therefore, will be subject to greater credit risk than those debt securities. Depending on the features of the particular security, holders of preferred stock may bear the risks disclosed herein regarding equity or fixed income securities. Dividends paid to equity holders may be suspended or cancelled at any time, and minority owners may have limited protections. In addition, if an issuer of equity securities in which the Company has invested sells additional shares of its equity securities, the Company's interest in the issuer will be diluted and the value of the Company's investment may decrease.

Warrants. The Company may hold warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognized clearing agency. In addition, the terms of warrants or rights may limit the Company's ability to exercise the warrants or rights at such time, or in such quantities, as the Company would otherwise wish.

Covenant-Lite Loans. The Company may invest in covenant-lite loans, which contain limited, if any, financial covenants. Generally, such loans either do not require the obligor to maintain debt service or other financial ratios or do not contain common restrictions on the ability of the obligor to change significantly its operations or to enter into other significant transactions that could affect its ability to repay such loans. As a result, the Company's exposure to different risks may be increased, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have such requirements and restrictions.

Cash and Other Investments. The Company may invest all or a portion of its assets in cash or cash items for investment purposes, pending other investments or as provision of margin for derivatives contracts. These cash items may include money market instruments such as negotiable or non-negotiable securities issued by or short-term deposits with the U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers' acceptances, high quality commercial paper, repurchase agreements, bank certificates of deposit, and short-term debt securities of U.S. or non-U.S. issuers deemed to be creditworthy by the Adviser. The Company may also hold interests in investment vehicles that hold cash or cash items. While investments in cash items generally involve relatively low risk levels, they may produce lower than expected returns, and could result in losses. Investments in cash items and money market funds may also provide less liquidity than anticipated by the Company at the time of investment.

Our investments are subject to interest rate risk.

"Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Our debt investments are subject to prepayment or refinancing risk.

The terms of loans in which the Company invests may permit the borrowers to voluntarily prepay loans at any time, either with no or a nominal prepayment premium. This prepayment right could result in the borrower repaying the principal on an obligation held by the Company earlier than expected. This could happen when there is a decline in interest rates, when the borrower's improved credit or operating or financial performance allows the refinancing of certain classes of debt with lower cost debt. The yield of the Company's investment assets may be affected by the rate of prepayments differing from the Adviser's expectations. Assuming an improvement in the credit market conditions, early repayments of the debt held by the Company could increase. To the extent early prepayments increase, they may have a material adverse effect on the Company's investment objectives and profits. In addition, if the Company is unable to reinvest the proceeds of such prepayments received in investments expected to be as profitable, the proceeds generated by the Company will decline as compared to the Adviser's expectations.

The Company's assets may include loans for which most or all of the principal is due at maturity. The ability of the obligor(s) under such loan to make such a large payment upon maturity could depend upon its ability to refinance the loan prior to maturity. The ability of an obligor to consummate a refinancing will be affected by many factors, including the availability of financing at acceptable rates to such obligor, the financial condition of such obligor, the marketability of the collateral (if any) securing such loan, the operating history of the obligor and related businesses, tax laws and prevailing general economic conditions. Additionally, middle market or smaller obligors generally have more limited access to capital and higher funding costs, may be in a weaker financial position, may need more capital to expand or compete, and may be unable to obtain financing from public capital markets or from more traditional sources, such as commercial banks. Consequently, such obligor may not have the ability to repay the loan at maturity and, unless it is able to refinance such loan, it could default in payment at maturity, which could result in losses to the Company and, indirectly, to the shareholders.

Significant numbers of obligors are expected to need to refinance their debt over the next few years, and significant numbers of collateralized loan obligation transactions (historically an important source of funding for loans) have reached or are close to reaching the end of their reinvestment periods or the final maturities of their own debt. As a result, there could be significant pressure on the ability of obligors to refinance their debt over the next few years unless a significant volume of new collateralized loan obligation transactions or other sources of funding develop. If such sources of funding do not develop, significant defaults in the Company's assets could occur, and there could be downward pressure on the prices and markets for debt instruments, including assets held by the Company. In certain circumstances, it may be in the Company's interests to participate in a refinance, including later in the life of the Company, however, the ability of the Company to so participate depends on availability of Company capital. In addition, other funds may participate in a refinancing, which may cause conflicts of interest, and there is no guarantee that such conflicts would be resolved in the interests of the Company. The Company may determine to restructure investments in a manner that would extend the maturity of such investments.

Our investments are generally subject to credit risk.

"Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument, in which case the Company may lose some or all of its investment in that instrument, subject the Company to loss. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument and securities which are rated by rating agencies are often reviewed and may be subject to downgrade. A significant downturn in the economy or a particular economic sector could have a significant impact on the business prospects of the companies to which the Company is invested and their ability to comply with their loan repayment obligations, or their ability to refinance such obligations.

In addition, credit ratings may be assigned by various credit rating agencies to loans or other debt instruments that may be acquired by the Company reflect only the views of those agencies. Explanations of the significance of ratings should be obtained from such credit rating agencies. No assurance can be given that ratings assigned will not be withdrawn or revised downward if, in the view of such credit rating agency, circumstances so warrant. Ratings may be wrong or ratings agencies may not adjust their ratings in real time.

We and our investments are subject to risks associated with non-U.S. investing.

Certain non-U.S. investments involve risks and special considerations not typically associated with U.S. investments, and investing outside the U.S. may involve greater risks than investing in the U.S. These risks include, but are not limited to: (i) less publicly available information; (ii) varying levels of governmental regulation and supervision; (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws; (iv) different accounting, auditing and financial reporting standards, practices and requirements compared to those applicable to U.S. companies; (v) fluctuations in currency exchange rates; (vi) the risk of nationalization or expropriation of assets or confiscatory taxation; (vii) social, economic and political uncertainty, including war and revolution; (viii) dependence on exports and the corresponding importance of international trade; (ix) greater price fluctuations and market volatility, (x) less liquidity and smaller capitalization of securities markets; (xi) higher rates of inflation; (xii) controls on, and changes in controls on, non-U.S. investment and limitations on repatriation of invested capital and on the Company's ability to exchange local currencies for U.S. dollars; (xiii) less extensive regulation of the securities markets; (xiv) longer settlement periods for securities transactions; and (xv) less developed corporate laws regarding fiduciary duties and the protection of investors. Non-U.S. markets may be smaller, less liquid, and subject to greater influence by adverse events generally affecting the market. Brokerage commissions and other transaction costs on securities exchanges in non-U.S. countries are generally higher than in the United States. Non-U.S. securities settlements may in some instances be subject to delays and related administrative uncertainties. In some countries there are restrictions on investments or investors such that the only practicable way for the Company to invest in such markets is by entering into swaps or other derivative transactions with its prime brokers or others. Such transactions involve counterparty risks which are not present in the case of direct investments and which may not be controllable by the Adviser.

Currency Exchange Risk. Investments or liabilities of the Company may be denominated in currencies other than the U.S. dollar, and hence the value of such investments, or the amount of such liabilities, will depend in part on the relative strength of the U.S. dollar. The Company may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized on the sale of securities. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the foreign exchange markets. These rates are also affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors.

The Company is not obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that the Company may implement. To the extent the Company enters into currency hedging operations, the Company may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter contexts, including futures, forwards, swaps, options and other instruments.

The lack of liquidity in our investments may adversely affect our business.

The lack of an established, liquid secondary market for the Company's investments may have an adverse effect on the market value of the Company's investments and on the Company's ability to dispose of them. Additionally, the Company's investments may be subject to certain transfer restrictions that would also contribute to illiquidity. Finally, Company assets that are typically traded in a liquid market may become illiquid if the applicable trading market tightens as a result of a significant macro-economic shock or for any other reason. Therefore, no assurance can be given that, if the Company is determined to dispose of a particular investment held by the Company, it could dispose of such investment at the prevailing market price or the current valuation of the investment. A portion of the Company's investments may consist of securities that are subject to restrictions on resale by the Company because they were acquired in a "private placement" transaction or because the Company is deemed to be an affiliate of the issuer of such securities. Generally, the Company will be able to sell such securities only under Rule 144 under the Securities Act, which permits limited sales under specified conditions, or pursuant to a registration statement under the Securities Act. When restricted securities are sold to the public, the Company may be deemed to be an underwriter or possibly a controlling person with respect thereto for the purposes of the Securities Act and be subject to liability as such under the Securities Act. In addition, the Company may, from time to time, possess material, non-public information about a borrower or issuer or the Company may be an affiliate of a borrower or an issuer. Such information or affiliation may limit the ability of the Company to buy and sell investments.

Due to the illiquid nature of the Company's investments, the Company cannot predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

Changes in interest rates may affect our cost of capital and net investment income.

General interest rate fluctuations and changes in credit spreads on floating rate loans may have a substantial negative impact on our investments and investment opportunities and, accordingly, may have a material adverse effect on our rate of return on invested capital, our net investment income, our net asset value and the market price of our common stock.

The majority of our debt investments are expected to have variable interest rates that reset periodically based on benchmarks such as LIBOR or SOFR, so an increase in interest rates from their historically low present levels may make it more difficult for our portfolio companies to service their obligations under our debt investments and increase defaults even where our investment income increases. In addition, any such increase in interest rates would make it more expensive to use debt to finance our investments. Any decrease in credit spreads on debt that pays a floating rate of return would have an impact on the income generation of our floating rate assets. Trading prices for debt that pays a fixed rate of return tend to fall as interest rates rise. Trading prices tend to fluctuate more for fixed rate securities that have longer maturities. Although we have no policy governing the maturities of our investments, under current market conditions we expect that we will invest in a portfolio of debt generally having maturities of up to seven years. This means that we will be subject to greater risk (other things being equal) than an entity investing solely in shorter-term securities.

In addition, because we will borrow to fund a portion of our investments, a portion of our net investment income will depend upon the difference between the interest rate at which we borrow funds and the interest rate at which we invest these funds. Portions of our investment portfolio and our borrowings have floating rate components. As a result, a significant change in market interest rates could have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds could increase, which would reduce our net investment income. We may hedge against such interest rate fluctuations by using standard hedging instruments such as interest rate swap agreements, futures, options and forward contracts, subject to applicable legal requirements, including all necessary registrations (or exemptions from registration) with the Commodity Futures Trading Commission. These activities may limit our ability to participate in the benefits of lower interest rates with respect to the hedged borrowings. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations.

In an effort to combat inflation, the U.S. Federal Reserve has increased the federal funds rate in 2022 and is widely expected to further increase the federal funds rate in 2023. Because we borrow money and may issue debt securities or preferred stock to make investments, our net investment income is dependent upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities or preferred stock and the rate at which we invest these funds. In this period of rising interest rates, our interest income will increase as the majority of our portfolio bears interest at variable rates while our cost of funds will also increase, to a lesser extent, given a portion of our indebtedness bears interest at fixed rates, with the net impact being an increase to our net investment income, see "Item 7A. Qualitative and Quantitative Disclosures About Market Risk." Conversely, if interest rates decrease, we may earn less interest income from investments and our cost of funds will also decrease, to a lesser extent, resulting in lower net investment income. Rising interest rates may also increase the cost of debt for our underlying portfolio companies, which could adversely impact their financial performance and ability to meet ongoing obligations to us.

We may from time to time incur contingent liabilities in connection with an investment that may adversely affect the Company.

The Company may from time to time incur contingent liabilities in connection with an investment. For example, the Company may acquire a revolving credit or delayed draw term facility that has not yet been fully drawn. If the borrower subsequently draws down on the facility, the Company will be obligated to fund the amounts due. There can be no assurance that the Company will adequately reserve for such contingent liabilities and that such liabilities will not have an adverse effect on the Company.

In connection with the disposition of the Company's investment in a portfolio company, the Company may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Company also may be required to indemnify the purchasers of the Company's investment to the extent that any such representations are inaccurate or with respect to certain potential liabilities. These arrangements may result in the incurrence of contingent liabilities for which the Company may establish reserves or escrows. In that regard, shareholders may be required to purchase shares of common stock pursuant to their Subscription Agreements in order to fund the Company's obligations, including indemnity obligations.

We generally will not control our portfolio companies and may co-invest with third-parties.

We generally will not control our portfolio companies, even though we may have board representation or board observation rights, and debt agreements may contain certain restrictive covenants. As a result, the Company will be subject to the risk that a portfolio company in which it invests may make business decisions with which it disagrees and the management of such company, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve the Company's interests as debt investors. Due to the lack of liquidity for investments in non-traded companies, the Company may not be able to dispose of interests in its portfolio companies as readily as it would like or at an appropriate valuation. As a result, a portfolio company may make decisions that could decrease the value of the Company's portfolio holdings.

The Company may co-invest with third-parties through partnerships, joint ventures or other entities. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals which are inconsistent with those of the Company, or may be in a position to take action contrary to the investment objective of the Company. In addition, the Company may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Investments in a portfolio company, whether debt, equity, or a combination thereof, may lead to receiving material nonpublic information or obtaining "control" of the target company. The ability to exit an investment where the Company has material non-public information or control could be limited and could result in a realized loss on the investment.

The Company may be provided with material non-public information that may restrict its ability to trade in the portfolio company's securities or be subject to other limitations on trading. While the Company intends to comply with all applicable securities laws and to make judgments concerning restrictions on trading in good faith, the Company may trade in the portfolio company's securities while engaged in the portfolio company's restructuring activities. Such trading creates a risk of litigation and liability that may cause the Company to incur significant legal fees and potential losses. As the Company will indemnify any person serving on a committee on its behalf for claims arising from the breaches of those obligations, indemnification payments could adversely affect the return on the Company's investment in a portfolio company.

The Company may be subject to allegations of lender liability.

A number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of the Company's investments, the Company could be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lending institution (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of the other creditors of such borrower, a court may elect to subordinate the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination." Because of the nature of certain of the Company's and its affiliates' investments, the Company could be subject to claims from creditors of an obligor that the Company's investments issued by such obligor should be equitably subordinated. The Company may make investments in which it would not be the lead creditor. It is, accordingly, possible that lender liability or equitable subordination claims affecting the Company's investment could arise without the direct involvement of the Company.

The Company may be subject to risks due to borrower fraud.

There is a risk of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Company to perfect or effectuate a lien on any collateral securing the loan. The Company cannot guarantee the accuracy or completeness of representations made by and information provided by borrowers.

The Company is subject to U.S. federal and state and applicable foreign laws enacted for the protection of creditors.

Various U.S. federal and state and applicable foreign laws enacted for the protection of creditors may apply to the purchase of the Company's investments, which constitute the primary assets of the Company, by virtue of the Company's role as a creditor with respect to the borrowers under such investments. In general, if payments on an investment are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as the Company) or from subsequent transferees of such payments, including shareholders.

The Company's investment activities may subject us to the normal risks of becoming involved in litigation by third parties.

The Company's investment activities subject it to the normal risks of becoming involved in litigation by third parties. This risk is somewhat greater where the Company exercises control or significant influence over a company's direction. The Company may also be subject to certain litigation and related risks associated with origination and servicing. Loan origination and servicing companies are routinely involved in legal proceedings concerning matters that arise in the ordinary course of their business. These legal proceedings range from actions involving a single plaintiff to class action lawsuits with potentially tens of thousands of class members. In addition, a number of participants in the loan origination and servicing industry (including control persons of industry participants) have been the subject of regulatory actions by state regulators, including state attorneys general, and by the federal government. Governmental investigations, examinations or regulatory actions, or private lawsuits, including purported class action lawsuits, may adversely affect such companies' financial results. To the extent the Company seeks to engage in origination and/or servicing directly, or has a financial interest in, or is otherwise affiliated with, an origination or servicing company, the Company will be subject to enhanced risks of litigation, regulatory actions and other proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Company and would reduce net assets.

The effect of global climate change may impact the operations of our portfolio companies.

There may be evidence of global climate change. Climate change creates physical and financial risk and some of our portfolio companies may be adversely affected by climate change. For example, the needs of customers of energy companies vary with weather conditions, primarily temperature, and humidity. To the extent weather conditions are affected by climate change, energy use could increase or decrease depending on the duration and magnitude of any changes. Increases in the cost of energy could adversely affect the cost of operations of our portfolio companies if the use of energy products or services is material to their business. A decrease in energy use due to weather changes may affect some of our portfolio companies' financial condition, through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions. Energy companies could also be affected by the potential for lawsuits against or taxes or other regulatory costs imposed on greenhouse gas emitters, based on links drawn between greenhouse gas emissions and climate change.

In December 2015 the United Nations, of which the U.S. is a member, adopted a climate accord (the "Paris Agreement") with the long-term goal of limiting global warming and the short-term goal of significantly reducing greenhouse gas emissions. The U.S. subsequently ratified the Paris Agreement, and it entered into force on November 4, 2016. In June 2017, the U.S. announced an intention to withdraw from the agreement, but the earliest effective withdrawal date for the U.S. under the Paris Agreement is November 2020. As a result, some of our portfolio companies may become subject to new or strengthened regulations or legislation which could increase their operating costs and/or decrease their revenues. Increased environmental regulation and the resulting regulatory compliance costs may also make it difficult for our portfolio companies to expand their businesses into non-U.S. countries, which could result in decreased capital resources and financial outlook for our portfolio companies.

We may not have the funds or ability to make additional investments in our portfolio companies.

We may not have the funds or ability to make additional investments in our portfolio companies. After our initial investment in a portfolio company, we may be called upon from time to time to provide additional funds to such company or have the opportunity to increase our investment through the exercise of a warrant to purchase common stock. There is no assurance that we will make, or will have sufficient funds to make, follow-on investments. Any decisions not to make a follow-on investment or any inability on our part to make such an investment may have a negative impact on a portfolio company in need of such an investment, may result in a missed opportunity for us to increase our participation in a successful operation or may reduce the expected return on the investment.

We may concentrate our investments in companies in a particular industry or industries.

In the event we concentrate our investments in companies in a particular industry or industries, any adverse conditions that disproportionately impact that industry or industries may have a magnified adverse effect on our operating results.

We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer.

We are classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. To the extent that we assume large positions in the securities of a small number of issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market's assessment of the issuer. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond our asset diversification requirements as a RIC under the Code, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few portfolio companies.

Our financial results may be affected adversely if one or more of our significant equity or junior debt investments in a CLO vehicle defaults on its payment obligations or fails to perform as we expect.

We expect that a portion of its portfolio will consist of equity and junior debt investments in CLOs, which involve a number of significant risks. CLOs are typically highly leveraged up to approximately 10 times, and therefore the junior debt and equity tranches in which we will invest in are subject to a higher risk of total loss. In particular, investors in CLOs indirectly bear risks of the underlying debt investments held by such CLOs. We may have the right to receive payments only from the CLOs, and do not have direct rights against the issuer or the entity that sold the assets to be securitized. Although it is difficult to predict whether the prices of indices and securities underlying CLOs will rise or fall, these prices, and therefore, the prices of the CLOs, will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally.

The investments we make in CLOs are thinly traded or have only a limited trading market. CLO securities are typically privately offered and sold, in the primary and secondary markets. As a result, investments in CLOs may be characterized as illiquid securities. In addition to the general risks associated with investing in debt securities, CLOs carry additional risks, including, but not limited to: (i) the possibility that distributions from the underlying loans will not be adequate to make interest or other payments; (ii) the quality of the underlying loans may decline in value or default; and (iii) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the CLO or unexpected investment results. Further, our investments in equity and junior debt tranches of CLOs are subordinate to the senior debt tranches thereof.

Investments in structured vehicles, including equity and junior debt instruments issued by CLOs, involve risks, including credit risk and market risk. Changes in interest rates and credit quality may cause significant price fluctuations. Additionally, changes in the underlying loans held by a CLO may cause payments on the instruments we hold to be reduced, either temporarily or permanently. Structured investments, particularly the subordinated interests in which we invest, are less liquid than many other types of securities and may be more volatile than the loans underlying the CLOs in which we invest.

CLO investments are subject to interest rate risk.

A majority of the assets in a CLO's portfolio are floating rate loans which are sensitive to interest rate levels and volatility. Although CLOs are generally structured to mitigate the risk of interest rate mismatch, there may be some difference between the timing of interest rate resets on these floating rate loans and liabilities of a CLO. Such a mismatch in timing could have a negative effect on the amount of funds distributed to CLO equity. In addition, CLOs may not be able to enter into hedge agreements, even if it may otherwise be in the best interests of the CLO to hedge such interest rate risk. Furthermore, in the event of a significant rising interest rate environment and/or economic downturn, loan defaults may increase and result in credit losses that may adversely affect the CLO investments held by the Company.

CLOs typically will have no significant assets other than their underlying loans; payments on CLO investments are and will be payable solely from the cash flows from such loans.

CLOs typically will have no significant assets other than their underlying loans. Accordingly, payments on Collateralized Securities are and will be payable solely from the cash flows from such underlying loans, net of all management fees and other expenses. Payments to us as a holder of Collateralized Securities are subject to payments received on the underlying loans. This means that relatively small numbers of defaults of underlying loans may adversely impact our returns.

Collateralized Securities are exposed to leveraged credit risk.

We may be in a subordinated position with respect to realized losses on the loans in CLOs. The leveraged nature of CLOs, in particular, magnifies the adverse impact of loan defaults. Collateralized Securities represent a leveraged investment with respect to the underlying loans. Therefore, changes in the market value of Collateralized Securities could be greater than the change in the market value of the underlying loans, which are subject to credit, liquidity, and interest rate risk.

There is the potential for interruption and deferral of cash flow from CLO investments.

If certain minimum collateral value ratios and/or interest coverage ratios are not met by a CLO, primarily due to loan defaults, then cash flow that otherwise would have been available to pay distributions to us on our CLO investments may instead be used to redeem any senior notes or to purchase additional loans, until the ratios again exceed the minimum required levels or any senior notes are repaid in full. This could result in an elimination, reduction, or deferral in the distribution and/or principal paid to the holders of such Collateralized Securities, which would adversely impact our returns.

Loans of CLOs may be sold and replaced, resulting in a loss to us.

The loans underlying Collateralized Securities may be sold and replacement collateral purchased within the parameters set out in the relevant CLO indenture between the CLO and the CLO trustee and those parameters may typically only be amended, modified or waived by the agreement of a majority of the holders of the senior notes and/or the junior secured notes and/or the equity tranche once the CLO has been established. If these transactions result in a net loss, the magnitude of the loss from the perspective of the equity tranche would be increased by the leveraged nature of the investment.

Risks Relating to Debt Financing

We have sold unsecured notes and have entered into revolving credit facilities with Wells Fargo and JPM that contain various covenants which, if not complied with, could accelerate repayment under the Credit Facilities, thereby materially and adversely affecting our liquidity, financial condition, results of operations, and our ability to pay distributions to our stockholders.

The agreements governing certain of our and our special purpose financing subsidiaries' financing arrangements require us and our subsidiaries to comply with certain financial and operational covenants. These covenants require us and our subsidiaries to, among other things, maintain certain financial ratios, including asset coverage and minimum stockholders' equity. Compliance with these covenants depends on many factors, some of which are beyond our and their control. In the event of deterioration in the capital markets and pricing levels subsequent to this period, net unrealized depreciation in our and our subsidiaries' portfolios may increase in the future and could result in non-compliance with certain covenants, or our taking actions which could disrupt our business and impact our ability to meet our investment objective. For example, the agreements governing one or more of our credit facilities require applicable special purpose vehicles ("SPVs") to comply with certain operational covenants, including maintaining eligible assets with an aggregate value equal to or exceeding a specified multiple of the borrowings under the credit facility, and a decline in the value of assets owned by the SPV could result in our being required to contribute additional assets to the SPV.

There can be no assurance that we and our subsidiaries will continue to comply with the covenants under our financing arrangements. Failure to comply with these covenants could result in a default. If we and our subsidiaries were unable to obtain a waiver from the debt holders, such a default could accelerate repayment under any or all of our and their debt instruments and thereby force us to liquidate investments at a disadvantageous time and/or at a price which could result in losses or allow our lenders to sell assets pledged as collateral under our financing arrangements in order to satisfy amounts due thereunder. These occurrences could have a material adverse impact on our liquidity, financial condition, results of operations and ability to pay distributions. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Borrowings" for a more detailed discussion of the terms of debt financings.

Because we borrow money, the potential for gain or loss on amounts invested in us will be magnified and may increase the risk of investing in us.

As of December 31, 2022, we had approximately $1.2 billion of debt financing. The use of borrowings, also known as leverage, increases the volatility of investments by magnifying the potential for gain or loss on invested equity capital. Because we use leverage to partially finance our investments, through borrowing from banks and other lenders, you will experience increased risks of investing in our common stock. If the value of our assets increases, leveraging would cause the net asset value attributable to our common stock to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause our net asset value to decline more sharply than it otherwise would have had we not leveraged. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net income to increase more than it would without the leverage, while any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to make common stock distribution payments. Leverage is generally considered a speculative investment technique.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing below. The calculation assumes (i) $3.4 billion in total assets, (ii) a weighted average cost of funds of 4.40%, (iii) $1.7 billion in debt outstanding (i.e., assumes that the $460.0 million principal amount of our unsecured notes sold and the full $1,195.0 million available to us under our revolving credit facilities is outstanding), and (iv) $1.7 billion in stockholders' equity. In order to compute the "Corresponding return to stockholders," the "Assumed Return on Our Portfolio (net of expenses)" is multiplied by the assumed total assets to obtain an assumed return to us. From this amount, the interest expense is calculated by multiplying the assumed weighted average cost of funds by the assumed debt outstanding, and the product is subtracted from the assumed return to us in order to determine the return available to stockholders. The return available to stockholders is then divided by our stockholders' equity to determine the "Corresponding return to stockholders." Actual interest payments may be different.

Assumed Return on Our Portfolio (net of expenses)	**(10)%**	**(5)%**	**—%**	**5%**	**10%**
Corresponding return to stockholders [1]	(24.49)%	(14.43)%	(4.37)%	5.69%	15.75%

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[1] In order for us to cover our hypothetical annual interest payments on indebtedness, we would need to achieve annual returns on our December 31, 2022 total assets of at least 2.17%.

As of December 31, 2022, the Wells Fargo Credit Facility provided for borrowings in an aggregate principal amount of up to $300.0 million on a committed basis, due August 28, 2025; the JPM Credit Facility provided for borrowings in an aggregate principal amount of up to $400.0 million on a committed basis, due August 28, 2024; the JPM Revolver Facility provided for borrowings in an aggregate principal amount of up to $495.0 million on a committed basis, due June 10, 2027; the 2023 Notes provided borrowings in an aggregate principal amount of $60.0 million, due May 30, 2023; the 2024 Notes provided borrowings in an aggregate principal amount of $100.0 million, due December 15, 2024; and the 2026 Notes provided borrowings in an aggregate principal amount of $300.0 million, due March 30, 2026. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Borrowings" for more information.

Changes in interest rates may affect our cost of capital and net investment income.

General interest rate fluctuations and changes in credit spreads on floating rate loans may have a substantial negative impact on our investments and investment opportunities and, accordingly, may have a material adverse effect on our rate of return on invested capital, our net investment income, our net asset value, and the market price of our common stock.

The majority of our debt investments have, and are expected to have, variable interest rates that reset periodically based on benchmarks such as LIBOR or SOFR, so an increase in interest rates from their historically low present levels may make it more difficult for our portfolio companies to service their obligations under our debt investments and increase defaults even where our investment income increases. In addition, any such increase in interest rates would make it more expensive to use debt to finance our investments. Any decrease in credit spreads on debt that pays a floating rate of return would have an impact on the income generation of our floating rate assets. Trading prices for debt that pays a fixed rate of return tend to fall as interest rates rise. Trading prices tend to fluctuate more for fixed rate securities that have longer maturities. Although we have no policy governing the maturities of our investments, under current market conditions we expect that we will invest in a portfolio of debt generally having maturities of up to seven years. This means that we will be subject to greater risk (other things being equal) than an entity investing solely in shorter-term securities.

In addition, because we borrow to fund a portion of our investments, a portion of our net investment income will depend upon the difference between the interest rate at which we borrow funds and the interest rate at which we invest these funds. Portions of our investment portfolio and our borrowings have floating rate components. As a result, a significant change in market interest rates could have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds could increase, which would reduce our net investment income. We may hedge against such interest rate fluctuations by using standard hedging instruments such as interest rate swap agreements, futures, options and forward contracts, subject to applicable legal requirements, including all necessary registrations (or exemptions from registration) with the Commodity Futures Trading Commission. These activities may limit our ability to participate in the benefits of lower interest rates with respect to the hedged borrowings. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition, and results of operations.

Risks Relating to Our Corporate Structure and Common Stock

As a result of certain limitations in our share repurchase program, you will have limited opportunities to sell your shares and, to the extent you are able to sell your shares under the program, you may not be able to recover the amount of your investment in our shares.

We intend to conduct tender offers pursuant to our share repurchase program on an annual basis. The share repurchase program includes numerous restrictions that limit your ability to sell your shares and should not be relied upon as a method to sell your shares promptly or at a desired price. We intend to limit the number of shares repurchased pursuant to our proposed share repurchase program as follows: (1) we currently intend to limit the number of shares to be repurchased during any calendar year to the number of shares we can repurchase with the proceeds we receive from the sale of shares of our common stock under our distribution reinvestment plan; at the discretion of our Board of Directors, we may also use cash on hand, cash available from borrowings, and cash from liquidation of securities investments as of the end of the applicable period to repurchase shares; (2) we will not repurchase shares in any calendar year in excess of 10% of the weighted average number of shares outstanding in the prior calendar year; (3) unless you tender all of your shares, you must tender at least 25% of the amount of shares you have purchased in the offering and must maintain a minimum balance of $1,000 subsequent to submitting a portion of your shares for repurchase by us; and (4) to the extent that the number of shares put to us for repurchase exceeds the number of shares that we are able to purchase, we will repurchase shares on a pro rata basis, not on a first-come, first-served basis. Further, we will have no obligation to repurchase shares if the repurchase would violate the restrictions on distributions under federal law or Maryland law, which prohibits distributions that would cause a corporation to fail to meet statutory tests of solvency. These limits may prevent us from accommodating all repurchase requests made in any year.

Our Board of Directors may amend, suspend, or terminate the repurchase program upon 30 days' notice. We will notify you of such developments (1) in the quarterly reports mentioned above or (2) by means of a separate mailing to you, accompanied by disclosure in a current or periodic report under the Exchange Act.

The timing of our repurchase offers pursuant to our share repurchase program may be at a time that is disadvantageous to our stockholders.

When we make annual repurchase offers pursuant to the share repurchase program, we may offer to repurchase shares at a price that is lower than the price you paid for shares in our offering. As a result, to the extent you have the ability to sell your shares to us as part of our share repurchase program, the price at which you may sell your shares, may be lower than what you paid in connection with your purchase of shares in our offering.

In addition, in the event you choose to participate in our share repurchase program, you will be required to provide us with notice of your intent to participate prior to knowing what the repurchase price per share will be on the repurchase date. Although you will have the ability to withdraw your repurchase request prior to the repurchase date, to the extent you seek to sell your shares to us as part of our periodic share repurchase program, you will be required to do so without knowledge of what the repurchase price of our shares will be on the repurchase date.

Under the terms of our charter, our Board of Directors is authorized to issue shares of preferred stock with rights and privileges superior to common stockholders without common stockholder approval.

Under the terms of our charter, our Board of Directors is authorized to issue shares of preferred stock in one or more series without stockholder approval. The Board of Directors has discretion to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications, and terms or conditions of redemption for each class or series of preferred stock.

Every issuance of preferred stock will be required to comply with the requirements of the 1940 Act, including among other things, that (1) immediately after issuance and before any distribution is made with respect to our common stock and before any purchase of common stock is made, such preferred stock together with all other senior securities must not exceed an amount equal to 50% of our total assets after deducting the amount of such distribution or purchase price, as the case may be, and (2) the holders of shares of preferred stock, if any are issued, must be entitled as a class to elect two directors at all times and to elect a majority of the directors if distributions on such preferred stock are in arrears by two years or more. Certain matters under the 1940 Act require the separate vote of the holders of any issued and outstanding preferred stock.

Your interest in us will be diluted if we issue additional shares, which could reduce the overall value of your investment.

Potential investors in this offering do not have preemptive rights to any shares we issue in the future. Our charter authorizes us to issue shares of common stock. Pursuant to our charter, a majority of our entire Board of Directors may amend our charter from time to time to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of stock of any class or series without stockholder approval. After your purchase in this offering, our Board of Directors may elect to sell additional shares in this or any follow-on public offerings, issue equity interests in private offerings or issue share-based awards to our independent directors or employees of our Adviser. To the extent we issue additional equity interests after your purchase in this offering, your percentage ownership interest in us will be diluted. In addition, depending upon the terms and pricing of any additional offerings and the value of our investments, you may also experience dilution in the book value and fair value of your shares.

Certain provisions of our charter and bylaws as well as provisions of the Maryland General Corporation Law could deter takeover attempts and have an adverse impact on the value of our common stock.

Our charter and bylaws, as well as certain statutory and regulatory requirements, contain certain provisions that may have the effect of discouraging a third party from attempting to acquire us. Under the Maryland General Corporation Law, "control shares" acquired in a "control share acquisition" have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares owned by the acquirer, by officers, or by employees who are directors of the corporation. Our bylaws contain a provision exempting us from the Maryland Control Share Acquisition Act under the Maryland General Corporation Law any and all acquisitions by any person of our shares of stock. Our Board of Directors may amend the bylaws to remove that exemption in whole or in part without stockholder approval. The Maryland Control Share Acquisition Act (if we amend our bylaws to be subject to that Act) may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer. Under the Maryland General Corporation Law, specified "business combinations," including mergers, consolidations, share exchanges, or, in circumstances specified in the statute, asset transfers or issuances or reclassifications of equity securities, between a Maryland corporation and any person who owns 10% or more of the voting power of the corporation's outstanding voting stock, and certain other parties (each an "interested stockholder"), or an affiliate of the interested stockholder, are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. Thereafter any of the specified business combinations must be approved by two super majority votes of the stockholders unless, among other conditions, the corporation's common stockholders receive a minimum price for their shares.

Under the Maryland General Corporation Law, certain statutory provisions permit a corporation that is subject to the Exchange Act and that has at least three independent directors to be subject to certain corporate governance provisions notwithstanding any contrary provision in the corporation's charter and bylaws. Among other provisions, a Board of Directors may classify itself without the vote of stockholders. Further, the Board of Directors, by electing into certain statutory provisions and notwithstanding any contrary provision in the charter or bylaws, may (i) provide that a special meeting of stockholders will be called only at the request of stockholders entitled to cast at least a majority of the votes entitled to be cast at the meeting, (ii) reserve for itself the right to fix the number of directors, and (iii) retain for itself the exclusive power to fill vacancies created by the death, removal, or resignation of a director. A corporation may be prohibited by its charter or by resolution of its Board of Directors from electing to be subject to any of the provisions of the statute. We are not prohibited from implementing any or all of the provisions.

Additionally, our Board of Directors may, without stockholder action, authorize the issuance of shares of stock in one or more classes or series, including preferred stock; and our Board of Directors may, without stockholder action, amend our charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue. These provisions may inhibit a change of control in circumstances that could give the holders of our common stock the opportunity to realize a premium over the value of our common stock.

We are not obligated to complete a liquidity event by a specified date; therefore, it will be difficult for you to sell your shares.

We intend to explore a potential liquidity event for our stockholders between five to seven years following the completion of our offering stage. We expect that our Board of Directors, in the exercise of the requisite standard of care applicable to directors under Maryland law, will determine to pursue a liquidity event when it believes that then-current market conditions are favorable for a liquidity event, and that such a transaction is in our best interests. A liquidity event could include (1) the sale of all or substantially all of our assets either on a complete portfolio basis or individually followed by a liquidation, (2) a listing of our shares on a national securities exchange, or (3) a merger or another transaction approved by our Board of Directors in which our stockholders will receive cash or shares of a publicly traded company. However, there can be no assurance that we will complete a liquidity event within such time or at all. If we do not successfully complete a liquidity event, liquidity for your shares will be limited to our share repurchase program which we have no obligation to maintain.

Our shares will not be listed on an exchange or quoted through a quotation system for the foreseeable future, if ever. Therefore, you will have limited liquidity and may not receive a full return of your invested capital if you sell your shares.

Our shares are illiquid assets for which there is not expected to be any secondary market nor is it expected that any will develop in the future. We intend to explore a potential liquidity event for our stockholders between five and seven years following the completion of our offering stage, which may include further follow-on offerings. However, there can be no assurance that we will complete a liquidity event within such time or at all. We expect that our Board of Directors, in the exercise of its duties to us, will determine to pursue a liquidity event when it believes that then-current market conditions are favorable for a liquidity event, and that such an event is in our best interests. A liquidity event could include (1) the sale of all or substantially all of our assets either on a complete portfolio basis or individually followed by a liquidation, (2) a listing of our shares on a national securities exchange, or (3) a merger or another transaction approved by our board in which our stockholders will receive cash or shares of a publicly traded company.

In making the decision to apply for listing of our shares, our directors will try to determine whether listing our shares or liquidating our assets will result in greater value for our stockholders. In making a determination of what type of liquidity event is in our best interests, our Board of Directors, including our independent directors, may consider a variety of criteria, including, but not limited to, market conditions, portfolio diversification, portfolio performance, our financial condition, potential access to capital as a listed company, market conditions for the sale of our assets or listing of our common stock, internal management requirements to become a perpetual life company, and the potential for stockholder liquidity. If our shares are listed, we cannot assure you a public trading market will develop.

You should also be aware that shares of publicly traded closed-end investment companies frequently trade at a discount to their NAV. If our shares are eventually listed on a national exchange, we would not be able to predict whether our common stock would trade above, at or below NAV. This risk is separate and distinct from the risk that our NAV may decline.

We may limit the number of shares to be repurchased during any redemption period to the number of shares of common stock we are able to repurchase with the proceeds received from the sale of shares of common stock under the DRIP during such redemption period.

As discussed above, we intend to conduct tender offers pursuant to our share repurchase program on an annual basis. We may limit the number of shares to be repurchased during any redemption period to the number of shares of common stock we are able to repurchase with the proceeds received from the sale of shares of common stock under the DRIP during such redemption period. Our ten most recent tender offers were oversubscribed.

U.S. Federal Income Tax Risks

We may be subject to corporate-level U.S. federal taxes if we fail to maintain our qualification as a RIC.

To maintain RIC tax treatment under the Code, we must meet the following annual distribution, income source, and asset diversification requirements.

- The Annual Distribution Requirement for a RIC will be satisfied if we distribute to our stockholders on an annual basis at least 90% of our net ordinary income and net short-term capital gain in excess of net long-term capital loss, if any. We may be subject to corporate-level U.S. federal income tax on any of our undistributed income or gain. Additionally, we will be subject to a 4% nondeductible federal excise tax to the extent that we do not satisfy certain additional minimum distribution requirements on a calendar-year basis. Because we use debt financing, we are subject to an asset coverage ratio requirement under the 1940 Act and may in the future become subject to certain financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the distribution requirements. If we are unable to obtain cash from other sources, we could fail to qualify for RIC tax treatment and thus become subject to corporate-level income tax.
- The income source requirement will be satisfied if we obtain at least 90% of our gross income for each year from dividends, interest, gains from the sale of stock or securities, or similar sources.
- The asset diversification requirement will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year. To satisfy this requirement, at least 50% of the value of our assets must consist of cash, cash equivalents, U.S. Government securities, securities of other RICs, and other acceptable securities; and no more than 25% of the value of our assets can be invested in the securities, other than U.S. Government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or of certain “qualified publicly traded partnerships.” Failure to meet these requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments will be in private companies, and therefore will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses.

If we fail to maintain RIC tax treatment for any reason and are subject to corporate-level U.S. federal income tax on all of our income, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. Even if we qualify as a RIC, we will be required to pay corporate-level U.S. federal income taxes on any income or capital gains that we do not distribute (or deemed to be distributed) to stockholders. We may also be subject to certain U.S. federal excise taxes, as well as state, local and foreign taxes.

We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

For U.S. federal income tax purposes, we may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, increasing interest rates or debt instruments that were issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in income other amounts that we have not yet received in cash, such as deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. We anticipate that a portion of our income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash. Further, we have elected to amortize market discounts and include such amounts, if any, in our annual taxable income, instead of upon disposition, as electing not to do so could potentially limit our ability to deduct interest expenses for tax purposes.

Because any original issue discount or other amounts accrued will be included in our investment company taxable income for the year of the accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the Annual Distribution Requirement necessary to maintain RIC tax treatment under the Code. We may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level income tax.

You may receive shares of our common stock as distributions which could result in adverse tax consequences to you.

In order to satisfy the Annual Distribution Requirement applicable to RICs, we may have the ability to declare a large portion of a distribution in shares of our common stock instead of in cash, provided that stockholders have the right to elect to receive their distribution in cash. As long as a portion of such distribution is payable in cash (which portion can be as low as 20% based on certain rulings by the IRS) and certain requirements are met, the entire distribution to the extent of our current and accumulated earnings and profits would be a dividend for U.S. federal income tax purposes. If too many stockholders elect to receive their distributions in cash, each stockholder electing to receive his/her distribution in cash would receive a pro rata portion of his/her distribution in cash and the remaining portion of the distribution would be paid in shares of our common stock. As a result, a stockholder would be taxed on the entire distribution in the same manner as a cash distribution, even though a portion of the distribution was paid in shares of our common stock, and a stockholder may be required to pay tax with respect to such dividends in excess of any cash received. If a stockholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, then such sales may put downward pressure on the trading price of our stock.

You may have current tax liability on distributions you elect to reinvest in our common stock but would not receive cash from such distributions to pay such tax liability.

If you participate in our distribution reinvestment plan, you will be deemed to have received, and for U.S. federal income tax purposes will be taxed on, the fair market value of our common stock that you received to the extent such amount was not a tax-free return of capital. As a result, unless you are a tax-exempt entity, you may have to use funds from other sources to pay your tax liability on the value of our common stock received from the distribution.

If we do not qualify as a "publicly offered regulated investment company," as defined in the Code, you will be taxed as though you received a distribution of some of our expenses and may be limited in your ability to deduct such expenses.

A "publicly offered regulated investment company" is a regulated investment company whose shares are either (i) continuously offered pursuant to a public offering, (ii) regularly traded on an established securities market, or (iii) held by at least 500 persons at all times during the taxable year. If we are not a publicly offered regulated investment company for any period, a non-corporate stockholder's pro rata portion of our affected expenses, including our management fees, will be treated as an additional distribution to the stockholder and will be deductible by such stockholder only to the extent permitted under the limitations described below. For non-corporate stockholders, including individuals, trusts, and estates, significant limitations generally apply to the deductibility of certain expenses of a non-publicly offered regulated investment company, including advisory fees. In particular, these expenses, referred to as miscellaneous itemized deductions, are not deductible by individuals, trusts, or estates for taxable years beginning before 2026. For taxable years beginning in 2026 or later, such expenses may be deductible only to the extent they exceed 2% of such a stockholder's adjusted gross income. Such expenses are not deductible by an individual for alternative minimum tax purposes. While we anticipate that we will constitute a publicly offered regulated investment company for our current tax year, there can be no assurance that we will in fact so qualify for any of our taxable years.

An investment in the shares by a Non-U.S. stockholder may have adverse tax consequences.

Whether an investment in the shares is appropriate for a Non-U.S. stockholder will depend upon that person's particular circumstances. A "Non-U.S. stockholder" is a beneficial owner of shares of our common stock that is neither a U.S. stockholder nor a partnership (including an entity treated as a partnership for U.S. federal income tax purposes). Among other things, a Non-U.S. stockholder, under certain circumstances, may be subject to withholding of U.S. federal income tax at a rate of 30.0% (or lower rate provided by an applicable treaty); required to file U.S. income taxes to receive a tax credit or tax refund of overpayments of taxes; subject to U.S. income tax at graduated rates or to a branch profits on our distributions; subject to certain reporting requirements, disclosure requirements, and withholding taxes under the Foreign Account Tax Compliance Act and other laws; and subject to certain rules regarding foreign tax credits. Non-U.S. persons should consult their tax advisors with respect to U.S. federal income tax and withholding tax, and state, local, and foreign tax consequences of an investment in our shares.

Our investments in CLOs may be subject to special anti-deferral provisions that could result in us incurring tax or recognizing income prior to receiving cash distributions related to such income.

We may in the future purchase residual or subordinated interests in CLOs or certain other non-U.S. equity investments that are treated for U.S. federal income tax purposes as shares in a "passive foreign investment company" (a "PFIC"). If we acquire shares in a PFIC (including equity tranche investments in CLOs that are PFICs), we may be subject to U.S. federal income tax on a portion of any "excess distribution" or gain from the disposition of such shares even if such income is distributed as a taxable distribution by us to our stockholders. Certain elections may be available to mitigate or eliminate such tax on excess distributions. If we make a QEF election, we generally would be required to include in our gross income our share of the earnings of a PFIC on a current basis, regardless of whether any distributions are received from such PFIC in a given taxable year. If this election were made, the special rules discussed above, relating to the taxation of excess distributions, would not apply. Alternatively, we may elect to mark-to-market our PFIC shares at the end of each taxable year, with the result that unrealized gains would be treated as though they were realized and reported as ordinary income. Any mark-to-market losses would be deductible as ordinary losses to the extent of any net mark-to-market gains included in income in prior taxable years.

If we hold more than 10% of the shares in a foreign corporation that is treated as a controlled foreign corporation ("CFC") (including equity tranche investments in a CLO treated as CFC), we may be treated as receiving a deemed distribution (taxable as ordinary income) each year from such foreign corporation in an amount equal to our pro rata share of the corporation's income for the tax year (including both ordinary earnings and capital gains). In general, a foreign corporation will be considered a CFC if greater than 50% of the shares of the corporation, measured by reference to combined voting power or value, if owned (directly, indirectly, or by attribution) by U.S. Shareholders. A "U.S. Shareholder," for this purpose, is any U.S. person that possesses (actually or constructively) 10% or more of the combined voting power or value of all classes of shares of a corporation. If we are treated as having received such deemed distributions from a CFC, we will be required to include such distribution in our investment company taxable income regardless of whether we receive any distributions from such CFC, and we would be required to distribute such income to satisfy the distribution requirements applicable to RICs.

If we are required to include amounts in our taxable income prior to receiving distributions representing such income, we may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital, or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate-level U.S. federal income tax.

The Collateralized Securities in which we invest may be subject to U.S. withholding tax if they fail to comply with certain reporting requirements.

The "Foreign Account Tax Compliance Act," or FATCA, imposes a withholding tax of 30% on payments of U.S. source interest and dividends paid to certain non-U.S. entities, including certain non-U.S. financial institutions and investment funds, unless such non-U.S. entity complies with certain reporting requirements regarding its U.S. account holders and its U.S. owners. Most CLO vehicles in which we invest will be treated as non-U.S. financial entities for this purpose, and therefore will be required to comply with these reporting requirements to avoid the 30% withholding. If a CLO vehicle in which we invest fails to properly comply with these reporting requirements, it could reduce the amounts available to distribute to equity and junior debt holders in such CLO vehicle, which could materially and adversely affect our operating results and cash flows.

General Risk Factors

Political, social and economic uncertainty creates and exacerbates risks.

Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that create uncertainty and have significant impacts on issuers, industries, governments and other systems, including the financial markets, to which the Company and its investments are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets, including in established markets such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat.

Uncertainty can result in or coincide with, among other things: increased volatility in the financial markets for securities, derivatives, loans, credit and currency; a decrease in the reliability of market prices and difficulty in valuing assets (including portfolio company assets); greater fluctuations in spreads on debt investments and currency exchange rates; increased risk of default (by both government and private obligors and issuers); further social, economic, and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; changes to governmental regulation and supervision of the loan, securities, derivatives and currency markets and market participants and decreased or revised monitoring of such markets by governments or self-regulatory organizations and reduced enforcement of regulations; limitations on the activities of investors in such markets; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital; the significant loss of liquidity and the inability to purchase, sell and otherwise fund investments or settle transactions (including, but not limited to, a market freeze); unavailability of currency hedging techniques; substantial, and in some periods extremely high rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole; recessions; and difficulties in obtaining and/or enforcing legal judgments.

In addition, disruptions in the capital markets caused by the rising interest rate environment and fears of a recession have increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in parts of the capital markets. These and future market disruptions and/or illiquidity can be expected to have an adverse effect on our business, financial condition, results of operations and cash flows. Unfavorable economic conditions also would be expected to increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could limit our investment originations, limit our ability to grow and have a material negative impact on our and our portfolio companies' operating results and the fair values of our debt and equity investments.

The capital markets are currently in a period of disruption and economic uncertainty. Such market conditions have adversely affected debt and equity capital markets, which have had, and may continue to have, a negative impact on our business and operations.

The U.S. capital markets have experienced extreme disruption since the global outbreak of COVID-19. Such disruptions have been evidenced by volatility in global stock markets as a result of, among other things, inflation and fears of a global recession. Despite actions of the U.S. federal government and foreign governments, these events have contributed to worsening general economic conditions that are materially and adversely impacting broader financial and credit markets and reducing the availability of debt and equity capital for the market as a whole. These conditions could continue for a prolonged period of time or worsen in the future.

Significant changes or volatility in the capital markets may negatively affect, the valuations of our investments. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan to hold an investment to maturity). Our valuations, and particularly valuations of private investments and private companies, are inherently uncertain, fluctuate over short periods of time and are often based on estimates, comparisons and qualitative evaluations of private information that may not reflect the full impact of the current economic environment. Any public health emergency, including the COVID-19 pandemic or an outbreak of other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty could have a significant adverse impact on us and the fair value of our investments and our portfolio companies.

Significant changes in the capital markets, such as the disruption in economic activity caused by rising interest rates, have limited and could continue to limit our investment originations, limit our ability to grow and have a material negative impact on our and our portfolio companies' operating results and the fair values of our debt and equity investments. Additionally, the recent disruption in economic activity caused by rising interest rates and a potential global recession has had, and may continue to have, a negative effect on the potential for liquidity events involving our investments. The illiquidity of our investments may make it difficult for us to sell such investments to access capital, if required. As a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them to increase our liquidity. An inability on our part to raise incremental capital, and any required sale of all or a portion of our investments as a result, could have a material adverse effect on our business, financial condition or results of operations.

Further, current market conditions may make it difficult to raise equity capital, extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital available to us in the future, if available at all, may bear a higher interest rate and may be available only on terms and conditions less favorable than those of our existing debt and such debt may need to be incurred in a rising interest rate environment. If we are unable to raise new debt or refinance our existing debt, then our equity investors will not benefit from the potential for increased returns on equity resulting from leverage, and we may be unable to make new commitments or to fund existing commitments to our portfolio companies. Any inability to extend the maturity of or refinance our existing debt, or to obtain new debt, could have a material adverse effect on our business, financial condition or results of operations.

Inflation and Supply Chain Risk could adversely impact our portfolio companies and our results of our operations.

Economic activity has continued to accelerate across sectors and regions. Nevertheless, due to global supply chain issues, a rise in energy prices and strong consumer demand as economies continue to reopen, inflation is showing signs of acceleration in the U.S. and globally. Inflation is likely to continue in the near to medium-term, particularly in the U.S., with the possibility that monetary policy may tighten in response. Persistent inflationary pressures could affect our portfolio companies' profit margins.

Uncertainty with respect to the financial stability of the United States and several countries in the European Union ("EU") could have a significant adverse effect on our business, financial condition and results of operations.

Recent U.S. debt ceiling and budget deficit concerns have increased the possibility of a downgrade of the U.S. longterm sovereign debt credit rating or a recession or economic slowdown in the U.S. In the future, the U.S. Government may not be able to meet its debt payments unless the federal debt ceiling is raised. If legislation increasing the debt ceiling is not enacted prior to reaching the debt ceiling and the debt ceiling is reached, the U.S. federal government may stop or delay making payments on its obligations, which could negatively impact the U.S. economy and our portfolio companies. In addition, disagreement over the federal budget has caused the U.S. federal government to shut down for periods of time. Continued adverse political and economic conditions, further downgrades or warnings by The Standard & Poor Financial Services LLC's Rating Service or other rating agencies, and the U.S. Government's credit and deficit concerns in general, including issues around the federal debt ceiling, could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with our debt portfolio and our ability to access the debt markets on favorable terms.

We are subject to risks associated with a rising interest rate environment that may affect our cost of capital and net investment income.

While interest rates remain relatively low, due to several factors, including longer-term inflationary pressure that may result from the U.S. government's fiscal policies, the end of the Federal Reserve quantitative easing program and recent increases in the Federal Funds rate, we expect to experience rising interest rates, rather than falling rates in the future.

Because we currently incur indebtedness to fund our investments, a portion of our income depends upon the difference between the interest rate at which we borrow funds and the interest rate at which we invest these funds.To the extent our investments have fixed interest rates or have interest rate floors that are higher than the floor on, or interest rates that "reset" less frequently than, the Credit Facilities, increases in interest rates can lead to interest rate compression and have a material adverse effect on our net investment income. In addition to increasing the cost of borrowed funds, which may materially reduce our net investment income, rising interest rates may also adversely affect our ability to obtain additional debt financing on terms as favorable as under our current debt financings, or at all.

In a rising interest rate environment, there is a risk that the portfolio companies in which we hold floating rate securities will be unable to pay escalating interest amounts, which could result in a default under their loan documents with us. Rising interests rates could also cause portfolio companies to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults on our investments in such portfolio companies. In addition, increasing payment obligations under floating rate loans may cause borrowers to refinance or otherwise repay our loans earlier than they otherwise would, requiring us to incur management time and expense to re-deploy such proceeds, including on terms that may not be as favorable as our existing loans. In addition, rising interest rates may increase pressure on us to provide fixed rate loans to our portfolio companies, which could adversely affect our net investment income, as increases in our cost of borrowed funds would not be accompanied by increased interest income from such fixed-rate investments.

We may hedge against interest rate fluctuations by using hedging instruments such as caps, swaps, futures, options and forward contracts, subject to applicable legal requirements, including all necessary registrations (or exemptions from registration) with the Commodity Futures Trading Commission. See Item 7A. Quantitative and Qualitative Disclosures About Market Risk. These activities may limit our ability to benefit from lower interest rates with respect to the hedged portfolio. Adverse developments resulting from changes in interest rates or hedging transactions or any adverse developments from our use of hedging instruments could have a material adverse effect on our business, financial condition and results of operations. In addition, we may be unable to enter into appropriate hedging transactions when desired and any hedging transactions we enter into may not be effective.

As a rise in the general level of interest rates can be expected to lead to higher interest rates applicable to our debt investments, an increase in interest rates would make it easier for us to meet or exceed the hurdle rate applicable to the incentive fee and may result in a substantial increase in the amount of incentive fees payable to the Advisor with respect to Pre-Incentive Fee Net Investment Income.

The replacement of LIBOR with an alternative reference rate may result in an overall increase to borrowing costs or cause other disruptions, which could have an effect on our results of operations, financial condition and cash flow.

London Inter-Bank Offered Rate (“LIBOR”) was widely used as a reference for setting the interest rate on loans, bonds and derivatives globally. However, by June 2023, LIBOR is expected to be completely phased out as a reference rate. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, has recommended a new reference rate derived from short-term repurchase agreements backed by Treasury securities, the Secured Overnight Financing Rate (“SOFR”).

Certain of the Company’s investments and/or other indebtedness of the Company’s portfolio companies have interest rates with a LIBOR reference. As a result, the transition away from LIBOR may impact the Company and/or the Company’s portfolio companies. Even if replacement conventions (e.g., SOFR) are adopted in the lending and bond markets, it is uncertain whether they might affect the Company’s floating-rate investments, including by:

- Impacting the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any LIBOR-linked securities, loans and derivatives that may be included in the Company’s assets;
- Requiring extensive changes to documentation that governs or references LIBOR or LIBOR-based products, including, for example, pursuant to time-consuming renegotiations of documentation to modify the terms of investments;
- Resulting in disputes, litigation or other actions with portfolio companies, or other counterparties, regarding the interpretation and enforceability of provisions in the Company’s LIBOR-based investments, such as fallback language or other related provisions, including, in the case of fallbacks to the alternative reference rates, any economic, legal, operational or other impact resulting from the fundamental differences between LIBOR and the various alternative reference rates; or
- Causing the Company to incur additional costs in relation to any of the above factors.

In addition to the Company and portfolio companies potentially needing to renegotiate some of those instruments to address a transition away from LIBOR, there also may be different conventions that arise in different but related market segments, which could result in mismatches between different assets and liabilities and, in turn, cause possible unexpected gains and/or losses for the Company or portfolio companies. Some of these replacement rates may also be subject to compounding or similar adjustments that cause the amount of any payment referencing a replacement rate not to be determined until the end of the relevant calculation period, rather than at the beginning, which could lead to administrative challenges for the Company. Furthermore, the determination of such replacement rate may require further negotiation and there can be no assurance that an agreement between the parties will be reached.

If the transition from LIBOR results in an overall increase to borrowing costs, higher interest expense could affect the financial results and valuations of our funds’ portfolio companies. There is no guarantee that a transition from LIBOR to an alternative will not result in significant increases or volatility in risk-free benchmark rates or borrowing costs to borrowers, any of which could have an impact on our results of operations, financial condition and cash flow.

Future disruptions or instability in capital markets could negatively impact our ability to raise capital, and have a material adverse effect on our business, financial condition, and results of operations.

From time to time, the global capital markets may experience periods of disruption and instability, which could materially and adversely impact the broader financial and credit markets and reduce the availability to us of debt and equity capital. For example, between 2008 and 2009, instability in the global capital markets resulted in disruptions in liquidity in the debt capital markets, significant write-offs in the financial services sector, the repricing of credit risk in the broadly syndicated credit market, and the failure of major domestic and international financial institutions. In particular, the financial services sector was negatively impacted by significant write-offs as the value of the assets held by financial firms declined, impairing their capital positions and abilities to lend and invest. We believe that such value declines were exacerbated by widespread forced liquidations as leveraged holders of financial assets, faced with declining prices, were compelled to sell to meet margin requirements and maintain compliance with applicable capital standards. Such forced liquidations also impaired or eliminated many investors and investment vehicles, leading to a decline in the supply of capital for investment and depressed pricing levels for many assets. These events significantly diminished overall confidence in the debt and equity markets, engendered unprecedented declines in the values of certain assets, caused extreme economic uncertainty and significantly reduced the availability of debt and equity capital for the market as a whole and financial services firms in particular. While market conditions have experienced relative stability in recent years, there have been continuing periods of volatility and there can be no assurance that adverse market conditions will not repeat themselves in the future.

Future volatility and dislocation in the capital markets could create a challenging environment in which to raise or access capital. For example, the re-appearance of market conditions similar to those experienced from 2008 through 2009 for any substantial length of time could make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms. Significant changes or volatility in the capital markets may also have a negative effect on the valuations of our investments. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan on holding an investment through its maturity) and impairments of the market values or fair market values of our investments, even if unrealized, must be reflected in our consolidated financial statements for the applicable period, which could result in significant reductions to our net asset value for the period. With certain limited exceptions, we are only allowed to borrow amounts or issue debt securities if our asset coverage, complies with the threshold set forth in the 1940 Act (currently at least 200% immediately after such borrowing). Equity capital may also be difficult to raise during periods of adverse or volatile market conditions because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of our common stock at a price less than net asset value without first obtaining approval for such issuance from our stockholders and our independent directors. If we are unable to raise capital or refinance existing debt on acceptable terms, then we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies. Significant changes in the capital markets may also affect the pace of our investment activity and the potential for liquidity events involving our investments. Thus, the illiquidity of our investments may make it difficult for us to sell such investments to access capital if required, and as a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them for liquidity purposes.

The amount of any distributions we pay is uncertain. Our distributions to our stockholders may exceed our earnings. Therefore, portions of the distributions that we pay may represent a return of capital to you which will lower your tax basis in your shares and reduce the amount of funds we have for investment in targeted assets. We may not be able to pay you distributions, and our distributions may not grow over time.

We intend to declare distributions and pay distributions on a quarterly basis. We will pay these distributions to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a targeted level of distributions or year-to-year increases in distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this Annual Report. In addition, the inability to satisfy the asset coverage test applicable to us as a BDC can limit our ability to pay distributions. All distributions will be paid at the discretion of our Board of Directors and will depend on our earnings, our financial condition, maintenance of our RIC status, compliance with applicable BDC regulations, and such other factors as our Board of Directors may deem relevant from time-to-time. We cannot assure you that we will pay distributions to our stockholders in the future. In the event that we encounter delays in locating suitable investment opportunities, we may pay all or a substantial portion of our distributions from the proceeds of our offerings of our common stock or from borrowings in anticipation of future cash flow, which may constitute a return of your capital and will lower your tax basis in your shares. Distributions from the proceeds of our offerings of common stock or from borrowings also could reduce the amount of capital we ultimately invest in interests of portfolio companies. We have not established any limit on the extent to which we may use borrowings, if any, or proceeds from our public offering to fund distributions (which may reduce the amount of capital we ultimately invest in assets). There can be no assurance that we will be able to sustain distributions at any particular level or at all. A return of capital is a return of your initial investment in the Company rather than earnings or gains derived from our investment activities. We have not paid a distribution that represented a return of capital since November 2, 2015.

Price declines in the large corporate leveraged loan market may adversely affect the fair value of debt securities we hold, reducing our net asset value through increased net unrealized depreciation.

Prior to the onset of the financial crisis, CLOs, a type of leveraged investment vehicle holding corporate loans, hedge funds, and other highly leveraged investment vehicles, comprised a substantial portion of the market for purchasing and holding senior secured and second lien secured loans. As the secondary market pricing of the loans underlying these portfolios deteriorated during the fourth quarter of 2008, it is our understanding that many investors, as a result of their generally high degrees of leverage, were forced to raise cash by selling their interests in performing loans in order to satisfy margin requirements or the equivalent of margin requirements imposed by their lenders. This resulted in a forced deleveraging cycle of price declines, compulsory sales, and further price declines, with widespread redemption requests and other constraints resulting from the credit crisis generating further selling pressure. While prices have appreciated measurably in recent years, conditions in the large corporate leveraged loan market may experience similar disruptions or distortions in the future, which may cause pricing levels to decline similarly or be volatile. As a result, we may suffer unrealized depreciation and could incur realized losses in connection with the sale of debt securities we hold, which could have a material adverse impact on our business, financial condition, and results of operations.

Our ability to achieve our investment objective depends on our Adviser's and its affiliates' ability to manage and support our investment process. If our Adviser were to lose any members of its senior management team, our ability to achieve our investment objective could be significantly harmed.

We are externally managed and depend upon the investment expertise, diligence, skill, and network of business contacts of our Adviser. We also depend, to a significant extent, on our Adviser's access to the investment professionals and the information and deal flow generated by such investment professionals in the course of its investment and portfolio management activities. Our Adviser evaluates, negotiates, structures, closes, monitors, and services our investments. Our success depends to a significant extent on the continued service and coordination of our Adviser, including its key professionals. The departure of a significant number of our Adviser's or its affiliates' key professionals could have a materially adverse effect on our ability to achieve our investment objective. Additionally, changes in ownership or management practices, the occurrence of adverse events affecting our Adviser or its affiliates or other companies advised by our Adviser and its affiliates could create adverse publicity and adversely affect us and our relationship with investment banks, business brokers, loan syndication and trading desks, and other investment counterparties. In addition, we can offer no assurance that our Adviser will remain our investment adviser or that we will continue to have access to our Adviser's or its affiliates' investment professionals or their information and deal flow.

Because our business model depends to a significant extent upon relationships with investment banks, business brokers, loan syndication and trading desks, and commercial banks, the inability of our Adviser to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business.

Our Adviser depends on its relationship with private equity firms, investment banks, business brokers, loan syndication and trading desks, and commercial banks, and we will rely to a significant extent upon these relationships to provide us with potential investment opportunities. If our Adviser fails to maintain its existing relationships or develop new relationships with other sponsors or sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom our Adviser's professionals have relationships are not obligated to provide us with investment opportunities, and, therefore, there is no assurance that such relationships will generate investment opportunities for us.

We may face increasing competition for investment opportunities, which could delay deployment of our capital, reduce returns, and result in losses.

We will compete for investments with other BDCs and investment funds (including private equity funds and mezzanine funds), as well as traditional financial services companies such as commercial banks and other sources of funding. Moreover, alternative investment vehicles, such as hedge funds, also make investments in middle market private U.S. companies. As a result of these new entrants, competition for investment opportunities in private U.S. companies may intensify. Many of our competitors are substantially larger and have considerably greater financial, technical, and marketing resources than we do. For example, some competitors may have a lower cost of capital and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments than we have. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we are able to do. We may lose investment opportunities if we do not match our competitors' pricing, terms, and structure. If we are forced to match our competitors' pricing, terms, and structure, we may not be able to achieve acceptable returns on our investments or may bear substantial risk of capital loss. We believe a significant part of our competitive advantage stems from the fact that the market for investments in private U.S. companies is underserved by traditional commercial banks and other financial sources. A significant increase in the number and/or the size of our competitors in this target market could force us to accept less attractive investment terms. Furthermore, many of our competitors have greater experience operating under, or are not subject to, the regulatory restrictions that the 1940 Act imposes on us as a BDC.

Our business and operations could be negatively affected if we become subject to any securities litigation or stockholder activism, which could cause us to incur significant expense, hinder execution of investment strategy, and impact our stock price.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Stockholder activism, which could take many forms or arise in a variety of situations, has been increasing in the BDC space recently. While we are currently not subject to any securities litigation or stockholder activism, due to the potential volatility of our stock price and for a variety of other reasons, we may in the future become the target of securities litigation or stockholder activism. Securities litigation and stockholder activism, including potential proxy contests, could result in substantial costs and divert the attention of management and our Board of Directors' attention and resources from our business. Additionally, such securities litigation and stockholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and stockholder activism matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks, and uncertainties of any securities litigation and stockholder activism.

A significant portion of our investment portfolio is recorded at fair value as determined in good faith by our Adviser and, as a result, there is and will be uncertainty as to the value of our portfolio investments.

Under the 1940 Act, we are required to carry our portfolio investments at market value or, if there are no readily available market quotations, at fair value, as determined by our Adviser, as valuation designee, subject to oversight by the Board of Directors. However, the majority of our investments are not publicly traded or actively traded on a secondary market. As a result, we value these securities quarterly at fair value as determined in good faith by our Adviser.

The determination of fair value, and thus the amount of unrealized losses we may incur in any year, is to a degree subjective, and our Adviser has a conflict of interest in making this determination. We expect our Adviser to value our securities quarterly at fair value based, in part, on input from independent third-party valuation firms. The types of factors that may be considered in determining the fair value of our investments include the nature and realizable value of any collateral, the portfolio company's ability to make payments on indebtedness and its earnings, the markets in which the portfolio company does business, comparison to publicly traded companies, discounted cash flow, current market interest rates, and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, the valuations may fluctuate significantly over short periods of time due to changes in current market conditions. The determinations of fair value by our Adviser may differ materially from the values that would have been used if an active market and market quotations existed for these investments. Our net asset value could be adversely affected if the determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such investments. See "Item 1. Business - Determination of Net Asset Value."

Our Board of Directors may change our operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse.

Our Board of Directors has the authority to modify or waive our current operating policies, investment criteria, and strategies without prior notice and without stockholder approval if it determines that doing so will be in the best interests of stockholders. We cannot predict the effect any changes to our current operating policies, investment criteria, and strategies would have on our business, net asset value, operating results, and value of our stock. However, the effects might be adverse, which could negatively impact our ability to pay you distributions and cause you to lose all or part of your investment. Moreover, we have significant flexibility in investing the net proceeds of our offering and may use the net proceeds from our offering in ways with which our stockholders may not agree or for purposes other than those contemplated at the time of our offering.

If we internalize our management functions, your interest in us could be diluted, and we could incur other significant costs and face other significant risks associated with being self-managed.

Our Board of Directors may decide in the future to internalize our management functions. If we do so, we may elect to negotiate to acquire our Adviser's assets and personnel. At this time, we cannot anticipate the form or amount of consideration or other terms relating to any such internalization transaction. Such consideration could take many forms, including cash payments, promissory notes, and shares of our common stock. The payment of such consideration could result in dilution of your interests as a stockholder and could reduce the earnings per share attributable to your investment.

In addition, while we would no longer bear the costs of the various fees and expenses we expect to pay to our Adviser under the Investment Advisory Agreement, we would incur the compensation and benefits costs of our officers and other employees and consultants that we now expect will be paid by our Adviser or its affiliates. We cannot reasonably estimate the amount of fees we would save or the costs we would incur if we became self-managed. If the expenses we assume as a result of an internalization are higher than the expenses we avoid paying to our Adviser, our earnings per share would be lower as a result of the internalization than they otherwise would have been, potentially decreasing the amount of funds available to distribute to our stockholders and the value of our shares. As currently organized, we will not have any employees. If we elect to internalize our operations, we would employ personnel and would be subject to potential liabilities commonly faced by employers, such as workers disability and compensation claims, potential labor disputes, and other employee-related liabilities and grievances.

New or modified laws or regulations governing our operations may adversely affect our business.

We and our portfolio companies are subject to regulation at the U.S. local, state and federal level. We are also subject to federal, state and local laws and are subject to judicial and administrative decisions that affect our operations, including maximum interest rates, fees and other charges, disclosures to portfolio companies, the terms of secured transactions, collection and foreclosure proceedings and other trade practices. If these laws, regulations or decisions change, or if we expand our business into additional jurisdictions, we may have to incur significant expenses in order to comply or we might have to restrict our operations. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we or our portfolio companies are permitted to make, any of which could harm us and our stockholders, potentially with retroactive effect.

President Biden may support an enhanced regulatory agenda that imposes greater costs on all sectors and on financial services companies in particular. In addition, uncertainty regarding legislation and regulations affecting the financial services industry or taxation could also adversely impact our business or the business of our portfolio companies. If we do not comply with applicable laws and regulations, we could lose any licenses that we then hold for the conduct of our business and may be subject to civil fines and criminal penalties.

Changes to or repeal of the laws and regulations governing our operations related to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences to our strategies and plans and may shift our investment focus from the areas of expertise of our Advisor to other types of investments in which our Advisor may have little or no expertise or experience. Any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment.

Over the last several years, there also has been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non-bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non-bank credit extension could negatively impact our operations, cash flows or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business, financial condition and results of operations.

We are subject to risks related to corporate social responsibility.

There is increased public scrutiny related to environmental, social and governance (“ESG”) activities of public companies. We risk damage to our brand and reputation if we do not act responsibly in a number of key areas, including diversity and inclusion, environmental stewardship, support for local communities, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could negatively affect our business and results of operations. Additionally, new regulatory initiatives related to ESG could adversely affect our business.

Efforts to comply with the Sarbanes-Oxley Act will involve significant expenditures, and non-compliance with the Sarbanes-Oxley Act may adversely affect us.

We are subject to the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley Act”) and the related rules and regulations promulgated by the SEC. Under current SEC rules, our management is required to report on our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act and rules and regulations of the SEC thereunder. We are required to review on an annual basis our internal control over financial reporting, and on a quarterly and annual basis to evaluate and disclose changes in our internal control over financial reporting. This process requires us to incur significant additional expenses and diverts management’s time and attention. We cannot be certain as to the timing of completion of our evaluation, testing and remediation actions, or the impact of the same on our operations and we may not be able to ensure that the process is effective or that our internal control over financial reporting is or will be effective in a timely manner. In the event that we are unable to maintain or achieve compliance with the Sarbanes-Oxley Act and related rules, we may be adversely affected.

We may experience fluctuations in our quarterly results.

We may experience fluctuations in our quarterly operating results due to a number of factors, including our ability or inability to make investments in companies that meet our investment criteria, variations in the interest rates on the debt securities we acquire, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any previous period should not be relied upon as being indicative of performance in future periods.

Terrorist attacks, acts of war, natural disasters, disease outbreaks or pandemics may impact our portfolio companies and harm our business, operating results and financial condition.

Terrorist attacks, acts of war, natural disasters, disease outbreaks, pandemics, or other similar events may disrupt our operations, as well as the operations of our portfolio companies. Such acts have created, and continue to create, economic and political uncertainties and have contributed to recent global economic instability. Future terrorist activities, military or security operations, natural disasters, disease outbreaks, pandemics, or other similar events could further weaken the domestic/global economies and create additional uncertainties, which may negatively impact our portfolio companies and, in turn, could have a material adverse impact on our business, operating results, and financial condition. Losses from terrorist attacks and natural disasters are generally uninsurable.

We are highly dependent on information systems and systems failures or interruption could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to pay dividends and other distributions.

We depend on the communications and information systems of our Adviser and its affiliates as well as certain third-party service providers. As our reliance on these systems has increased, so have the risks posed to these communications and information systems. Any failure or interruption in these systems, including due to (i) electrical or telecommunication outages, (ii) natural disasters such as earthquakes, tornadoes and hurricanes, (iii) disease outbreaks or pandemics, (iv) events arising from local or larger state political or social matters, including terrorist activities, and (v) cyberattacks could cause disruptions in our activities.

Our business could suffer in the event our Adviser or any other party that provides us with services essential to our operations experiences system failures or cyber-incidents or a deficiency in cybersecurity.

Despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for the internal information technology systems of our Adviser and other parties that provide us with services essential to our operations, these systems are vulnerable to damage from any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, terrorism, war, and telecommunication failures. Any system failure or accident that causes interruptions in our operations could result in a material disruption to our business.

A cyber-incident is considered to be any adverse event that threatens the confidentiality, integrity, or availability of information resources. More specifically, a cyber-incident is an intentional attack or an unintentional event that can result in third parties gaining unauthorized access to systems to disrupt operations, corrupt data, or steal confidential information. As reliance on technology in our industry has increased, so have the risks posed to the systems of our Adviser and other parties that provide us with services essential to our operations, both internal and those that have been outsourced. In addition, the risk of a cyber-incident, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Even the most well protected information, networks, systems, and facilities remain potentially vulnerable because the techniques used in such attempted attacks and intrusions evolve and generally are not recognized until launched against a target. In some cases such attacks and intrusions are designed not to be detected and, in fact, may not be detected.

The remediation costs and lost revenues experienced by a victim of a cyber-incident may be significant and significant resources may be required to repair system damage, protect against the threat of future security breaches, or to alleviate problems caused by any breaches, including reputational harm, loss of revenues, and litigation. In addition, a security breach or other significant disruption involving the information technology networks and related systems of our Adviser or any other party that provides us with services essential to our operations could:

- result in misstated financial reports, violations of loan covenants, missed reporting deadlines;
- affect our ability to properly monitor our compliance with the rules and regulations regarding our qualification as a RIC;
- result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of, proprietary, confidential, sensitive, or otherwise valuable information, which others could use to compete against us or for disruptive, destructive, or otherwise harmful purposes and outcomes;
- result in liability to us for claims by stockholders and third-parties;
- require significant management attention and resources to remedy any damages that result; or
- adversely impact our reputation among investors.

Although our Adviser and other parties that provide us with services essential to our operations intend to continue to implement industry-standard security measures, there can be no assurance that those measures will be sufficient, and any material adverse effect experienced by our Adviser and other parties that provide us with services essential to our operations could, in turn, have an adverse impact on us.

To the extent that our Adviser serves as a "joint bookrunner" in connection with the underwriting of a loan or other security to be acquired, it may be subject to underwriter liability under the federal securities laws. This liability can be managed principally through the exercise of due diligence regarding any such offering. In addition, if it acts as joint bookrunner for a loan or other securities offering and is not successful in syndicating the loan or offering, our Adviser may acquire a larger amount of the subject securities than it had planned, and it may be required to hold such loan or security for a longer period than it had anticipated.

It could be determined that our Adviser is serving as a joint bookrunner in connection with offerings of loans or other securities in connection with providing investment advisory services to us in connection with our ongoing operations and the management of our portfolio. A joint bookrunner is one of multiple lead managers of a securities issuance which syndicates the issuance of securities with other bookrunners and syndicate firms to lower the risk of selling the security for each syndicate member. In acting as a joint bookrunner, our Adviser may be required to perform due diligence on certain offerings before they are syndicated and sold, subjecting our Adviser to underwriter liabilities under federal securities laws in connection with the offer and sale of such securities. Furthermore, in leading an underwriting syndicate, our Adviser, in acting as a joint bookrunner, could be obligated to sell a large portion of an offering of securities should it be unable to put together a substantial enough underwriting syndicate, perhaps obligating it to hold such security for a longer period of time than it had originally anticipated. By being deemed a joint bookrunner, our Adviser would be obligated to perform duties for other lenders or investors while still managing our portfolio, thus reducing the amount of time it allocates to us and subjecting it to potential liabilities and financial obligations.

We could potentially be involved in litigation arising out of our operations in the normal course of business.

We may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise. Furthermore, third parties may try to seek to impose liability on us in connection with the activities of our portfolio companies. While the outcome of any current legal proceedings cannot at this time be predicted with certainty, we do not expect any current matters will materially affect our financial condition or results of operations; however, there can be no assurance whether any pending legal proceedings will have a material adverse effect on our financial condition or results of operations in any future reporting period.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We do not own any real estate or other physical properties materially important to our operation. Our executive offices are located at 9 West 57th Street, 49th Floor, Suite 4920, New York, NY 10019. We believe that our current office facilities are adequate for our business as we intend to conduct it.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2022, we were not defendants in any material pending legal proceeding, and no such material proceedings are known to be contemplated. However, from time to time, we may be party to certain legal proceedings incidental to the normal course of our business including the enforcement of our rights under the contracts with our portfolio companies. Third parties may also seek to impose liability on us in connection with the activities of our portfolio companies.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

There is currently no market for our common stock, and we do not expect that a market for our shares will develop in the future. We closed the Offering to new investments on April 30, 2015, and no stock has been authorized for issuance under any equity compensation plans. We are prohibited under the 1940 Act from selling our shares of common stock at an offering price, after deducting selling commissions and dealer manager fees, that is below our net asset value per share unless we obtain stockholder approval. In connection with any issuance of shares of our common stock, our Board of Directors or a committee thereof will review the then current offering price per share against the current estimated net asset value per share to ensure that we were not selling shares of our common stock at a price which, after deducting selling commissions and dealer manager fees, was below our net asset value per share.

Set forth below is a chart describing the classes of our securities outstanding as of December 31, 2022:

Title of Class	Amount Authorized	Amount Outstanding
Common Stock, par value $0.001 per share	450,000,000	228,658,723

As of December 31, 2022, we had issued 262.6 million shares of common stock for gross proceeds of $2.6 billion, including the shares purchased by affiliates and shares issued under our DRIP. As of December 31, 2022, we had repurchased 34.0 million shares of common stock for payments of $282.8 million through our share purchase program. As of December 31, 2022, we had 36,723 record holders of our common stock.

Distributions

The Company's Board of Directors authorizes and declares cash distributions payable on a quarterly basis to stockholders of record on each record date. The amount of each such distribution is subject to the discretion of the Board of Directors and applicable legal restrictions related to the payment of distributions. The Company calculates each stockholder's specific distribution amount for the quarter using record and declaration dates. The distributions are payable by the fifth day following each record date. From time to time, the Company may also pay interim distributions, including capital gains distributions, at the discretion of the Company's Board of Directors. The Company's distributions may exceed earnings, especially during the period before it has substantially invested the proceeds from the offering. As a result, a portion of the distributions made by the Company may represent a return of capital for U.S. federal income tax purposes. A return of capital is a return of each stockholder's investment rather than earnings or gains derived from the Company's investment activities.

We have not established any limit on the extent to which we may use borrowings, if any, or proceeds from any future offering to fund distributions. There can be no assurance that we will be able to sustain distributions at any particular level.

From time-to-time and not less than quarterly, our Adviser will be required to review our accounts to determine whether distributions are appropriate. We shall distribute pro rata to our stockholders funds received by us which our Adviser deems unnecessary for us to retain.

To maintain our RIC qualification, we must, among other things, distribute at least 90% of our net ordinary income and net short-term capital gain in excess of net long-term capital loss, if any, to our stockholders. In order to avoid certain excise taxes imposed on RICs, we currently intend to distribute, or be deemed to distribute, during each calendar year an amount at least equal to the sum of: (1) 98% of our net ordinary income for the calendar year; (2) 98.2% of our capital gain in excess of capital loss for the calendar year; and (3) any net ordinary income and net capital gain for preceding years that were not distributed during such years and on which we paid no U.S. federal income tax. We can offer no assurance that we will achieve results that will permit the payment of any distributions and, if we issue senior securities, we will be prohibited from paying distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings.

We have a distribution reinvestment plan (the "DRIP") pursuant to which we reinvest all cash dividends or distributions ("Distributions") declared by our Board of Directors on behalf of investors who do not elect to receive their Distributions in cash as described below (the "Participants"). As a result, if our Board of Directors declares a Distribution, then stockholders who have not elected to "opt out" of the DRIP will have their Distributions automatically reinvested in additional shares of our common stock at a price equal to NAV per share as estimated in good faith by us on the payment date. The timing and amount of any future Distributions to stockholders are subject to applicable legal restrictions and the sole discretion of our Board of Directors.

We have not established limits on the amount of funds we may use from available sources to fund distributions. We may have distributions which could be characterized as a return of capital for tax purposes. During the years ended December 31, 2022, 2021, and 2020 no portion of our distributions were characterized as return of capital for tax purposes, respectively.

Sales of Unregistered Securities

On April 14, 2022, pursuant to a drawdown notice previously delivered to investors, the Company issued and sold approximately 5.6 million shares of the Company's common stock, par value $0.001 per share (the "Common Stock") for an aggregate offering price of approximately $41.5 million.

On June 3, 2022, pursuant to a drawdown notice previously delivered to investors, the Company issued and sold approximately 4.9 million shares of the Common Stock for an aggregate offering price of approximately $37.9 million.

On July 26, 2022, pursuant to a drawdown notice previously delivered to investors, the Company issued and sold approximately 8.0 million shares of the Common Stock for an aggregate offering price of approximately $60.0 million.

On October 27, 2022, pursuant to a drawdown notice previously delivered to investors, the Company issued and sold approximately 8.0 million shares of the Common Stock for an aggregate offering price of approximately $59.0 million.

Issuer Purchases of Equity Securities

The table below provides information concerning our repurchases of shares of our common stock during the year ended December 31, 2022, pursuant to our share repurchase program.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs. (in millions)
January 1, 2022 to March 31, 2022	2,927,837	$ 7.46	2,927,837	—
April 1, 2022 to June 30, 2022	—	—	—	—
July 1, 2022 to September 30, 2022	—	—	—	—
October 1, 2022 to December 31, 2022	—	—	—	—
Total	2,927,837		2,927,837	

See Note 11 to our consolidated financial statements contained in this Annual Report on Form 10-K for a more detailed discussion of the terms of our share repurchase program.

ITEM 6. [Reserved]

Not Applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements of Franklin BSP Lending Corporation (the "Company," "FBLC," "we," or "our") and the notes thereto and other financial information included elsewhere in this Annual Report on Form 10-K. We are externally managed by our adviser, Franklin BSP Lending Adviser, L.L.C. (the "Adviser").

Forward Looking Statements

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

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

In addition to factors previously disclosed in our U.S. Securities and Exchange Commission ("SEC") reports and those identified elsewhere in this report, including the "Risk Factors" section, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance:

- our future operating results;
- changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets, including the effect of rising interest rates and a potential global recession;
- the impact of geopolitical conditions, including revolution, insurgency, terrorism or war, including those arising out of the ongoing conflict between Russia and Ukraine;
- the impact that the discontinuation of LIBOR and the transition to new reference rates could have on the value of our LIBOR-indexed portfolio investments and the cost of borrowing under our credit facilities;
- the impact of the investments that we expect to make;
- the ability of our portfolio companies to achieve their objectives;
- our contractual arrangements and relationships with third parties;
- our expected financings and investments;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- our repurchase of shares;
- actual and potential conflicts of interest with our Adviser and its affiliates;
- the dependence of our future success on the general economy and its effect on the industries in which we invest;
- the ability to qualify and maintain our qualifications as a regulated investment company ("RIC") and a business development company ("BDC");
- the timing, form, and amount of any distributions;
- the impact of fluctuations in interest rates on our business;
- the valuation of any investments in portfolio companies, particularly those having no liquid trading market;
- the impact of changes to generally accepted accounting principles, and the impact to FBLC; and
- the impact of changes to tax legislation and, generally, our tax position.

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" and elsewhere in this Annual Report.

Overview

We are an externally managed, non-diversified closed-end management investment company incorporated in Maryland in May 2010 that has elected to be regulated as a BDC under the Investment Company Act of 1940, as amended (“the 1940 Act”). In addition, we have elected to be treated for tax purposes as a RIC under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). Our investment activities are managed by the Adviser, a subsidiary of Benefit Street Partners L.L.C. (“BSP”) and supervised by our Board of Directors, a majority of whom are independent of the Adviser and its affiliates. As a BDC, we are required to comply with certain regulatory requirements.

Our investment objective is to generate both current income and to a lesser extent long-term capital appreciation through debt and equity investments. We invest primarily in senior secured loans, and to a lesser extent, mezzanine loans, unsecured loans, and equity of predominantly private U.S. middle market companies. We define middle market companies as those with EBITDA of between $25 million and $100 million annually, although we may invest in larger or smaller companies. We may also purchase interests in loans or corporate bonds through secondary market transactions. We expect that each investment generally will range between approximately 0.5% and 3.0% of our total assets. As of December 31, 2022, 76.5% of our portfolio was invested in senior secured loans.

Senior secured loans generally are senior debt instruments that rank ahead of subordinated debt and equity in priority of payments and are generally secured by liens on the operating assets of a borrower which may include inventory, receivables, plant, property, and equipment. Mezzanine debt is subordinated to senior loans and is generally unsecured. We may also invest in the equity and junior debt tranches of collateralized loan obligation investment vehicles (“Collateralized Securities” or “CLO's”). Effective April 1, 2022, we have elected to not invest, directly or indirectly, in coal-related companies, or invest in portfolio companies primarily engaged in directly investing in the exploration for, or the production of, coal at the discretion of the Adviser; provided, however, we shall be considered in compliance with this investment restriction if, from this date forward, we do not invest in any portfolio company that has a Global Industry Classification Standard designation of "coal and consumable fuels."

Financial and Operating Highlights

(Dollars in millions, except per share amounts)

At December 31, 2022:		
Investment Portfolio	$	2,875.1
Net assets		1,665.5
Debt (net of deferred financing costs)		1,224.2
Net asset value per share		7.28
Portfolio Activity for the Year Ended December 31, 2022:		
Purchases during the period		510.0
Sales, repayments, and other exits during the period		396.0
Number of portfolio companies at end of period		150
Operating results for the Year Ended December 31, 2022:		
Net investment income per share		0.59
Distributions declared per share		0.60
Net increase in net assets resulting from operations per share		0.39
Net investment income		125.1
Net realized and unrealized loss, net of change in deferred taxes		(43.1)
Net increase in net assets resulting from operations		82.0

Portfolio and Investment Activity

During the year ended December 31, 2022, we made $510.0 million of investments in new and existing portfolio companies and had $396.0 million in aggregate amount of sales and repayments, resulting in a net increase in investments of $114.0 million for the period. The total portfolio of debt investments at fair value consisted of 93.5% bearing variable interest rates and 6.5% bearing fixed interest rates.

Our portfolio composition, based on fair value at December 31, 2022 was as follows:

	December 31, 2022	
	Percentage of Total Portfolio [4]	Weighted Average Current Yield for Total Portfolio [1]
Senior Secured First Lien Debt	69.4 %	11.0 %
Senior Secured Second Lien Debt	7.1	12.9
Subordinated Debt	4.7	12.9
Debt Subtotal	81.2 %	11.3 %
Collateralized Securities [2]	1.1	17.2
Equity/Other [3]	7.1	18.1
FBLC Senior Loan Fund, LLC [3]	10.6	9.0
Total	100.0 %	11.6 %

[1] Includes the effect of the amortization or accretion of loan premiums or discounts.

[2] Weighted average current yield for Collateralized Securities is based on the estimation of effective yield to expected maturity for each security as calculated in accordance with Accounting Standards Codification ("ASC") Topic 325-40-35, Beneficial Interests in Securitized Financial Assets (see Note 2 - Summary of Significant Accounting Policies).

[3] Weighted average current yield for Equity/Other may be based on actual or annualized income, where applicable.

[4] As of December 31, 2022, FBLC Senior Loan Fund, LLC's holdings consisted of 91.2% senior secured debt, of which 88.1% represented senior secured first lien debt. As of December 31, 2022, we held investments in Siena Capital Finance, LLC ("Siena") consisting of subordinated debt and equity, which represented 2.7% and 2.7% of our total portfolio, respectively. As of December 31, 2022, we held investments in Encina Equipment Finance, LLC ("Encina") consisting of subordinated debt and equity, which represented 1.9% and 2.8% of our portfolio, respectively. The respective businesses of Siena and Encina primarily involve making senior secured asset-based loans to middle market companies and equipment finance transactions secured by mission-critical equipment of middle market companies, respectively. If the underlying investments of FBLC Senior Loan Fund described above were held by us and we were to treat the investments in Siena and Encina as senior secured first lien investments, given the underlying businesses of those portfolio companies, then our portfolio composition as of December 31, 2022 would be as follows:

	December 31, 2022
	Percentage of Total Portfolio
Senior Secured First Lien Debt	88.7 %
Senior Secured Second Lien Debt	6.9
Senior Secured - Subtotal	95.6 %
Subordinated Debt	0.1
Debt Subtotal	95.7 %
Collateralized Securities	2.8
Equity/Other	1.5
Total	100.0 %

During the year ended December 31, 2021, we made $1,932.8 million of investments in new and existing portfolio companies and had $1,898.1 million in aggregate amount of sales and repayments, resulting in net investments of $34.7 million for the period. The total portfolio of debt investments at fair value consisted of 91.5% bearing variable interest rates and 8.5% bearing fixed interest rates.

Our portfolio composition, based on fair value at December 31, 2021 was as follows:

	December 31, 2021	
	Percentage of Total Portfolio (4)	Weighted Average Current Yield for Total Portfolio (1)
Senior Secured First Lien Debt	65.9 %	7.6 %
Senior Secured Second Lien Debt	8.8	9.1
Subordinated Debt	4.2	11.0
Debt Subtotal	78.9 %	7.9 %
Collateralized Securities (2)	1.3	15.0
Equity/Other (3)	8.8	17.1
FBLC Senior Loan Fund, LLC (3)	11.0	8.0
Total	100.0 %	8.8 %

(1) Includes the effect of the amortization or accretion of loan premiums or discounts.

(2) Weighted average current yield for Collateralized Securities is based on the estimation of effective yield to expected maturity for each security as calculated in accordance with Accounting Standards Codification ("ASC") Topic 325-40-35, Beneficial Interests in Securitized Financial Assets (see Note 2 - Summary of Significant Accounting Policies).

(3) Weighted average current yield for Equity/Other may be based on actual or annualized income, where applicable.

(4) As of December 31, 2021, FBLC Senior Loan Fund, LLC's holdings consisted of 92.7% senior secured debt, of which 87.0% represented senior secured first lien debt. As of December 31, 2021, we held investments in Siena Capital Finance, LLC ("Siena") consisting of subordinated debt and equity, which represented 2.7% and 2.4% of our total portfolio, respectively. As of December 31, 2021, we held investments in Encina Equipment Finance, LLC ("Encina") consisting of subordinated debt and equity, which represented 1.4% and 2.9% of our total portfolio, respectively. The respective businesses of Siena and Encina primarily involve making senior secured asset-based loans to middle market companies and equipment finance transactions secured by mission-critical equipment of middle market companies, respectively. If the underlying investments of FBLC Senior Loan Fund described above were held by us and we were to treat the investments in Siena and Encina as senior secured first lien investments, given the underlying businesses of those portfolio companies, then our portfolio composition as of December 31, 2021 would be as follows:

	December 31, 2021
	Percentage of Total Portfolio
Senior Secured First Lien Debt	85.2 %
Senior Secured Second Lien Debt	8.8
Senior Secured - Subtotal	94.0 %
Subordinated Debt	0.2
Debt Subtotal	94.2 %
Collateralized Securities	3.0
Equity/Other	2.8
Total	100.0 %

Portfolio Asset Quality

Our Adviser employs an investment rating system to categorize our investments. In addition to various risk management and monitoring tools, our Adviser grades the credit risk of all debt investments on a scale of 1 to 5 no less frequently than quarterly. This system is intended primarily to reflect the underlying risk of a portfolio debt investment relative to the inherent risk at the time the original debt investment was made (i.e., at the time of acquisition), although it may also take into account under certain circumstances the performance of the portfolio company's business, the collateral coverage of the investment and other relevant factors.

Loan Rating	Summary Description
1	Debt investment exceeding fundamental performance expectations and/or capital gain expected. Trends and risk factors since the time of investment are favorable.
2	Performing consistent with expectations and a full return of principal and interest expected. Trends and risk factors are neutral to favorable. All investments are initially rated a “2”.
3	Performing debt investment requiring closer monitoring. Trends and risk factors show some deterioration.
4	Underperforming debt investment. Some loss of interest or dividend expected, but still expecting a positive return on investment. Trends and risk factors are negative.
5	Underperforming debt investment with expected loss of interest and some principal.

The weighted average risk rating of our investments based on fair value was 2.2 and 2.1 as of December 31, 2022 and December 31, 2021, respectively. As of December 31, 2022, we had 5 portfolio companies on non-accrual with a total amortized cost of $44.6 million and fair value of $8.2 million, which represented 1.5% and 0.3% of the investment portfolio's total amortized cost and fair value, respectively. As of December 31, 2021, we had 6 portfolio companies on non-accrual with a total amortized cost of $42.5 million and fair value of $12.2 million, which represented 1.5%, and 0.4% of the investment portfolio's total amortized cost and fair value, respectively. Refer to Note 2 - Summary of Significant Accounting Policies - in our consolidated financial statements included in this report for additional details regarding our non-accrual policy.

FBLC Senior Loan Fund, LLC

On January 20, 2021, FBLC and Cliffwater Corporate Lending Fund (“CCLF”) formed a joint venture, FBLC Senior Loan Fund, LLC (the “SLF”), that invests primarily in senior secured loans, and to a lesser extent may invest in mezzanine loans, unsecured loans and equity of predominantly private U.S. middle market companies. SLF was formed as a Delaware limited liability company and is not consolidated by FBLC for financial reporting purposes. FBLC provides capital to SLF in the form of LLC equity interests. At formation, FBLC and CCLF owned 87.5% and 12.5%, respectively, of the LLC equity interests of SLF. For both years ended, December 31, 2022 and December 31, 2021, FBLC and CCLF owned 79.8% and 20.2%, respectively, of the LLC equity interests of SLF. Profit and loss are allocated based on each members' ownership percentage of the joint venture's net asset value. SLF has an Administrative and Loan Services Agreement with BSP, an affiliate of the Company, pursuant to which BSP provides certain operational and valuation services for SLF's investments; as well as certain agreements with third-party service providers. FBLC and CCLF each appoint two members to SLF's four-person board of members. All material decisions with respect to SLF, including those involving its investment portfolio, require unanimous approval of a quorum of the board of members. Quorum is defined as (i) the presence of two members of the board of members; provided that at least one individual is present that was elected, designated or appointed by each member; (ii) the presence of three members of the board of members; provided that the individual that was elected, designated or appointed by the member with only one individual present shall be entitled to cast two votes on each matter; and (iii) the presence of four members of the board of members; provided that two individuals are present that were elected, designated or appointed by each member.

As part of the initial contribution to SLF, FBLC contributed $751.8 million of assets including $664.2 million of investments and $42.4 million of cash as well as $446.9 million worth of liabilities including the Citi Credit Facility (as defined in Note 5) debt of $344.4 million in exchange for $304.9 million of equity in SLF. As of December 31, 2022 and December 31, 2021, FBLC’s investment in SLF consisted of equity contributions of $304.9 million.

Below is a summary of SLF’s portfolio as of December 31, 2022 and December 31, 2021. A listing of the individual investments in SLF’s portfolio as of such dates can be found in “Note 3 – Fair Value of Investments” in the notes to the accompanying consolidated financial statements (dollars in thousands):

	December 31, 2022	December 31, 2021
Total assets	$ 965,671	$ 1,195,960
Total investments [1]	$ 855,705	$ 1,088,337
Weighted Average Current Yield for Total Portfolio [2]	10.2 %	5.4 %
Number of Portfolio companies in SLF	163	172
Largest portfolio company investment [1]	$ 19,381	$ 27,965
Total of five largest portfolio company investments [1]	$ 86,158	$ 113,297

(1) At fair value

(2) Includes the effect of the amortization or accretion of loan premiums or discounts.

Below is certain summarized financial information for SLF as of December 31, 2022 and December 31, 2021 and for the periods ended December 31, 2022 and December 31, 2021 (dollars in thousands):

Selected Statements of Assets and Liabilities Information	**December 31, 2022**	**December 31, 2021**
ASSETS		
Investments, at fair value (amortized cost of $923,304 and $1,085,170, respectively)	$ 855,705	$ 1,088,337
Cash and other assets	109,966	107,623
Total assets	$ 965,671	$ 1,195,960
LIABILITIES		
Revolving credit facilities (net of deferred financing costs of $1,483 and $2,488, respectively)	$ 549,067	$ 631,562
Secured borrowings	60,899	94,737
Other liabilities	20,264	71,008
Total liabilities	$ 630,230	$ 797,307
MEMBERS' CAPITAL		
Total members' capital	$ 335,441	$ 398,653
Total liabilities and members' capital	$ 965,671	$ 1,195,960

Selected Statements of Operations Information	**For the year ended December 31, 2022**	**For the period January 20, 2021 (inception) through December 31, 2021**
Investment income:		
Total investment income	$ 69,988	$ 44,964
Operating expenses:		
Interest and credit facility financing expenses	24,003	10,051
Other expenses	2,498	2,161
Total expenses	26,501	12,212
Net investment income	43,487	32,752
Realized and unrealized gain (loss):		
Net realized and unrealized gain (loss)	(75,053)	10,093
Net increase (decrease) in members' capital resulting from operations	$ (31,566)	$ 42,845

RESULTS OF OPERATIONS

Operating results for the years ended December 31, 2022, 2021, and 2020 were as follows (dollars in thousands):

	For the years ended December 31,		
	2022	2021	2020
Total investment income	$ 276,411	$ 232,786	$ 196,685
Total expenses	145,126	121,828	102,919
Income tax expense, including excise tax	6,189	3,311	2,566
Net investment income	$ 125,096	$ 107,647	$ 91,200

Investment Income

For the year ended December 31, 2022, total investment income was $276.4 million and was primarily attributable to interest income from investments in portfolio companies with an average portfolio fair value of $2.8 billion and a weighted average current yield of 11.6%. Included within total investment income was $7.6 million, of fee income for the year ended December 31, 2022. Fee income consists primarily of prepayment and amendment fees. For the year ended December 31, 2021 total investment income was $232.8 million and was primarily attributable to interest income from investments in portfolio companies with an average portfolio fair value of $2.7 billion and a weighted average current yield of 8.8%. Included within total investment income was $7.1 million of fee income for the year ended December 31, 2021. Fee income consists primarily of prepayment and amendment fees. For the year ended December 31, 2020 total investment income was $196.7 million and was primarily attributable to interest income from investments in portfolio companies with an average portfolio fair value of $2.6 billion and a weighted average current yield of 8.3%. Included within total investment income was $6.1 million of fee income for the year ended December 31, 2020. Fee income consists primarily of prepayment and amendment fees.

Operating Expenses

The composition of our operating expenses for the years ended December 31, 2022, 2021, and 2020 was as follows (dollars in thousands):

	For the years ended December 31,		
	2022	2021	2020
Management fees	$ 42,851	$ 39,563	$ 37,764
Incentive fee on income	31,274	26,912	6,223
Interest and debt fees	59,942	44,241	46,971
Professional fees	3,899	3,572	5,397
Other general and administrative	5,400	5,807	4,877
Administrative services	788	748	702
Directors' fees	972	985	985
Total operating expenses	$ 145,126	$ 121,828	$ 102,919

For the years ended December 31, 2022, 2021, and 2020, we incurred management fees of $42.9 million, $39.6 million, and $37.8 million, respectively. For the year ended December 31, 2022, 2021, and 2020, we incurred incentive fees on income of $31.3 million, $26.9 million, and $6.2 million.

For the years ended December 31, 2022, 2021, and 2020, we incurred interest and debt fees of $59.9 million, $44.2 million, and $47.0 million, respectively. Interest and debt fees are comprised of interest expense, non-usage fees, trustee fees, amortization of deferred financing costs, and amortization of discount if applicable related to our revolving credit facilities and unsecured notes, each as defined herein in the section entitled "Borrowings". The increase in interest and debt fees for the year ended December 31, 2022 as compared to the same periods in 2021 and 2020 is primarily the result of an increase in average debt outstanding on our credit facilities as well as higher interest rates.

Net Realized Gain (Loss) and Net Change in Unrealized Appreciation (Depreciation) on Investments, Foreign Currency Transactions, and Forward Currency Exchange Contracts

Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and foreign currency transactions, net of change in deferred taxes for the years ended December 31, 2022, 2021, and 2020 were as follows (dollars in thousands):

	For the years ended December 31,		
	2022	2021	2020
Net realized gain (loss)			
Control investments	$ 6,842	$ (6,239)	$ (18,650)
Affiliate investments	(4,719)	23,155	2,448
Non-affiliate investments	5,320	1,199	(115,614)
Net realized gain (loss) on foreign currency transactions	468	(791)	(333)
Net realized loss on extinguishment of debt	(1,769)	(1,286)	—
Total net realized gain (loss)	6,142	16,038	(132,149)
Net change in unrealized appreciation (depreciation) on investments			
Control investments	(9,172)	8,806	(13,747)
Affiliate investments	(3,529)	21,960	(19,275)
Non-affiliate investments	(34,633)	55,066	35,995
Net change in deferred taxes	(1,656)	(4,076)	2,263
Total net change in unrealized appreciation (depreciation) on investments, net of change in deferred taxes	(48,990)	81,756	5,236
Net change in unrealized appreciation (depreciation) from forward currency exchange contracts	(266)	743	(89)
Net realized and unrealized gain (loss)	$ (43,114)	$ 98,537	$ (127,002)

Net realized and unrealized loss on investments and foreign currency transactions, net of change in deferred taxes, resulted in net losses of $43.1 million for the year ended December 31, 2022 compared to a net gain of $98.5 million and net losses of $127.0 million for 2021 and 2020, respectively. We look at net realized gain (loss) and change in unrealized appreciation (depreciation) together, as movement in unrealized appreciation or depreciation can be the result of realizations.

The net realized and unrealized loss for the year ended December 31, 2022 was primarily driven by unrealized losses on Senior Secured Investments.

The net realized and unrealized gain for the year ended December 31, 2021 was primarily driven by unrealized gains on Senior Secured Investments and Equity Investments.

The net realized and unrealized loss for the year ended December 31, 2020 was primarily driven by realized losses on Senior Secured Investment sales.

Changes in Net Assets from Operations

For the year ended December 31, 2022, we recorded a net increase in net assets resulting from operations of $82.0 million versus a net increase in net assets resulting from operations of $206.2 million for the year ended December 31, 2021. The decrease from prior year is primarily driven by an increase in unrealized losses on investments. Based on the weighted average shares of common stock outstanding for the years ended December 31, 2022 and 2021, respectively, our per share net increase in net assets resulting from operations was $0.39 for the year ended December 31, 2022, versus a net increase in net assets of $1.03 for the year ended December 31, 2021.

For the year ended December 31, 2021, we recorded a net increase in net assets resulting from operations of $206.2 million versus a net decrease in net assets resulting from operations of $35.8 million for the year ended December 31, 2020. The increase is primarily driven by an increase in realized and unrealized gain on our investments. Based on the weighted average shares of common stock outstanding for the years ended December 31, 2021 and 2020, respectively, our per share net increase in net assets resulting from operations was $1.03 for the year ended December 31, 2021, versus a net decrease in net assets of $0.18 for the year ended December 31, 2020.

Cash Flows

For the year ended December 31, 2022, net cash used in operating activities was $11.9 million. This was primarily driven by sales and repayments of investments of $396.0 million and net change in unrealized depreciation of $47.3 million, offset by purchases of investments of $510.0 million. The level of cash flows used in or provided by operating activities is affected by the timing of purchases, redemptions and sales of portfolio investments.

Net cash provided by financing activities of $23.5 million during the year ended December 31, 2022 was primarily driven by proceeds from issuance of shares of $198.4 million and proceeds from debt of $550.3 million, partially offset by payments on debt of $599.5 million, stockholder distributions of $96.8 million and repurchases of common stock of $23.6 million.

For the year ended December 31, 2021, net cash used in operating activities was $427.5 million. This was primarily driven by purchases of investments of $1,612.9 million, offset by sales and repayments of investments of $1,233.8 million. The level of cash flows used in or provided by operating activities is affected by the timing of purchases, redemptions, and sales of portfolio investments.

Net cash provided by financing activities of $417.9 million during the year ended December 31, 2021 was primarily driven by proceeds from debt of $1,208.3 million partially offset by payments on debt of $701.0 million and stockholder distributions of $69.2 million.

For the year ended December 31, 2020, net cash provided by operating activities was $12.5 million. This was primarily driven by sales and repayments of investments of $847.2 million, net realized loss from investments of $131.8 million and payable for unsettled trades of $151.7 million, partially offset by purchases of investments of $1,038.1 million. The level of cash flows used in or provided by operating activities is affected by the timing of purchases, redemptions, and sales of portfolio investments.

Net cash used in financing activities of $5.4 million during the year ended December 31, 2020 was primarily driven by payments on debt of $1,035.0 million and stockholder distributions of $63.7 million, partially offset by proceeds from debt of $1,057.1 million.

Recent Developments

Unregistered Sales of Equity Securities

On February 7, 2023, pursuant to a drawdown notice previously delivered to investors, the Company issued and sold approximately 4.9 million shares of the Company's common stock for an aggregate offering price of approximately $36.3 million.

Share Repurchase Program

On December 14, 2022, the Company offered to purchase up to approximately 4,602,000 shares of its common stock pursuant to its SRP at a price equal to $7.38 per share. The offer expired on January 25, 2023 (the "Expiration Date"). On February 24, 2023, the Company purchased 3,472,698 shares of its common stock for aggregate consideration of $25.6 million pursuant to the limitations of the SRP as detailed in Note 10.

Liquidity and Capital Resources

We generate cash flows from fees, interest, and dividends earned from our investments, as well as proceeds from sales of our investments and, previously, from the net proceeds of our Offering. As of December 31, 2022, we had issued 262.6 million shares of our common stock for gross proceeds of $2.6 billion, including the shares purchased by affiliates and shares issued pursuant to the DRIP. As of December 31, 2022, we had $460.0 million of senior unsecured notes outstanding. As of December 30, 2021, we had issued 232.4 million shares of our common stock for gross proceeds of $2.4 billion, including the shares purchased by affiliates and shares issued pursuant to the DRIP.

Our principal demands for funds in both the short-term and long-term are for portfolio investments, for the payment of operating expenses, distributions to our investors, repurchases under our share repurchase program, and for the payment of principal and interest on our outstanding indebtedness. We may also from time to time enter into other agreements with third parties whereby third parties will contribute to specific investment opportunities. Other potential future sources of capital include proceeds from secured or unsecured financings from banks or other lenders, proceeds from private offerings, proceeds from the sale of investments, and undistributed funds from operations. However, our ability to incur additional debt will be dependent on a number of factors, including our degree of leverage, the value of our unencumbered assets, and borrowing restrictions that may be imposed by lenders.

We intend to conduct annual tender offers pursuant to our share repurchase program. Our Board of Directors will consider the following factors, among others, in making its determination regarding whether to cause us to offer to repurchase shares and under what terms:

- the effect of such repurchases on our qualification as a RIC (including the consequences of any necessary asset sales);
- the liquidity of our assets (including fees and costs associated with disposing of assets);
- our investment plans and working capital requirements;
- the relative economies of scale with respect to our size;
- our history in repurchasing shares or portions thereof; and
- the condition of the securities markets.

We intend to conduct tender offers on an annual basis. We intend to continue to limit the number of shares to be repurchased in any calendar year to the lesser of (i) 10% of the weighted average number of shares outstanding in the prior calendar year or (ii) the number of shares of common stock the Company is able to repurchase with the proceeds received from the sale of shares of common stock under the DRIP during the relevant redemption period. In addition, in the event of a stockholder’s death or disability, any repurchases of shares made in connection with a stockholder’s death or disability may be included within the overall limitation imposed on tender offers during the relevant redemption period, which provides that we may limit the number of shares to be repurchased during any redemption period to the number of shares of common stock we are able to repurchase with the proceeds received from the sale of shares of common stock under the DRIP during such redemption period.

Distributions

The amount of each such distribution is subject to the discretion of the Board of Directors and applicable legal restrictions related to the payment of distributions. The Company calculates each stockholder’s specific distribution amount for the quarter using record and declaration dates. The distributions are payable by the fifth day following each record date.

The table below shows the components of the distributions we have declared and/or paid during the years ended December 31, 2022, 2021, and 2020 (dollars in thousands).

	For the years ended December 31,					
	2022		2021		2020	
Distributions declared	$	128,246	$	99,737	$	90,981
Distributions paid	$	124,207	$	91,978	$	85,990
Portion of distributions paid in cash	$	96,848	$	69,156	$	63,658
Portion of distributions paid in DRIP shares	$	27,359	$	22,822	$	22,332

As of December 31, 2022, we had $27.3 million of distributions accrued and unpaid. As of December 31, 2021, we had $23.3 million of distributions accrued and unpaid.

We may fund our cash distributions to stockholders from any sources of funds available to us, including offering proceeds, borrowings, net investment income from operations, capital gain proceeds from the sale of assets, and non-capital gain proceeds from the sale of assets. We have not established limits on the amount of funds we may use from available sources to make distributions. We may have distributions which could be characterized as a return of capital for tax purposes. During the years ended December 31, 2022, 2021, and 2020 no portion of our distributions was characterized as return of capital for tax purposes. The estimated tax characteristics of our quarterly distributions are reported in our periodic reports with the SEC made available to stockholders. The final tax characteristics of our distributions made in respect of our anticipated fiscal year ending December 31, 2022 will be reported after the end of the calendar year 2022 in our periodic reports with the SEC made available to stockholders. Stockholders should read any written disclosure accompanying a distribution payment carefully and should not assume that the source of any distribution is our ordinary income or gain. Moreover, you should understand that any such distributions were not based on our investment performance and can only be sustained if we achieve positive investment performance in future periods and/or our Adviser continues to make such reimbursements. There can be no assurance that we will achieve the performance necessary to sustain our distributions or that we will be able to pay distributions at all.

The following table sets forth the distributions declared during the years ended December 31, 2022, 2021, and 2020 (dollars in thousands):

	For the years ended December 31,					
	2022		2021		2020	
Distributions	$	128,246	$	99,737	$	90,981
Total distributions	$	128,246	$	99,737	$	90,981

Private Placement of Shares

On April 1, 2022, April 12, 2022 and May 13, 2022, we entered into stock purchase agreements with certain investors (collectively, the "Purchase Agreements") and associated subscription agreements (collectively, the "Subscription Agreements"), totaling $234.8 million, for the sale of our common stock at the net asset value of each drawdown date. Investors are required to make capital contributions to purchase our common stock each time we deliver a drawdown notice in an aggregate amount not to exceed their respective capital commitments. All purchases will generally be made subject to the terms and conditions set forth in the Purchase Agreements and Subscription Agreements, at a per-share price as determined by our Board, which price will be determined prior to the issuance of our common stock and in accordance with the limitations under Section 23 of the 1940 Act. As of December 31, 2022, we have called $198.4 million of capital commitments.

In connection with the Purchase Agreements, the Adviser has sold and will sell additional shares of the Company to such investors at a discounted price or contribute other consideration in connection with each drawdown. The Company is not obligated to reimburse the Adviser for the shares that were sold at a discounted price or the other consideration that was provided by the Adviser.

Taxation as a RIC

We have elected to be treated as a RIC under Subchapter M of the Code commencing with our tax year ended December 31, 2011 and intend to maintain our qualification as a RIC thereafter. As a RIC, we generally will not be subject to corporate-level U.S. federal income taxes on any income that we distribute as dividends for U.S. federal income tax purposes to our stockholders. To maintain our qualification as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements. In addition, in order to maintain RIC tax treatment, we must distribute to our stockholders, for each tax year, an amount equal to at least 90% of our “investment company taxable income,” which is generally our net ordinary income plus the excess, if any, of realized net short-term capital gain over realized net long-term capital loss and determined without regard to any deduction for dividends paid, or the annual distribution requirement. Even if we qualify as a RIC, we generally will be subject to corporate-level U.S. federal income tax on our undistributed taxable income and could be subject to state, local, and foreign taxes.

Additionally, in order to avoid the imposition of a U.S. federal excise tax, we are required to distribute, in respect of each calendar year, dividends to our stockholders of an amount at least equal to the sum of 98% of our calendar year net ordinary income (taking into account certain deferrals and elections); 98.2% of our capital gain net income (adjusted for certain ordinary losses) for the one year period ending on October 31 of such calendar year; and any net ordinary income and capital gain net income for preceding calendar years that were not distributed during such calendar years and on which we previously did not incur any U.S. federal income tax. If we fail to qualify as a RIC for any reason and become subject to corporate tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. Such a failure would have a material adverse effect on us and our stockholders. In addition, we could be required to recognize unrealized gains, incur substantial taxes and interest and make substantial distributions in order to re-qualify as a RIC. We cannot assure stockholders that they will receive any distributions.

Related Party Transactions and Agreements

Investment Advisory Agreement

We entered into an Investment Advisory Agreement as of February 1, 2019, under which the Adviser, subject to the overall supervision of our Board of Directors, manages the day-to-day operations of, and provides investment advisory services to us. The Adviser and its affiliates also provide investment advisory services to other funds that have investment mandates that are similar, in whole and in part, with ours. The Adviser and its affiliates serve as investment adviser or sub-adviser to private funds and registered open-end funds, and serves as an investment adviser to a public real estate investment trust. The Adviser’s policies are designed to manage and mitigate the conflicts of interest associated with the allocation of investment opportunities. In addition, any affiliated fund currently formed or formed in the future and managed by the Adviser or its affiliates may have overlapping investment objectives with our own and, accordingly, may invest in asset classes similar to those targeted by us. However, in certain instances due to regulatory, tax, investment, or other restrictions, certain investment opportunities may not be appropriate for either us or other funds managed by the Adviser or its affiliates. The Board renewed the Investment Advisory Agreement on January 30, 2023.

Administration Agreement

On November 1, 2016, we entered into the Administration Agreement with BSP, pursuant to which BSP provides us with office facilities and administrative services. The Administration Agreement may be terminated by either party without penalty upon not less than 60 days’ written notice to the other. For the years ended December 31, 2022, 2021, and 2020, the Company incurred $1.4 million, $1.6 million, and $2.0 million, respectively, in administrative service fees under the Administration Agreement.

Co-Investment Relief

The 1940 Act generally prohibits BDCs from entering into negotiated co-investments with affiliates absent an order from the SEC permitting the BDC to do so. The SEC staff has granted us exemptive relief that allows it to enter into certain negotiated co-investment transactions alongside other funds managed by the Adviser or its affiliates (“Affiliated Funds”) in a manner consistent with our investment objective, positions, policies, strategies, and restrictions as well as regulatory requirements and other pertinent factors, subject to compliance with certain conditions (the “Order”). Pursuant to the Order, we are permitted to co-invest with our affiliates if a “required majority” (as defined in Section 57(o) of the 1940 Act) of our eligible directors make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the transactions, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned, and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective and strategies.

Due To/From Affiliated Funds

As of December 31, 2022, there were no receivables from Affiliated Funds included within Prepaid and Other Assets on the Consolidated Statements of Assets and Liabilities. As of December 31, 2021, $2.6 million of receivables from Affiliated Funds are included within Prepaid and Other Assets on the Consolidated Statements of Assets and Liabilities.

Borrowings

We are only allowed to borrow money such that our asset coverage, which, as defined in the 1940 Act, measures the ratio of total assets less total liabilities not represented by senior securities to total borrowings, equals at least 200% after such borrowing, with certain limited exceptions. We are continually exploring additional forms of alternative debt financing which could include new or expanded credit facilities or the issuance of debt securities. We may use borrowed funds, known as "leverage," to make investments and to attempt to increase returns to our stockholders by reducing our overall cost of capital. We currently have credit facilities with Wells Fargo and JPM and have $460.0 million in aggregate principal of unsecured notes outstanding.

Wells Fargo Credit Facility

On August 28, 2020, the Company entered into a $300.0 million revolving credit facility with the Company, as collateral manager, Funding I, as borrower, the lenders party thereto, Wells Fargo, as administrative agent, and U.S. Bank, as collateral agent and collateral custodian (the "Wells Fargo Credit Facility").

The Wells Fargo Credit Facility provides for borrowings through August 28, 2023, and any amounts borrowed under the Wells Fargo Credit Facility will mature on August 28, 2025. Prior to the Second Amendment (defined below), the Wells Fargo Credit Facility was priced at three-month LIBOR, with a LIBOR floor of zero, plus a spread calculated based upon the composition of loans in the collateral pool, which will not exceed 2.75% per annum. Interest is payable quarterly in arrears. Funding I will be subject to a non-usage fee to the extent the commitments available under the Wells Fargo Credit Facility have not been borrowed. The non-usage fee per annum is 0.50% for the first 25% of the unused balance and up to 2.0% for the remaining unused balance. Funding I paid a structuring fee and incurred other customary costs and expenses in connection with the Wells Fargo Credit Facility. Pursuant to an amendment entered into on April 6, 2021, the commitment fee for any unused portion of the Wells Fargo Credit Facility was temporarily reduced until September 30, 2021 (the "First Amendment"). Additionally, pursuant to the First Amendment, the maximum spread was reduced from 2.75% to 2.50% as a result of this amendment. The other terms of the Wells Fargo Credit Facility were unchanged. Pursuant to an amendment entered into on May 27, 2022 (the "Second Amendment"), the benchmark rate was transitioned from LIBOR to SOFR. After the Second Amendment, the Wells Fargo Credit Facility is priced at Daily Simple SOFR, with a Daily Simple SOFR floor of zero, plus a spread calculated based upon the composition of loans in the collateral pool, which will not exceed 2.60% per annum.

Funding I's obligations under the Wells Fargo Credit Facility are secured by a first priority security interest in substantially all of the assets of Funding I, including its portfolio of investments and the Company's equity interest in Funding I. The obligations of Funding I under the Wells Fargo Credit Facility are non-recourse to the Company.

In connection with the Wells Fargo Credit Facility, the Company and Funding I have made certain representations and warranties and are required to comply with various covenants and other customary requirements. The Wells Fargo Credit Facility contains customary default provisions pursuant to which the administrative agent and the lenders under the Wells Fargo Credit Facility may terminate the Company in its capacity as collateral manager/portfolio manager under the Wells Fargo Credit Facility. Upon the occurrence of an event of default under the Wells Fargo Credit Facility, the administrative agent or the lenders may declare the outstanding advances and all other obligations under the Wells Fargo Credit Facility immediately due and payable.

JPM Credit Facility

On August 28, 2020, the Company, through a wholly-owned, consolidated special purpose financing subsidiary, 57th Street, entered into a $300.0 million revolving credit facility with JPMorgan Chase Bank, Nation Association, as administrative agent ("JPM"), and U.S. Bank, as collateral agent, collateral administrator and securities intermediary (the "JPM Credit Facility").

The JPM Credit Facility provides for borrowings through August 28, 2023, and any amounts borrowed under the JPM Credit Facility will mature on August 28, 2023 unless the administrative agent exercises its option to extend the maturity date to August 28, 2024. The JPM Credit Facility is priced at three-month LIBOR, with a LIBOR floor of zero, plus a spread of 2.75% per annum. Interest is payable quarterly in arrears. 57th Street will be subject to a non-usage fee to the extent the commitments available under the JPM Credit Facility have not been borrowed. The non-usage fee per annum is 0.50% for the first 20% of the unused balance and up to 2.75% for the remaining unused balance until August 28, 2021, when the non-usage fee per annum is 0.75% for the first 20% of the unused balance and up to 2.75% for the remaining unused balance. 57th Street paid a structuring fee and incurred other customary costs and expenses in connection with the JPM Credit Facility. On January 21, 2021, the Company entered into an amendment (the "JPM Amendment") to the JPM Credit Facility. The JPM Amendment, among other things, increases the amount that the Company is permitted to borrow under the JPM Credit Agreement from $300.0 million to $400.0 million. On April 12, 2021, the Company, through 57th Street, amended and restated the JPM Credit Facility. The amendment and restatement temporarily reduced the previous minimum funding amount until October 13, 2021. The other material terms of the JPM Credit Facility were unchanged.

On December 9, 2022, the Company entered into an amendment (the "JPM 2022 Amendment") to the JPM Credit Facility. The JPM 2022 Amendment, among other things, (1) extends the maturity date of the JPM Credit Facility to August 28, 2024, (2) extends the maturity date, upon the exercise of the Extension Options (as defined in the JPM Credit Facility), of the JPM Credit Facility to August 28, 2025, and (3) changes the benchmark rate and applicable margin for advances under the JPM Credit Facility to three-month Term SOFR plus 3.00% (subject to further increases consistent with the terms of the JPM Credit Facility).

57th Street's obligations under the JPM Credit Facility are secured by a first priority security interest in substantially all of the assets of 57th Street, including its portfolio of investments and the Company's equity interest in 57th Street. The obligations of 57th Street under the JPM Credit Facility are non-recourse to the Company.

In connection with the JPM Credit Facility, the Company and 57th Street have made certain representations and warranties and are required to comply with various covenants and other customary requirements. The JPM Credit Facility contains customary default provisions pursuant to which the administrative agent and the lenders under the JPM Credit Facility may terminate the Company in its capacity as collateral manager/portfolio manager under the JPM Credit Facility. Upon the occurrence of an event of default under the JPM Credit Facility, the administrative agent or the lenders may declare the outstanding advances and all other obligations under the JPM Credit Facility immediately due and payable.

JPM Revolver Facility

On June 10, 2022, the Company entered into a $495.0 million revolving credit facility with JPMorgan Chase Bank, as administrative agent and as collateral agent, MUFG Union Bank, N.A., Sumitomo Mitsui Banking Corporation, and Wells Fargo Bank, National Association as syndication agents, as well as other Lender parties (the "JPM Revolver Facility").

The JPM Revolver Facility provides for borrowings through June 10, 2026, and any amounts borrowed under the JPM Revolver Facility will mature on June 10, 2027. The JPM Revolver Facility is priced at three-month Term SOFR, plus a spread calculated based upon the composition of loans in the collateral pool, which will not exceed 1.98% per annum. Interest is payable quarterly in arrears. The Company will be subject to a non-usage fee of 0.38% to the extent the commitments available under the JPM Revolver Facility have not been borrowed. The Company paid a structuring fee and incurred other customary costs and expenses in connection with the JPM Revolver Facility.

In connection with the JPM Revolver Facility, the Company has made certain customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. The JPM Revolver Facility contains customary events of default for similar financing transactions. Upon the occurrence and during the continuation of an event of default, JPMorgan Chase Bank, N.A. may declare the outstanding advances and all other obligations under the JPM Revolver Facility immediately due and payable.

Citi Credit Facility

On June 27, 2014, the Company, through a wholly-owned, special purpose financing subsidiary, CB Funding, entered into a credit facility (as amended from time to time, the “Citi Credit Facility”) with Citibank, N.A. ("Citi") as administrative agent and U.S. Bank as collateral agent, account bank, and collateral custodian. From January 1, 2020 to January 20, 2021, the Citi Credit Facility provided for borrowings in an aggregate principal amount of up to $400.0 million on a committed basis, with a reinvestment period ending on May 31, 2021 and maturity date of May 31, 2022. On January 20, 2021, SLF, the Company's joint venture with CCLF entered into an amendment to the Citi Credit Facility (the “Citi Credit Agreement”). The amendment, among other things, (i) replaces the Company with SLF as the collateral manager under the Citi Credit Agreement, (ii) extends the end of the reinvestment period from May 31, 2021 to May 31, 2023 and (iii) extends the final maturity date from May 31, 2022 to May 31, 2024. As a result of this amendment to the Citi Credit Facility, the Company incurred a realized loss on extinguishment of debt of $1.3 million. In connection with the Citi Credit Facility, CB Funding has made certain representations and warranties, is required to comply with various covenants, reporting requirements, and other customary requirements for similar facilities and is subject to certain customary events of default. Upon the occurrence and during the continuation of an event of default, Citi may declare the outstanding advances and all other obligations under the Citi Credit Facility immediately due and payable. During the continuation of an event of default, CB Funding must pay interest at a default rate.

The Citi Credit Facility contains customary default provisions for facilities of this type pursuant to which Citi may terminate the rights, obligations, power, and authority of the Company, in its capacity as servicer of the portfolio assets under the Citi Credit Facility, including, but not limited to, non-performance of Citi Credit Facility obligations, insolvency, defaults of certain financial covenants, and other events with respect to the Company that may be adverse to Citi and the secured parties under the Citi Credit Facility.

The Citi Credit Facility is priced at three-month LIBOR plus a spread of 1.60% per annum through and including the last day of the investment period and 2.00% per annum thereafter. Interest is payable quarterly in arrears. CB Funding is subject to a non-usage fee to the extent the aggregate principal amount available under the Citi Credit Facility has not been borrowed. The non-usage fee per annum is 0.50%. Any amounts borrowed under the Citi Credit Facility along with any accrued and unpaid interest thereunder will mature, and will be due and payable, in three years.

MassMutual Credit Facility

On July 7, 2020, the Company and a wholly-owned, special purpose financing subsidiary of the Company, BDCA Asset Financing, LLC (“BDCA Asset Financing”), entered into a loan and servicing agreement (the “MassMutual Credit Facility”) with Massachusetts Mutual Life Insurance Company (“MassMutual”) as facility servicer and a lender and U.S. Bank National Association as collateral custodian, collateral administrator and administrative agent. The MassMutual Credit Facility provides for borrowings of up to $100.0 million on a committed basis, and, subject to satisfaction of certain conditions, contains an accordion feature whereby the Mass Mutual Credit Facility can be expanded to $150.0 million.

BDCA Asset Financing’s obligations under the MassMutual Credit Facility are secured by a first priority security interest in substantially all of the assets of BDCA Asset Financing, including its portfolio of investments and the Company’s equity interest in BDCA Asset Financing. The obligations of BDCA Asset Financing under the MassMutual Credit Facility are non-recourse to the Company.

The MassMutual Credit Facility provides for borrowings through December 31, 2021 and matures on December 31, 2025. The MassMutual Credit Facility is priced at three-month LIBOR, with a LIBOR floor of 0.75%, plus a spread of 5.0% per annum. Interest is payable quarterly in arrears. BDCA Asset Financing will be subject to a non-usage fee of 0.50% to the extent the aggregate principal amount available under the MassMutual Credit Facility has not been borrowed. BDCA Asset Financing paid a structuring fee and incurred other customary costs and expenses in connection with the MassMutual Credit Facility.

In connection with the MassMutual Credit Facility, the Company and BDCA Asset Financing have made certain representations and warranties and are required to comply with various covenants and other customary requirements. The MassMutual Credit Facility contains customary default provisions pursuant to which MassMutual may terminate the Company in its capacity as portfolio asset servicer of the portfolio assets under the MassMutual Credit Facility. Upon the occurrence of an event of default, MassMutual may declare the outstanding advances and all other obligations under the MassMutual Credit Facility immediately due and payable.

Effective February 18, 2022, the Company terminated the Mass Mutual Credit Facility. As a result of this termination, the Company incurred a realized loss on extinguishment of debt of $1.8 million.

2022 Notes

On December 14, 2017, the Company entered into a Purchase Agreement relating to the Company's sale of $150.0 million aggregate principal amount of its 4.75% fixed rate notes due December 30, 2022 (the "2022 Notes"). The 2022 Notes are subject to customary indemnification provisions and representations, warranties, and covenants. The net proceeds from the sale of the 2022 Notes were approximately $147.0 million. The 2022 Notes bear interest at a rate of 4.75% per year payable semi-annually. On December 30, 2022, the Company paid off the 2022 Notes.

2023 Notes

On May 11, 2018, the Company entered into a Purchase Agreement relating to the Company's sale of $60.0 million aggregate principal amount of its 5.38% fixed rate notes due May 30, 2023 (the "2023 Notes"). The 2023 Notes are subject to customary indemnification provisions and representations, warranties, and covenants. The net proceeds from the sale of the 2023 Notes were approximately $58.7 million. The 2023 Notes bear interest at a rate of 5.375% per year payable semi-annually.

2024 Notes

On December 3, 2019, the Company entered into a Purchase Agreement relating to the Company's sale of $100.0 million aggregate principal amount of its 4.85% fixed rate notes due December 15, 2024 (the "2024 Notes"). The 2024 Notes are subject to customary indemnification provisions and representations, warranties, and covenants. The net proceeds from the sale of the 2024 Notes were approximately $98.4 million. The 2024 Notes bear interest at a rate of 4.85% per year payable semi-annually.

2026 Notes

On March 24, 2021, the Company entered into a Purchase Agreement relating to the Company's sale of $300.0 million aggregate principal amount of its 3.25% fixed rate notes due March 30, 2026 (the "Restricted 2026 Notes"). The net proceeds from the sale of the Restricted 2026 Notes were approximately $296.0 million. Pursuant to a Registration Statement on Form N-14 (File No. 333-257321), on September 22, 2021, the Company closed an exchange offer in which holders of the Restricted 2026 Notes were offered the opportunity to exchange their Restricted 2026 Notes for new registered notes with substantially identical terms (the "Unrestricted 2026 Notes" and, together with the Restricted 2026 Notes, the 2026 Notes), through which holders representing 99.88% of the outstanding principal of the then Restricted 2026 Notes obtained Unrestricted 2026 Notes. The 2026 Notes are subject to customary indemnification provisions and representations, warranties and covenants. The 2026 Notes bear interest at a rate of 3.25% per year payable semi-annually.

See Note 5 to our consolidated financial statements contained in this Annual Report on Form 10-K for a more detailed discussion of our borrowings.

Contractual Obligations

The following table shows our payment obligations for repayment of debt and other contractual obligations as of December 31, 2022 (dollars in thousands):

		Payment Due by Period			
	Total	Less than 1 year	1 - 3 years	3- 5 years	More than 5 years
Wells Fargo Credit Facility [1]	$ 225,000	$ —	$ 225,000	$ —	$ —
JPM Credit Facility [2]	320,000	—	320,000	—	—
JPM Revolver Facility [3]	231,876	—	—	231,876	—
2026 Notes [4]	297,469	—	—	297,469	—
2024 Notes [5]	99,534	—	99,534	—	—
2023 Notes [6]	59,973	59,973	—	—	—
Total contractual obligations	$ 1,233,852	$ 59,973	$ 644,534	$ 529,345	$ —

(1) As of December 31, 2022, we had $75.0 million of unused borrowing capacity under the Wells Fargo Credit Facility, subject to borrowing base limits.

(2) As of December 31, 2022, we had $80.0 million of unused borrowing capacity under the JPM Credit Facility, subject to borrowing base limits.

(3) As of December 31, 2022, we had $263.1 million of unused borrowing capacity under the JPM Revolver Facility, subject to borrowing base limits.

(4) As of December 31, 2022, we had no unused borrowing capacity under the 2026 Notes.

[5] As of December 31, 2022, we had no unused borrowing capacity under the 2024 Notes.

[6] As of December 31, 2022, we had no unused borrowing capacity under the 2023 Notes.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Commitments

In the ordinary course of business, we may enter into future funding commitments. As of December 31, 2022, the Company had unfunded commitments on delayed draw term loans of $128.8 million, unfunded commitments on revolver term loans of $121.4 million, unfunded equity capital discretionary commitments of $11.1 million, and unfunded commitments on term loans of $0.4 million. As of December 31, 2021, the Company had unfunded commitments on delayed draw term loans of $163.6 million, unfunded commitments on revolver term loans of $102.9 million, unfunded equity capital discretionary commitments of $11.1 million, and unfunded commitments on term loans of $0.8 million. Please refer to Note 7 - Commitments and Contingencies for further detail of these unfunded commitments. We maintain sufficient cash on hand and available borrowing capacity to fund such unfunded commitments.

Significant Accounting Estimates and Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

While our significant accounting policies are more fully described in Note 2 - Summary of Significant Accounting Policies appearing elsewhere in this report, we believe the following accounting policies require the most significant judgment in the preparation of our consolidated financial statements.

Valuation of Portfolio Investments

Portfolio investments are reported on the consolidated statements of assets and liabilities at fair value. The Board of Directors (the "Board of Directors") has delegated to the Adviser as valuation designee (the "Valuation Designee") the responsibility of determining the fair value of the Company's investment portfolio, subject to oversight of the Board of Directors, pursuant to Rule 2a-5 under the 1940 Act. As such, our Valuation Designee is charged with determining the fair value of the Company's investment portfolio, subject to oversight of the Board of Directors. On a quarterly basis we perform an analysis of each investment to determine fair value as follows:

Securities for which market quotations are readily available on an exchange are valued at the reported closing price on the valuation date. We may also obtain quotes with respect to certain of our investments from pricing services or brokers or dealers in order to value assets. When doing so, we determine whether the quote obtained is readily available according to U.S. GAAP to determine the fair value of the security. If determined readily available, we use the quote obtained.

Investments without a readily determined market value are primarily valued using a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in fair value pricing our investments include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, and enterprise values, among other factors. When available, broker quotations and/or quotations provided by pricing services are considered as an input in the valuation process.

For an investment in an investment fund that does not have a readily determinable fair value, we measure the fair value of the investment predominately based on the net asset value per share of the investment fund if the net asset value of the investment fund is calculated in a manner consistent with the measurement principles of ASC 946, as of our measurement date.

For investments in Collateralized Securities, both the assets and liabilities of each Collateralized Securities' capital structure are modeled. The model uses a waterfall engine to store the collateral data, generate collateral cash flows from the assets and distribute the cash flows to the liability structure based on the contractual priority of payments. The waterfall cash flows are discounted using rates that incorporate risk factors such as default risk, interest rate risk, downgrade risk, and credit spread risk, among others. In addition, broker quotations and/or comparable trade activity is considered as an input to determining fair value when available.

As part of our quarterly valuation process our Valuation Designee may be assisted by one or more independent valuation firms, whom we've engaged. Our Valuation Designee, under the supervision of the Board of Directors, determines the fair value of each investment, in good faith, based on the input of the independent valuation firm(s) (to the extent applicable) and our Valuation Designee's own analysis.

With respect to investments for which market quotations are not readily available, our Valuation Designee undertakes a multi-step valuation process each quarter, as described below:

- Each portfolio company or investment will be valued by our Valuation Designee, with assistance from one or more independent valuation firms engaged by our Board of Directors;
- The independent valuation firm(s), if involved, will conduct independent appraisals and make an independent assessment of the value of each investment; and
- Our Valuation Designee, under the supervision of the Board of Directors, determines the fair value of each investment, in good faith, based on the input of independent valuation firms (to the extent applicable) and our Valuation Designee's own analysis. Our Valuation Designee also has established a Valuation Committee to assist our Valuation Designee in carrying out its designated responsibilities that the Board has designated to the Adviser as Valuation Designee, subject to oversight of the Board.

Because there is not a readily available market value for most of the investments in its portfolio, we value substantially all of our portfolio investments at fair value as determined in good faith by our Board of Directors, as described herein. 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. Additionally, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that we may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than the value at which we have recorded it.

Revenue Recognition

Interest Income

Investment transactions are accounted for on the trade date. Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis. Discount and premium on investments purchased are accreted/amortized over the expected life of the respective investment using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion of discount and amortization of premium on investments.

The Company has a number of investments in Collateralized Securities. Interest income from investments in the “equity” class of these Collateralized Securities (in the Company's case, preferred shares, or subordinated notes) is recorded based upon an estimation of an effective yield to expected maturity utilizing assumed cash flows in accordance with ASC 325-40-35, Beneficial Interests in Securitized Financial Assets ("ASC 325-40-35"). The Company monitors the expected cash inflows from its equity investments in Collateralized Securities, including the expected principal repayments. The effective yield is determined and updated quarterly. In accordance with ASC 325-40, investments in CLOs are periodically assessed for other-than-temporary impairment ("OTTI"). When the Company determines that a CLO has OTTI, the amortized cost basis of the CLO is written down as of the date of the determination based on events and information evaluated and that write-down is recognized as a realized loss.

Dividend Income

Dividend income on preferred equity investments is recorded on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity investments is recorded on the record date for private portfolio companies and on the ex-dividend date for publicly traded portfolio companies.

Dividend income from SLF is recorded on accrual basis once dividends are declared by SLF's board of directors. Distributions from SLF are evaluated at the time of distribution to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions as dividend income unless there are sufficient accumulated tax-basis earnings and profit in SLF prior to distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

Fee Income

Fee income, such as structuring fees, origination, closing, amendment fees, commitment, and other upfront fees are generally non-recurring and are recognized as revenue when earned, either upfront or amortized into income. Upon the payment of a loan or debt security, any prepayment penalties and unamortized loan origination, structuring, closing, commitment, and other upfront fees are recorded as income.

Payment-in-Kind Interest/Dividends

We may hold debt and equity investments in our portfolio that contain PIK interest and dividend provisions. PIK interest and PIK dividend, which represent contractually deferred interest or dividends that add to the investment balance that is generally due at maturity, are recorded on accrual basis to the extent such amounts are expected to be collected.

Non-accrual Income

Investments are placed on non-accrual status when principal or interest/dividend payments are past due and/or when there is reasonable doubt that principal or interest will be collected. Accrued cash and un-capitalized PIK interest is generally reversed when an investment is placed on non-accrual status. Previously capitalized PIK interest is not reversed when an investment is placed on non-accrual status. Interest payments received on non-accrual investments may be recognized as income or applied to principal depending upon management's judgment of the ultimate outcome. Non-accrual investments are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current.

Net Realized Gain or Loss and Net Change in Unrealized Appreciation or Depreciation

Gain or loss on the sale of investments is calculated using the specific identification method. We measure realized gain or loss by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Net change in unrealized appreciation or depreciation will reflect the change in portfolio investment values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when a gain or loss is realized.

See Note 2 - Summary of Significant Accounting Policies to the consolidated financial statements for a description of other accounting policies and recently issued accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

The market risk associated with financial instruments and derivative financial instruments is the risk of loss from adverse changes in market prices or interest rates. Our market risk arises primarily from interest rate risk relating to interest rate fluctuations. Many factors including governmental monetary and tax policies, domestic and international economic and political considerations, and other factors that are beyond our control contribute to interest rate risk. To meet our short and long-term liquidity requirements, we borrow funds at a combination of fixed and variable rates. Our interest rate risk management objectives are to limit the impact of interest rate changes in earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, from time to time, we may enter into interest rate hedge contracts such as swaps, collars, and treasury lock agreements, subject to the requirements of the 1940 Act, in order to mitigate our interest rate risk with respect to various debt instruments. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in benefits of lower interest rates with respect to our portfolio of investments with fixed interest rates. During the periods covered by this report, we did not engage in interest rate hedging activities. We would not hold or issue these derivative contracts for trading or speculative purposes.

As of December 31, 2022, our debt included variable-rate debt, bearing a weighted average interest rate of LIBOR or SOFR plus 2.57% and fixed rate debt, bearing a weighted average interest rate of 3.88% with a total carrying value (net of deferred financing costs) of $1,224.2 million. The following table quantifies the potential changes in interest income net of interest expense should base interest rates increase or decrease by the amounts below assuming that our current consolidated statement of assets and liabilities was to remain constant and no actions were taken to alter our existing interest rate sensitivity. Interest rate floors, if applicable, are not reflected in the sensitivity analysis below.

Change in Base Interest Rates		**Estimated Change in Interest Income net of Interest Expense (in thousands)**
(-) 477 Basis Points	$	(69,340)
(-) 200 Basis Points	$	(29,090)
(-) 100 Basis Points	$	(14,545)
(-) 50 Basis Points	$	(7,272)
(+) 50 Basis Points	$	7,272
(+) 100 Basis Points	$	14,545
(+) 200 Basis Points	$	29,090

Because we may borrow money to make investments, our net investment income may be dependent on the difference between the rate at which we borrow funds and the rate at which we invest these funds. In periods of increasing interest rates, our cost of funds would increase, which may reduce our net investment income. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income.

Valuation Risk

We have invested, and plan to continue to invest, primarily in illiquid debt and equity securities of private companies. Most of our investments will not have a readily available market price, and our Adviser, as our Valuation Designee under Rule 2a-5, values these investments at fair value as determined in good faith subject to the oversight of our Board, based on, among other things, the input of the Adviser and independent third-party valuation firms, in accordance with our valuation policy. There is no single standard for determining fair value. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we make. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we may realize amounts that are different from the amounts presented.

Inflation and Supply Chain Risk

Economic activity has continued to accelerate across sectors and regions. Nevertheless, due to global supply chain issues, geopolitical events, a rise in energy prices and strong consumer demand as economies continue to reopen, inflation is showing signs of acceleration in the U.S. and globally. Inflation is likely to continue in the near to medium-term, particularly in the U.S., with the possibility that monetary policy may tighten in response. Persistent inflationary pressures could affect our portfolio companies' profit margins.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements are annexed to this Annual Report beginning on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

In accordance with Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this Annual Report on Form 10-K. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were (a) designed to ensure that the information we are required to disclose in our reports under the Exchange Act is recorded, processed, and reported in an accurate manner and on a timely basis and the information that we are required to disclose in our Exchange Act reports is accumulated and communicated to management to permit timely decisions with respect to required disclosure and (b) operating in an effective manner.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by our Board of Directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP.

Our internal control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and our dispositions of assets;

2. Provide reasonable assurance that our transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and Board of Directors; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation and presentation and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of our Form 10-K, our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2022. In making that assessment, management used the criteria based on the framework set forth in Internal Control-Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on its assessment, our management concluded that, as of December 31, 2022, our internal control over financial reporting was effective.

The rules of the SEC do not require, and this Annual Report does not include, an attestation report of our independent registered public accounting firm regarding internal control over financial reporting.

Change in Internal Control Over Financial Reporting

No change occurred in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) during the year ended December 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 10 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days following the end of our fiscal year.

We have adopted a Code of Business Conduct and Ethics which contains a Statement on the Prohibition of Insider Trading that applies to directors, officers, and employees. The Code of Business Conduct and Ethics is available on our website at http://www.fblendingcorp.com. We will report any amendments to or waivers of a required provision of the Code of Business Conduct and Ethics on our website or in a Form 8-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days following the end of our fiscal year.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days following the end of our fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days following the end of our fiscal year.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2023 Annual Meeting of Stockholders to be filed with the SEC within 120 days following the end of our fiscal year.

PART IV

ITEM 15. EXHIBITS AND CONSOLIDATED FINANCIAL STATEMENT SCHEDULES

The following exhibits are included, or incorporated by reference, in this Annual Report on Form 10-K for the year ended December 31, 2022 (and are numbered in accordance with Item 601 of Regulation S-K).

a. Consolidated Financial Statements

See the Index to the Consolidated Financial Statements at page F-1 of this report.

b. Exhibits

Exhibit No.	Description
3.1	Third Articles of Amendment and Restatement of the Registrant (previously filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 filed on August 10, 2017 and herein incorporated by reference).
3.2	Bylaws (previously filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 filed on August 10, 2017 and herein incorporated by reference).
4.1	Indenture, dated as of December 19, 2017 by and between the Company and U.S. Bank National Association, trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 19, 2017 and herein incorporated by reference).
4.2	Supplemental Indenture, dated as of December 19, 2017, relating to the 4.75% Notes due 2022, by and between the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on December 19, 2017 and herein incorporated by reference).
4.3	Form of 4.75% Note due 2022 sold in reliance on Rule 144A of the Securities Act. (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on December 19, 2017 and herein incorporated by reference).
4.4	Form of 4.75% Note due 2022 sold in reliance on Rule 501(a)(1), (2), (3) or (7) under the Securities Act. (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on December 19, 2017 and herein incorporated by reference).

Exhibit No.	Description
4.5	Purchase Agreement, dated as of December 14, 2017, relating to the 4.75% Notes due 2022, by and between the Company, BDCA Adviser, LLC and Sandler O'Neill & Partners, L.P. filed as Exhibit 4.5 to the Company's Current Report on Form 8-K filed on December 19, 2017 and herein incorporated by reference).
4.6	Second Supplemental Indenture, dated as of May 16, 2018, relating to the 5.375% Notes due 2023, by and between the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on May 16, 2018 and herein incorporated by reference).
4.7	Form of 5.375% Note due 2023 sold in reliance on Rule 144A of the Securities Act. (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on May 16, 2018 and herein incorporated by reference).
4.8	Form of 5.375% Note due 2023 sold in reliance on Rule 501(a)(1), (2), (3) or (7) under the Securities Act. (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on May 16, 2018 and herein incorporated by reference).
4.9	Purchase Agreement, dated as of May 11, 2018 relating to the 5.375% Notes due 2023, by and between the Company, BDCA Adviser, LLC and Sandler O'Neill & Partners, L.P (filed as Exhibit 4.5 to the Company's Current Report on Form 8-K filed on May 16, 2018 and herein incorporated by reference).
4.10	Form of 4.85% Note due 2024 sold in reliance on Rule 144A of the Securities Act. (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on December 5, 2019 and herein incorporated by reference).
4.11	Form of 4.85% Note due 2024 sold in reliance on Rule 501(a)(1), (2), (3) or (7) under the Securities Act. (filed as Exhibit 4.3 to the Company's Current Report on Form 8-K filed on December 5, 2019 and herein incorporated by reference).
4.12	Purchase Agreement, dated as of December 3, 2019 relating to the 4.85% Notes due 2024, by and between the Company, BDCA Adviser, LLC and Sandler O'Neill & Partners, L.P (filed as Exhibit 4.5 to the Company's Current Report on Form 8-K filed on December 5, 2019 and herein incorporated by reference).
4.13	Third Supplemental Indenture, dated as of December 5, 2019, relating to the 4.85% Notes due 2024, by and between the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on December 5, 2019 and herein incorporated by reference).
4.14	Description of Our Securities (filed as Exhibit 4.14 to the Company's Annual Report on Form 10-K filed on March 20, 2020 and herein incorporated by reference).
4.15	Indenture, dated as of March 29, 2021, by and between the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 30, 2021 and herein incorporated by reference).
4.16	First Supplemental Indenture, dated as of March 29, 2021, by and between the Company and U.S. Bank National Association, as trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on March 30, 2021 and herein incorporated by reference).
4.17	Form of 3.250% Notes due 2026 sold in reliance on 144A of the Securities Act (filed as Exhibit 4.3 to the Company's Current Report on Form 8-K filed on March 30, 2021 and herein incorporated by reference).
4.18	Registration Rights Agreement, dated as of March 29, 2021, by and between the Company, J.P. Morgan Securities LLC and Wells Fargo Securities, LLC, as the representative of the Initial Purchasers (filed as Exhibit 4.4 to the Company's Current Report on Form 8-K filed on March 30, 2021 and herein incorporated by reference).
10.1	Investment Advisory and Management Services Agreement dated as of February 1, 2019 by and between the Company and the Adviser (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 1, 2019 and herein incorporated by reference).
10.2	Investment Advisory and Management Services Agreement dated November 1, 2016 by and between the Company and the Adviser (previously filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on November 2, 2016 and herein incorporated by reference).
10.3	Administration Agreement dated November 1, 2016 by and between the Company and Benefit Street Partners L.L.C. (previously filed as Exhibit 99.2 to the Company's Current Report on Form 8-K filed on November 2, 2016 and herein incorporated by reference.
10.4	Amended and Restated Fund Administration Servicing Agreement by and between the Company and U.S. Bancorp Fund Services, LLC (previously filed as Exhibit 10.1 to the Company's Current Report filed on April 17, 2015 and herein incorporated by reference).

Exhibit No.	Description
10.5	Amended and Restated Fund Accounting Servicing Agreement by and between the Company and U.S. Bancorp Fund Services, LLC (previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 17, 2015 and herein incorporated by reference).
10.6	Distribution Reinvestment Plan (previously filed as Exhibit E to the Company's Pre-Effective Amendment No. 1 to its Registration Statement on Form N-21A (file no. 333-166636) (The "Prior Registration Statement) filed on November 24, 2010 and herein incorporated by reference).
10.7	Custody Agreement dated August 13, 2012 by and between the Company and U.S. Bank National Association (previously filed as Exhibit 10.11 to the Company's Current Report on Form 8-K filed on August 17, 2012 and herein incorporated by reference).
10.8	Loan and Servicing Agreement, together with Exhibits thereto, among BDCA Funding I, LLC, the Company, Wells Fargo Securities, LLC, Wells Fargo Bank, National Association, Lenders and Lenders Agents from time to time party hereto and U.S. Bank National Association, each dated as of July 24, 2012 (previously filed as Exhibit 10.15 to the Company's Current Report on Form 8-K filed on August 7, 2012 and herein incorporated by reference).
10.9	Purchase and Sale Agreement by and between the Company and BDCA Funding I, LLC, dated as of July 24, 2012 (previously filed as Exhibit 10.16 to the Company's Current Report on Form 8-K filed on August 7, 2012 and herein incorporated by reference).
10.10	Collection Account Agreement by and among U.S. Bank National Association, Wells Fargo Securities, LLC, BDCA Funding I, LLC and the Company, dated as of July 24, 2012 (previously filed as Exhibit 10.17 to the Company's Current Report on Form 8-K filed on August 7, 2012 and herein incorporated by reference).
10.11	Credit and Security Agreement, dated as of June 27, 2014, by and between BDCA-CB Funding LLC, the financial institutions and other lenders from time to time party thereto, Citibank, N.A., as administrative agent, U.S. Bank National Association, as collateral agent and custodian, and Business Development Corporation of America, as collateral manager (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 2, 2014 and herein incorporated by reference).
10.12	Account Control Agreement, dated as of June 27, 2014, by and between BDCA-CB Funding, LLC, as pledger, U.S. Bank National Association as collateral agent and securities intermediary(previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on July 2, 2014 and herein incorporated by reference).
10.13	Collateral Administration Agreement, dated as of June 27, 2014, between BDCA-CB Funding, LLC, as borrower, Business Development Corporation of America, as collateral manager, Citibank, N.A., as administrative agent, and U.S. Bank National Association, as collateral administrator (previously filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on July 2, 2014 and herein incorporated by reference).
10.14	Sale and Contribution Agreement, dated as of June 27, 2014, between Business Development Corporation of America, as seller, and BDCA-CB Funding, LLC, as purchaser (previously filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed on July 2, 2014 and herein incorporated by reference).
10.15	Form of Indemnification Agreement (previously filed as exhibit 10.40 to the Company's Annual Report on Form 10-K for the year ended December 31, 2015 filed on May 4, 2015 and herein incorporated by reference).
10.16	Asset Purchase Agreement, dated April 3, 2018, by and between Triangle Capital Corporation and BSP Asset Acquisition I, LLC (filed as Exhibit (k)(33) to the Company's Post-Effective Amendment No. 3 to its Registration Statement on Form N-2 (File No. 333-210619)).
10.17	Amendment No. 10 to Loan and Servicing Agreement, dated as of April 3, 2018 (as amended), by and among BDCA Funding I, LLC, the Company, Wells Fargo Securities, LLC and Wells Fargo Bank, National Association, and U.S. Bank National Association (filed as Exhibit (k)(34) to the Company's Post-Effective Amendment No. 3 to its Registration Statement on Form N-2 (File No. 333-210619)).
10.18	Amendment No. 11 to Loan and Servicing Agreement, dated as of May 9, 2018, by and among BDCA Funding I, LLC, the Company, Wells Fargo Securities, LLC and Wells Fargo Bank, National Association, and U.S. Bank National Association (filed as Exhibit 10.3 to the Company's Form 10-Q as filed on May 10, 2018).
10.19	Amendment No. 12 to Loan and Servicing Agreement, dated as of November 8, 2018, by and among BDCA Funding I, LLC, the Company, Wells Fargo Bank, National Association, each of the Lenders and Lender Agents party thereto and U.S. Bank National Association (filed as Exhibit 10.1 to the Company's Current Report on form 8-K on November 13, 2018 and herein incorporated by reference).

Exhibit No.	Description
10.20	Amendment No. 13 to Loan and Servicing Agreement, dated as of December 21, 2018, by and among BDCA Funding I, LLC, the Company, Wells Fargo Bank, National Association, each of the Lenders and Lender Agents party thereto and U.S. Bank National Association (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 26, 2018 and herein incorporated by reference).
10.21	Amendment No. 14 to Loan and Servicing Agreement, dated as of March 15, 2019, by and among BDCA Funding I, LLC, the Company, Wells Fargo Bank, National Association, each of the Lenders and Lender Agents party thereto and U.S. Bank National Association (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 20, 2019 and herein incorporated by reference).
10.22	Seventh Amendment to Credit and Security Agreement, dated as of June 27, 2019, among BDCA-CB Funding LLC, as borrower, the Lenders party thereto, Citibank, N.A., as administrative agent, and Business Development Corporation of America, as collateral manager (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 1, 2019 and herein incorporated by reference).
10.23	Loan and Servicing Agreement, dated as of July 7, 2020, by and among the Corporation, BDCA Asset Financing, LLC, Massachusetts Mutual Life Insurance Company and the other Lenders from time to time party thereto, U.S. Bank National Association, as the Administrative Agent, Massachusetts Mutual Life Insurance Company, as the Facility Servicer, the Corporation, as Portfolio Asset Servicer, and U.S. Bank National Association as the Collateral Custodian (previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 9, 2020 and herein incorporated by reference).
10.24	Master Participation Agreement, dated as of July 7, 2020, by and among the Corporation and BDCA Asset Financing, LLC (previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on July 9, 2020 and herein incorporated by reference).
10.25	Account Control Agreement, dated as of July 7, 2020, by and among BDCA Asset Financing, LLC, as borrower, U.S. Bank National Association and administrative agent, Massachusetts Mutual Life Insurance Company, as facility servicer and U.S. Bank National Association as securities intermediary (previously filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on July 9, 2020 and herein incorporated by reference)
10.26	Amendment No. 15 to Loan and Servicing Agreement, dated as of July 7, 2020, by and among BDCA Funding I, LLC, the Corporation, Wells Fargo Bank, National Association, each of the Lenders and Lender Agents party thereto and U.S. Bank National Association (previously filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed on July 9, 2020 and herein incorporated by reference).
10.27	Loan and Security Agreement, dated as of August 28, 2020, among BDCA 57th Street Funding, LLC, as Borrower, the Corporation, as Portfolio Manager, the Lenders party thereto, U.S. Bank National Association, as Collateral Agent, Collateral Administrator and Securities Intermediary, and JPMorgan Chase Bank, National Association, as Administrative Agent (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 3, 2020 and herein incorporated by reference).
10.28	Loan and Servicing Agreement, dated as of August 28, 2020, among BDCA Funding I, LLC, as the Borrower, the Corporation, as the Collateral Manager, each of the Lenders from time to time party thereto, Wells Fargo Bank, National Association, as the Administrative Agent, and U.S. Bank National Association, as the Collateral Agent and as the Collateral Custodian (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 3, 2020 and herein incorporated by reference).
10.29	Amendment No. 1 to Loan and Servicing Agreement, dated as of April 6, 2021, among BDCA Funding I, LLC, the Corporation, Wells Fargo Bank, National Association, each of the Lenders and Lender Agents party thereto and U.S. Bank National Association (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 8, 2021 and herein incorporated by reference).
10.30	Sale Agreement, dated as of August 28, 2020, between 57th Street Funding, LLC and the Corporation (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on September 3, 2020 and herein incorporated by reference).
10.31	Purchase and Sale Agreement, dated as of August 28, 2020, between the Corporation and BDCA Funding I, LLC (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed on September 3, 2020 and herein incorporated by reference).
10.32	Form of Purchase Agreement (filed as Exhibit 1.1 to the Company's Current Report on Form 8-K filed on April 7, 2022 and herein incorporated by reference).
10.33	Form of Subscription Agreement (filed as Exhibit 1.2 to the Company's Current Report on Form 8-K filed on April 7, 2022 and herein incorporated by reference).

Exhibit No.	Description
10.34	Amendment No. 2 to Loan and Servicing Agreement, dated as of May 27, 2022, among BDCA Funding I, LLC, the Company, Wells Fargo Bank, National Association, each of the Lenders and Lender Agents party thereto and U.S. Bank Trust Company, National Association (filed as Exhibit 10.3 to the Company's Current Report on Form 10-Q filed on August 12, 2022 and herein incorporated by reference).
10.35	Senior Secured Credit Agreement, dated as of June 10, 2022, among the Company, JPMorgan Chase Bank, N.A., as Administrative Agent, Wells Fargo Bank, National Association, Sumitomo Mitsui Banking Corporation, and MUFG Bank, Ltd. as syndication agents, and JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association, Sumitomo Mitsui Banking Corporation, and MUFG Bank, Ltd. as Joint Bookrunner and Joint Lead Arrangers (filed as Exhibit 10.4 to the Company's Current Report on Form 10-Q filed on August 12, 2022 and herein incorporated by reference).
10.36	First Amendment to the Amended and Restated Loan and Servicing Agreement, dated as of December 9, 2022, by and among FBLC 57th Street Funding LLC, JPMorgan Chase Bank, National Association, as lender, U.S. Bank National Association, as securities intermediary, and Franklin BSP Lending Corporation, as portfolio manager. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 14, 2022 and herein incorporated by reference).
14	Code of Ethics (previously filed as Exhibit 14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014, filed on May 4, 2015 and herein incorporated by reference).
21	Subsidiaries of the Registrant (filed herewith).
31.1	Certification of the Principal Executive Officer of the Company pursuant to Securities Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of the Principal Financial Officer of the Company pursuant to Securities Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32	Written statement of the Principal Executive Officer and Principal Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
99.1	Audited Consolidated Financial Statements of Siena Capital Finance, LLC and Subsidiaries for the Year Ended December 31, 2022 (filed herewith).
99.2	Unaudited Consolidated Financial Statements of Siena Capital Finance, LLC and Subsidiaries for the Year Ended December 31, 2021 (filed herewith).
99.3	Audited Consolidated Financial Statements of FBLC Senior Loan Fund, LLC and Subsidiaries for the Year Ended December 31, 2022 (filed herewith).
99.4	Audited Consolidated Financial Statements of FBLC Senior Loan Fund, LLC and Subsidiaries for the Year Ended December 31, 2021 (filed herewith).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document) (filed herewith).

ITEM 16. FORM 10-K SUMMARY

None.

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 this 15th day of March 2023.

FRANKLIN BSP LENDING CORPORATION
By:
/s/ Richard J. Byrne
Name: Richard J. Byrne
Title: Chief Executive Officer, President, and Chairman of the Board of Directors

* * * * *

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Richard J. Byrne Richard J. Byrne	Chief Executive Officer, President, and Chairman of the Board of Directors (Principal Executive Officer)	March 15, 2023
/s/ Nina Kang Baryski Nina Kang Baryski	Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	March 15, 2023
/s/ Lee S. Hillman Lee S. Hillman	Independent Director	March 15, 2023
/s/ Ronald J. Kramer Ronald J. Kramer	Independent Director	March 15, 2023
/s/ Leslie D. Michelson Leslie D. Michelson	Independent Director	March 15, 2023
/s/ Edward G. Rendell Edward G. Rendell	Independent Director	March 15, 2023
/s/ Dennis M. Schaney Dennis M. Schaney	Independent Director	March 15, 2023

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. In connection with the preparation of our annual consolidated financial statements, management has conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework set forth in Internal Control-Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Management's assessment included an evaluation of the design of our internal control over financial reporting. Based on this evaluation, we have concluded that, as of December 31, 2022, our internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Franklin BSP Lending Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities of Franklin BSP Lending Corporation (the "Company"), including the consolidated schedules of investments, as of December 31, 2022 and 2021, the related consolidated statements of operations, changes in net assets, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations, changes in its net assets, and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of investments owned as of December 31, 2022 and 2021, by correspondence with the custodian, brokers or the underlying investee; when replies were not received from brokers, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Valuation of investments using significant unobservable inputs and assumptions

Description of the Matter	At December 31, 2022, the fair value of the Company’s investments categorized as Level 3 of the fair value hierarchy (Level 3 investments) totaled $2,816,285,000. The Company determines the fair value of these investments by using the valuation approaches and techniques and significant unobservable inputs and assumptions described in Notes 2 and 3 to the consolidated financial statements. The valuation approaches primarily used by the Company are the income approach, the market approach, or both approaches, as appropriate, and the primary valuation techniques used are a discounted cash flow, a waterfall analysis or a yield analysis. The significant unobservable inputs include discount rates, market yields, revenue multiples, EBITDA multiples, tangible book value (TBV) multiples, asset recovery and tangible net asset value multiples. Auditing the fair value of the Company’s Level 3 investments was complex and, at times, required the involvement of our valuation specialists due to the significant judgments utilized in determining fair value. The significant judgments relate to the determination of the significant unobservable inputs and the valuation approaches and techniques used by the Company, as described above. The selection of these unobservable inputs and valuation approaches and techniques has a significant effect on the valuation of these investments. Also, applying audit procedures to address the estimation uncertainty involves a high degree of auditor subjectivity.
How We Addressed the Matter in Our Audit	To test the valuation of the Company’s Level 3 investments, our audit procedures included, among others, evaluating the valuation approaches and techniques used by the Company by assessing whether they were consistent with valuation practice relative to the characteristics of the investments being measured and testing significant unobservable inputs and the mathematical accuracy of the Company’s valuation models. For example, as applicable, we compared the significant assumptions to current industry, market and economic trends, the historical results of the portfolio company’s business and other guideline companies within the same industry and to other relevant factors; we considered recent market transactions in the portfolio company or comparable companies; we involved valuation specialists to assist in independently developing fair value estimates for certain investments using portfolio company and market information and comparing them to the Company's estimates; and, as applicable, we compared the significant unobservable inputs and agreed the underlying data used in the Company’s valuations to agreements, information available from third-party sources and market data (for example, deal terms, portfolio company operating results and changes in market yields), where available. We also reviewed the information considered by the Adviser, acting as the Valuation Designee and subject to the oversight of the Board of Directors relating to the Company’s determination of fair value, searched for and evaluated information that corroborated or contradicted the Company’s significant unobservable inputs and assumptions, and reviewed subsequent events and transactions and considered whether they corroborated or contradicted the Company’s year-end valuations.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2017.

New York, NY
March 15, 2023

FRANKLIN BSP LENDING CORPORATION

CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(dollars in thousands except share and per share data)

		December 31, 2022		December 31, 2021
ASSETS				
Investments, at fair value:				
Control Investments, at fair value (amortized cost of $631,890 and $614,408, respectively)	$	665,915	$	657,414
Affiliate Investments, at fair value (amortized cost of $108,357 and $154,211, respectively)		59,107		110,952
Non-affiliate Investments, at fair value (amortized cost of $2,186,884 and $2,014,998, respectively)		2,150,122		2,010,598
Investments, at fair value (amortized cost of $2,927,131 and $2,783,617, respectively)		2,875,144		2,778,964
Cash and cash equivalents		54,852		42,774
Interest and dividends receivable		38,752		29,089
Receivable for unsettled trades		3,752		37,379
Prepaid expenses and other assets		7,378		6,749
Unrealized appreciation on forward currency exchange contracts		—		266
Total assets	$	2,979,878	$	2,895,221
LIABILITIES				
Debt (net of deferred financing costs of $9,665 and $9,553, respectively)	$	1,224,187	$	1,272,274
Stockholder distributions payable		27,292		23,253
Management fees payable		11,122		10,499
Incentive fee on income payable		9,699		7,169
Accounts payable and accrued expenses		27,616		29,975
Payable for unsettled trades		—		34,394
Interest and debt fees payable		14,477		8,044
Directors' fees payable		28		121
Total liabilities		1,314,421		1,385,729
Commitments and contingencies (Note 7)				
NET ASSETS				
Preferred stock, $.001 par value, 50,000,000 shares authorized, none issued and outstanding		—		—
Common stock, $.001 par value, 450,000,000 shares authorized; 262,627,186 issued and 228,658,723 outstanding at December 31, 2022, and 232,419,916 issued and 201,610,757 outstanding at December 31, 2021		229		202
Additional paid in capital		2,124,264		1,913,365
Total distributable loss		(459,036)		(404,075)
Total net assets		1,665,457		1,509,492
Total liabilities and net assets	$	2,979,878	$	2,895,221
Net asset value per share	$	7.28	$	7.49

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

FRANKLIN BSP LENDING CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands except share and per share data)

	For the years ended December 31,		
	2022	2021	2020
Investment income:			
From control investments:			
Interest income	$ 19,904	$ 12,145	$ 19,504
Dividend income	60,213	56,034	18,452
Fee and other income	289	107	19
Total investment income from control investments	80,406	68,286	37,975
From affiliate investments:			
Interest income	6,724	10,800	4,593
Dividend income	1,168	3,355	3,476
Fee and other income	—	2,036	150
Total investment income from affiliate investments	7,892	16,191	8,219
From non-affiliate investments:			
Interest income	180,258	143,098	144,194
Dividend income	—	270	81
Fee and other income	7,313	4,934	5,939
Total investment income from non-affiliate investments	187,571	148,302	150,214
Interest from cash and cash equivalents	542	7	277
Total investment income	276,411	232,786	196,685
Operating expenses:			
Management fees	42,851	39,563	37,764
Incentive fee on income	31,274	26,912	6,223
Interest and debt fees	59,942	44,241	46,971
Professional fees	3,899	3,572	5,397
Other general and administrative	5,400	5,807	4,877
Administrative services	788	748	702
Directors' fees	972	985	985
Total expenses	145,126	121,828	102,919
Income tax expense, including excise tax	6,189	3,311	2,566
Net investment income	125,096	107,647	91,200
Realized and unrealized gain (loss):			
Net realized gain (loss)			
Control investments	6,842	(6,239)	(18,650)
Affiliate investments	(4,719)	23,155	2,448
Non-affiliate investments	5,320	1,199	(115,614)
Net realized gain (loss) on foreign currency transactions	468	(791)	(333)
Net realized loss on extinguishment of debt	(1,769)	(1,286)	—
Total net realized gain (loss)	6,142	16,038	(132,149)

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

FRANKLIN BSP LENDING CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands except share and per share data)

	For the years ended December 31,		
	2022	2021	2020
Net change in unrealized appreciation (depreciation) on investments			
Control investments	$ (9,172)	$ 8,806	$ (13,747)
Affiliate investments	(3,529)	21,960	(19,275)
Non-affiliate investments	(34,633)	55,066	35,995
Net change in deferred taxes	(1,656)	(4,076)	2,263
Total net change in unrealized appreciation (depreciation) on investments, net of change in deferred taxes	(48,990)	81,756	5,236
Net change in unrealized appreciation (depreciation) from forward currency exchange contracts	(266)	743	(89)
Net realized and unrealized gain (loss)	(43,114)	98,537	(127,002)
Net increase (decrease) in net assets resulting from operations	$ 81,982	$ 206,184	$ (35,802)
Per share information - basic and diluted			
Net investment income	$ 0.59	$ 0.54	$ 0.46
Net increase (decrease) in net assets resulting from operations	$ 0.39	$ 1.03	$ (0.18)
Weighted average shares outstanding	212,061,882	200,070,608	197,482,855

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

FRANKLIN BSP LENDING CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(dollars in thousands except share and per share data)

	For the years ended December 31,		
	2022	2021	2020
Operations:			
Net investment income	$ 125,096	$ 107,647	$ 91,200
Net realized gain (loss) from investments	7,443	18,115	(131,816)
Net realized gain (loss) on foreign currency transactions	468	(791)	(333)
Net realized loss on extinguishment of debt	(1,769)	(1,286)	—
Net change in unrealized appreciation (depreciation) on investments	(47,334)	85,832	2,973
Net change in deferred taxes	(1,656)	(4,076)	2,263
Net change in unrealized appreciation (depreciation) from forward currency exchange contracts	(266)	743	(89)
Net increase (decrease) in net assets resulting from operations	81,982	206,184	(35,802)
Stockholder distributions:			
Distributions	(128,246)	(99,737)	(90,981)
Net decrease in net assets from stockholder distributions	(128,246)	(99,737)	(90,981)
Capital share transactions:			
Issuance of common stock, net of issuance costs	198,441	—	59,000
Reinvestment of stockholder distributions	27,359	22,822	22,332
Repurchases of common stock	(23,571)	(19,532)	(17,477)
Net increase in net assets from capital share transactions	202,229	3,290	63,855
Total increase (decrease) in net assets	155,965	109,737	(62,928)
Net assets at beginning of year	1,509,492	1,399,755	1,462,683
Net assets at end of year	$ 1,665,457	$ 1,509,492	$ 1,399,755
Net asset value per common share	$ 7.28	$ 7.49	$ 6.95
Common shares outstanding at end of year	228,658,723	201,610,757	201,390,728

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

FRANKLIN BSP LENDING CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	For the years ended December 31,		
	2022	2021	2020
Operating activities:			
Net increase (decrease) in net assets resulting from operations	$ 81,982	$ 206,184	$ (35,802)
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:			
Payment-in-kind interest income	(13,524)	(8,114)	(7,608)
Net accretion of discount on investments	(8,568)	(8,640)	(7,748)
Amortization of deferred financing costs	3,252	3,228	4,050
Amortization of discount on unsecured notes	1,248	1,063	665
Sales and repayments of investments	396,020	1,233,840	847,245
Purchases of investments	(509,999)	(1,612,937)	(1,038,064)
Net realized (gain) loss from investments	(7,443)	(18,115)	131,816
Net realized (gain) loss on foreign currency transactions	(468)	791	333
Net realized loss on extinguishment of debt	1,769	1,286	—
Net change in unrealized (appreciation) depreciation on investments	47,334	(85,832)	(2,973)
Net change in unrealized (appreciation) depreciation from forward currency exchange contracts	266	(743)	89
(Increase) decrease in operating assets:			
Interest and dividends receivable	(9,663)	(14,214)	2,172
Receivable for unsettled trades	33,627	10,971	(20,455)
Prepaid expenses and other assets	(629)	(4,074)	259
Increase (decrease) in operating liabilities:			
Management fees payable	623	941	(540)
Incentive fee on income payable	2,530	946	(290)
Accounts payable and accrued expenses	(2,228)	21,370	(6,876)
Payable for unsettled trades	(34,394)	(157,614)	151,661
Interest and debt fees payable	6,433	2,113	(5,494)
Directors' fees payable	(93)	35	32
Net cash provided by (used in) operating activities	(11,925)	(427,515)	12,472
Financing activities:			
Proceeds from issuance of shares of common stock, net	198,441	—	59,000
Repurchases of common stock	(23,571)	(19,532)	(17,477)
Proceeds from debt	550,276	1,208,294	1,057,100
Payments on debt	(599,500)	(701,000)	(1,035,002)
Payments of financing costs	(5,263)	(708)	(5,406)
Stockholder distributions	(96,848)	(69,156)	(63,658)
Net cash provided by (used in) financing activities	23,535	417,898	(5,443)
Net increase (decrease) in cash and cash equivalents	11,610	(9,617)	7,029
Effect of foreign currency exchange rates	468	(791)	(317)
Cash and cash equivalents, beginning of year	42,774	53,182	46,470
Cash and cash equivalents, end of year	$ 54,852	$ 42,774	$ 53,182

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	For the years ended December 31,		
	2022	2021	2020
Supplemental information:			
Interest and non-usage fees paid during the year	$ 38,589	$ 36,091	$ 41,786
Net taxes, including excise tax, paid during the year	$ 7,068	$ 2,186	$ 2,600
Distributions reinvested during the year	$ 27,359	$ 22,822	$ 22,332
Securities received from in-kind distribution	$ —	$ —	$ 44,411
Assets and liabilities exchanged for interest in FBLC Senior Loan Fund, LLC (Note 3)	$ —	$ 262,544	$ —

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

FRANKLIN BSP LENDING CORPORATION

CONSOLIDATED SCHEDULES OF INVESTMENTS
(dollars in thousands)
December 31, 2022

Portfolio Company (f) (q) (v)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
Senior Secured First Lien Debt - 119.8% (b)						
1236904 BC, Ltd. (c) (h)	Software/Services	L+ 7.50% (11.85%), 3/4/2027	$ 10,441	$ 10,298	$ 10,600	0.6 %
1236904 BC, Ltd. (c) (h) (i)	Software/Services	L+ 5.50% (9.88%), 3/4/2027	18,450	18,003	17,841	1.1 %
Absolute Software Corp. (a) (c) (i)	Software/Services	L+ 6.00% (10.73%), 7/1/2027	45,093	44,417	44,416	2.7 %
ADCS Clinics Intermediate Holdings, LLC (c) (h)	Healthcare	L+ 6.50% (11.43%), 5/7/2027	13,633	13,436	13,379	0.8 %
ADCS Clinics Intermediate Holdings, LLC (c)	Healthcare	L+ 6.50% (11.70%), 5/7/2027	2,794	2,794	2,742	0.2 %
Alera Group Intermediate Holdings, Inc. (c)	Financials	S+ 6.50% (10.92%), 10/2/2028	5,890	5,779	5,779	0.3 %
Alera Group Intermediate Holdings, Inc. (c)	Financials	S+ 6.50% (10.92%), 10/2/2028	6,598	6,598	6,473	0.4 %
Arch Global Precision, LLC (c)	Industrials	L+ 4.75% (8.42%), 4/1/2026	2,356	2,356	2,356	0.1 %
Arch Global Precision, LLC (c) (h) (i)	Industrials	L+ 4.75% (9.17%), 4/1/2026	7,479	7,457	7,479	0.4 %
Arctic Holdco, LLC (c)	Paper & Packaging	S+ 6.00% (10.68%), 12/23/2026	2,439	2,439	2,403	0.1 %
Arctic Holdco, LLC (c) (h) (i)	Paper & Packaging	S+ 6.00% (10.68%), 12/23/2026	60,674	59,823	59,764	3.6 %
Armada Parent, Inc. (c)	Industrials	L+ 5.75% (10.13%), 10/29/2027	44,717	43,998	43,997	2.6 %
Armada Parent, Inc. (c)	Industrials	L+ 5.75% (10.13%), 10/29/2027	2,253	2,253	2,217	0.1 %
Avalara, Inc. (c)	Software/Services	S+ 7.25% (11.83%), 10/19/2028	40,296	39,323	39,321	2.4 %
Aveanna Healthcare, LLC (h)	Healthcare	L+ 3.75% (7.77%), 7/17/2028	910	905	696	0.0 %
Aventine Holdings, LLC (c)	Media/Entertainment	L+ 6.00% (10.38%) 4.00% PIK, 6/18/2027	9,584	9,584	9,459	0.6 %
Aventine Holdings, LLC (c)	Media/Entertainment	10.25% PIK, 6/18/2027	24,798	24,342	24,265	1.5 %
Aventine Holdings, LLC (c) (i)	Media/Entertainment	L+ 6.00% (10.38%) 4.00% PIK, 6/18/2027	26,220	25,811	25,876	1.6 %
Axiom Global, Inc. (c) (h) (i)	Business Services	L+ 4.75% (9.04%), 10/1/2026	20,316	20,195	20,316	1.2 %
BCPE Oceandrive Buyer, Inc. (c) (i)	Healthcare	L+ 6.25% (10.67%), 12/29/2028	3,399	3,399	3,284	0.2 %
BCPE Oceandrive Buyer, Inc. (c) (i)	Healthcare	L+ 6.25% (10.67%), 12/29/2028	20,396	20,003	19,701	1.2 %
BCPE Oceandrive Buyer, Inc. (c)	Healthcare	L+ 6.25% (10.99%), 12/30/2026	3,425	3,425	3,308	0.2 %
BCPE Oceandrive Buyer, Inc. (c)	Healthcare	L+ 6.25% (10.67%), 12/29/2028	1,727	1,727	1,668	0.1 %
Black Mountain Sand, LLC (c)	Energy	L+ 9.00% (13.70%), 6/30/2024	8,332	8,310	8,332	0.5 %
Capstone Logistics (c)	Transportation	L+ 4.75% (9.13%), 11/12/20277	1,115	1,115	1,115	0.1 %
Capstone Logistics (c) (h)	Transportation	L+ 4.75% (9.13%), 11/12/2027	19,014	18,882	19,015	1.1 %
CHA Holdings, Inc. (c) (i)	Business Services	L+ 4.50% (9.23%),4/10/2025	514	496	514	0.0 %
Cold Spring Brewing, Co. (c) (h) (i)	Food & Beverage	S+ 4.75% (9.07%), 12/19/2025	7,008	6,973	7,008	0.4 %
Communication Technology Intermediate, LLC (c) (h)	Business Services	L+ 5.50% (9.88%), 5/5/2027	17,891	17,632	17,891	1.1 %
Communication Technology Intermediate, LLC (c) (i)	Business Services	L+ 5.50% (9.88%), 5/5/2027	6,223	6,223	6,223	0.4 %
Communication Technology Intermediate, LLC (c)	Business Services	L+ 5.50% (9.88%), 5/5/2027	205	205	205	0.0 %
Corfin Industries, LLC (c)	Industrials	L+ 5.75% (9.82%), 12/27/2027	1,602	1,602	1,602	0.1 %
Corfin Industries, LLC (c) (h) (i)	Industrials	L+ 5.75% (9.42%), 2/5/2026	16,394	16,212	16,394	1.0 %
Cornerstone Chemical, Co.	Chemicals	6.75%, 8/15/2024	14,850	14,541	11,919	0.7 %
CRS-SPV, Inc. (c) (o)	Industrials	L+ 4.50% (8.88%), 3/8/2023	62	62	62	0.0 %
Drilling Info Holdings, Inc. (c) (i)	Business Services	L+ 4.25% (8.63%), 7/30/2025	6,952	6,816	6,952	0.4 %
Dynagrid Holdings, LLC (c) (h)	Utilities	L+ 6.00% (10.02%), 12/18/2025	3,897	3,832	3,897	0.2 %
Dynagrid Holdings, LLC (c) (i)	Utilities	L+ 6.00% (9.67%), 12/18/2025	14,191	14,012	14,191	0.9 %
Eliassen Group, LLC (c) (i)	Business Services	S+ 5.50% (10.08%), 4/14/2028	11,586	11,482	11,484	0.7 %
Eliassen Group, LLC (c)	Business Services	S+ 5.50% (8.88%), 4/14/2028	439	439	435	0.0 %
Faraday Buyer, LLC (c)	Utilities	S+ 7.00% (11.32%), 10/11/2028	26,132	25,377	25,377	1.5 %
FGT Purchaser, LLC (c) (h)	Consumer	S+ 5.50% (10.18%), 9/13/2027	21,231	20,898	21,231	1.3 %
FGT Purchaser, LLC (c)	Consumer	L+ 5.50% (10.18%), 9/13/2027	815	815	815	0.0 %

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

CONSOLIDATED SCHEDULES OF INVESTMENTS
(dollars in thousands)
December 31, 2022

Portfolio Company (f) (q) (v)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
First Eagle Holdings, Inc. (c)	Financials	S+ 6.50% (10.73%), 3/1/2027	$ 15,000	$ 14,590	$ 14,592	0.9 %
Foresight Energy Operating, LLC (c) (p)	Energy	L+ 8.00% (12.73%), 6/30/2027	1,077	1,077	1,077	0.1 %
Galway Borrower, LLC (c) (h)	Financials	L+ 5.25% (9.98%), 9/29/2028	29,773	29,372	29,252	1.8 %
Geosyntec Consultants, Inc. (c)	Business Services	S+ 5.25% (9.57%), 5/18/2029	27,236	26,802	26,803	1.6 %
Green Energy Partners/Stonewall, LLC (c)	Utilities	L+ 6.00% (10.73%), 11/12/2026	10,244	10,086	10,244	0.6 %
Higginbotham Insurance Agency, Inc. (c) (h)	Financials	L+ 5.25% (9.63%), 11/25/2026	14,626	14,514	14,626	0.9 %
Higginbotham Insurance Agency, Inc. (c)	Financials	L+ 5.25% (9.63%), 11/25/2026	2,910	2,910	2,910	0.2 %
Hospice Care Buyer, Inc. (c)	Healthcare	L+ 6.50% (11.24%), 12/9/2026	4,530	4,530	4,479	0.3 %
Hospice Care Buyer, Inc. (c) (h)	Healthcare	L+ 6.50% (10.92%), 12/9/2026	24,313	23,809	24,038	1.4 %
Hospice Care Buyer, Inc. (c) (h)	Healthcare	L+ 6.50% (10.92%), 12/9/2026	18,008	17,702	17,804	1.1 %
Hospice Care Buyer, Inc. (c)	Healthcare	P+ 5.50% (13.00%), 12/9/2026	1,903	1,903	1,882	0.1 %
Hospice Care Buyer, Inc. (c)	Healthcare	L+ 6.50% (11.23%), 12/9/2026	2,106	2,050	2,083	0.1 %
ICR Operations, LLC (c)	Business Services	L+ 5.25% (9.98%), 11/22/2028	42,345	41,633	41,570	2.5 %
ICR Operations, LLC (c)	Business Services	L+ 5.25% (9.98%), 11/22/2027	1,545	1,545	1,516	0.1 %
Ideal Tridon Holdings, Inc. (c)	Industrials	L+ 5.25% (8.92%), 7/31/2024	45	45	45	0.0 %
Ideal Tridon Holdings, Inc. (c) (h) (i)	Industrials	L+ 5.25% (8.92%), 7/31/2024	30,683	30,519	30,684	1.8 %
Ideal Tridon Holdings, Inc. (c)	Industrials	L+ 5.25% (9.60%), 7/31/2023	1,566	1,566	1,566	0.1 %
IG Investments Holdings, LLC (c) (h)	Business Services	L+ 6.00% (10.38%), 9/22/2028	17,629	17,341	17,469	1.0 %
IG Investments Holdings, LLC (c) (h)	Business Services	L+ 6.00% (10.38%), 9/22/2028	318	315	315	0.0 %
IG Investments Holdings, LLC (c)	Business Services	L+ 6.00% (10.39%), 9/22/2027	556	556	551	0.0 %
Indigo Buyer, Inc. (c)	Paper & Packaging	S+ 5.75% (10.17%), 5/23/2028	605	605	594	0.0 %
Indigo Buyer, Inc. (c)	Paper & Packaging	S+ 5.75% (10.17%), 5/23/2028	21,226	20,845	20,844	1.3 %
Integrated Efficiency Solutions, Inc. (c) (o)	Industrials	7.50%, 12/31/2025	1,421	1,421	1,421	0.1 %
Integrated Global Services, Inc. (c) (i)	Industrials	L+ 6.00% (10.51%), 2/4/2026	11,269	11,153	11,269	0.7 %
Internap Corp. (c) (h) (o)	Business Services	L+ 6.50% (11.09%) 5.50% PIK, 5/8/2025	5,192	5,191	4,802	0.3 %
International Cruise & Excursions, Inc. (c) (i)	Business Services	S+ 5.35% (9.44%), 6/6/2025	4,850	4,831	4,413	0.3 %
IQN Holding Corp. (c) (i)	Software/Services	P+ 4.50% (12.00%), 5/2/2029	11,023	10,924	10,925	0.7 %
IQN Holding Corp. (c)	Software/Services	S+ 5.50% (9.68%), 5/2/2029	191	191	190	0.0 %
K2 Intelligence Holdings, Inc. (c) (h) (i)	Business Services	L+ 5.75% (10.48%), 9/23/2024	7,047	6,999	6,378	0.4 %
KidKraft, Inc. (c)	Consumer	L+ 6.00% (10.72%), 6/30/2023	1,060	1,060	994	0.1 %
Kissner Milling Co., Ltd.	Industrials	4.88%, 5/1/2028	2,983	2,983	2,562	0.2 %
Knowledge Pro Buyer, Inc. (c) (i)	Business Services	L+ 5.75% (10.04%), 12/10/2027	24,552	24,148	24,122	1.4 %
Knowledge Pro Buyer, Inc. (c)	Business Services	L+ 5.75% (10.04%), 12/10/2027	2,322	2,322	2,282	0.1 %
Labrie Environmental Group, LLC (a) (c)	Industrials	L+ 5.50% (9.57%), 9/1/2026	22,352	22,078	21,457	1.3 %
Lakeland Tours, LLC (c) (h) (i)	Education	L+ 6.00% (10.42%), 9/25/2025	4,523	4,258	4,071	0.2 %
Lakeland Tours, LLC (c) (h) (i)	Education	13.25% PIK, 9/25/2027	5,353	3,958	4,015	0.2 %
Lakeview Health Holdings, Inc. (c) (o)	Healthcare	P+ 6.00% (13.00%) PIK, 10/15/2024	579	579	579	0.0 %
Lakeview Health Holdings, Inc. (c) (o) (t)	Healthcare	P+ 4.50% (12.00%) PIK, 10/15/2024	1,728	664	546	0.0 %
Lakeview Health Holdings, Inc. (c) (o)	Healthcare	P+ 6.00% (13.00%) PIK, 10/15/2024	227	227	227	0.0 %
LightSquared, LP	Telecom	15.50% PIK, 11/1/2023	2,096	2,082	677	0.0 %
Manna Pro Products, LLC (c)	Consumer	L+ 6.00% (10.07%), 12/10/2026	4,002	4,002	3,842	0.2 %

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

FRANKLIN BSP LENDING CORPORATION

CONSOLIDATED SCHEDULES OF INVESTMENTS
(dollars in thousands)
December 31, 2022

Portfolio Company (f) (q) (v)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
Manna Pro Products, LLC (c) (i)	Consumer	L+ 6.00% (10.07%), 12/10/2026	$ 32,915	$ 32,381	$ 31,598	1.9 %
Manna Pro Products, LLC (c)	Consumer	L+ 6.00% (10.07%), 12/10/2026	1,962	1,962	1,883	0.1 %
McDonald Worley, P.C. (c)	Business Services	26.00% PIK, 12/31/2024	15,077	15,077	11,488	0.7 %
MCS Acquisition Corp. (c) (p)	Business Services	L+ 6.00% (9.74%), 10/2/2025	772	772	772	0.0 %
Medical Depot Holdings, Inc. (c) (h) (i)	Healthcare	S+ 9.50% (13.14%) 4.00% PIK, 6/1/2025	20,545	20,252	18,899	1.1 %
Medical Depot Holdings, Inc. (c)	Healthcare	S+ 10.00% (14.58%) 9.00% PIK, 6/1/2025	3,574	3,512	3,510	0.2 %
Medical Management Resource Group, LLC (c)	Healthcare	L+ 5.75% (9.83%), 9/30/2027	6,598	6,598	6,509	0.4 %
Medical Management Resource Group, LLC (c) (h)	Healthcare	L+ 5.75% (10.17%), 9/30/2027	15,977	15,724	15,761	1.0 %
MGTF Radio Company, LLC (c) (o)	Media/Entertainment	L+ 6.00% (10.73%), 4/1/2024	47,271	47,237	40,015	2.4 %
Midwest Can Company, LLC (c) (h) (i)	Paper & Packaging	L+ 6.00% (10.73%), 3/2/2026	32,056	31,688	32,056	1.9 %
Miller Environmental Group, Inc. (c) (h) (i)	Business Services	L+ 6.50% (10.19%), 3/15/2024	11,229	11,176	11,229	0.7 %
Miller Environmental Group, Inc. (c) (h) (i)	Business Services	L+ 6.50% (11.25%), 3/15/2024	10,271	10,213	10,271	0.6 %
Mirra-Primeaccess Holdings, LLC (c)	Healthcare	L+ 6.50% (10.88%), 7/29/2026	48,827	48,129	48,827	2.9 %
Mirra-Primeaccess Holdings, LLC (c)	Healthcare	L+ 6.50% (10.57%), 7/29/2026	2,935	2,935	2,935	0.2 %
Monumental RSN, LLC (c)	Media/Entertainment	S+ 6.00% (10.32%), 9/20/2027	7,313	7,243	7,386	0.5 %
Muth Mirror Systems, LLC (c) (h) (i)	Technology	L+ 6.75% (10.07%), 4/23/2025	14,821	14,707	13,613	0.8 %
Muth Mirror Systems, LLC (c)	Technology	L+ 6.75% (11.48%), 4/23/2025	650	650	597	0.0 %
New Star Metals, Inc. (c) (h) (i)	Industrials	L+ 5.00% (9.73%), 1/9/2026	32,454	32,113	32,454	1.9 %
NTM Acquisition Corp. (c) (h) (i)	Media/Entertainment	L+ 7.25% (11.98%) 1.00% PIK, 6/7/2024	20,547	20,547	19,992	1.2 %
Odessa Technologies, Inc. (c) (h)	Software/Services	L+ 5.75% (10.09%), 10/19/2027	14,343	14,113	14,089	0.8 %
ORG GC Holdings, LLC (c) (o)	Business Services	L+ 6.50% (11.23%) PIK, 11/29/2026	9,082	9,082	9,082	0.5 %
Pie Buyer, Inc. (c) (i)	Food & Beverage	S+ 5.50% (8.69%), 4/5/2027	2,077	2,042	2,077	0.1 %
Pie Buyer, Inc. (c) (i)	Food & Beverage	L+ 5.50% (8.38%), 4/5/2027	28,034	27,437	28,034	1.7 %
Pie Buyer, Inc. (c)	Food & Beverage	L+ 5.50% (9.67%), 4/5/2027	6,068	6,068	6,068	0.4 %
Pie Buyer, Inc. (c)	Food & Beverage	L+ 5.50% (10.67%), 4/6/2026	460	460	460	0.0 %
PlayPower, Inc. (c) (h) (i)	Industrials	L+ 5.50% (9.17%), 5/8/2026	23,695	23,525	20,520	1.2 %
Pluralsight, LLC (c) (h)	Software/Services	L+ 8.00% (11.83%), 4/6/2027	18,826	18,559	18,513	1.1 %
Pluralsight, LLC (c) (h)	Software/Services	L+ 8.00% (12.75%), 4/6/2027	6,728	6,628	6,616	0.4 %
Pluralsight, LLC (c)	Software/Services	L+ 8.00% (12.75%), 4/6/2027	801	801	788	0.0 %
Point Broadband Acquisition, LLC (c) (h)	Telecom	L+ 6.00% (9.75%), 10/2/2028	19,147	18,753	18,754	1.1 %
Point Broadband Acquisition, LLC (c)	Telecom	L+ 6.00% (10.56%), 10/2/2028	3,810	3,810	3,731	0.2 %
Premier Global Services, Inc. (c) (t)	Telecom	P+ 5.50% (13.00%), 6/8/2023	5,024	4,908	—	— %
Premier Global Services, Inc. (c) (t)	Telecom	P+ 5.50% (13.00%), 1/31/2023	969	969	145	0.0 %
PSKW, LLC (c) (h) (i)	Healthcare	L+ 6.25% (10.64%), 3/9/2026	29,175	28,788	29,175	1.8 %
Questex, Inc. (c) (h) (i)	Media/Entertainment	L+ 4.25% (8.98%), 9/9/2024	15,503	15,416	15,044	0.9 %
Reddy Ice Corp. (c)	Food & Beverage	L+ 6.50% (10.24%), 7/1/2025	1,785	1,776	1,751	0.1 %
Reddy Ice Corp. (c)	Food & Beverage	L+ 6.50% (10.24%), 7/1/2025	1,461	1,461	1,433	0.1 %
Reddy Ice Corp. (c)	Food & Beverage	L+ 6.50% (10.24%), 7/1/2025	4,814	4,814	4,720	0.3 %
Reddy Ice Corp. (c) (h) (i)	Food & Beverage	L+ 6.50% (10.24%), 7/1/2025	18,951	18,714	18,581	1.1 %
Relativity Oda, LLC (c) (i)	Software/Services	L+ 7.50% (11.89%) PIK, 5/12/2027	5,309	5,225	5,137	0.3 %
REP TEC Intermediate Holdings, Inc. (c) (h) (i)	Software/Services	L+ 6.50% (11.23%), 6/19/2025	28,492	28,147	28,147	1.7 %

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(dollars in thousands)

Portfolio Company (f) (q) (v)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
REP TEC Intermediate Holdings, Inc. (c)	Software/Services	L+ 6.50% (11.23%), 6/19/2025	$ 519	$ 519	$ 513	0.0 %
Roadsafe Holdings, Inc. (c)	Industrials	P+ 4.75% (12.25%), 10/19/2027	6,797	6,797	6,686	0.4 %
Roadsafe Holdings, Inc. (c) (i)	Industrials	L+ 5.75% (10.87%), 10/19/2027	7,753	7,639	7,627	0.5 %
RSC Acquisition, Inc. (c) (i)	Financials	S+ 5.50% (10.23%), 10/30/2026	15,193	15,178	15,194	0.9 %
RSC Acquisition, Inc. (c)	Financials	S+ 5.50% (10.23%), 10/30/2026	1,484	1,484	1,484	0.1 %
Saturn SHC Buyer Holdings, Inc. (c) (h)	Healthcare	L+ 6.00% (10.77%), 11/18/2027	32,991	32,454	32,991	2.0 %
SCIH Salt Holdings, Inc. (c)	Industrials	L+ 4.00% (7.74%), 3/17/2025	1,123	1,123	1,025	0.1 %
Sherlock Buyer Corp. (c) (i)	Business Services	L+ 5.75% (10.48%), 12/8/2028	11,041	10,852	10,848	0.7 %
Simplifi Holdings, Inc. (c) (h)	Media/Entertainment	L+ 5.50% (9.25%), 10/1/2027	35,105	34,550	34,519	2.1 %
Skillsoft Corp. (h)	Technology	S+ 5.25% (9.58%), 7/14/2028	1,374	1,357	1,140	0.1 %
St. Croix Hospice Acquisition Corp. (c)	Healthcare	L+ 6.00% (10.70%), 10/30/2026	2,809	2,809	2,809	0.2 %
St. Croix Hospice Acquisition Corp. (c) (i)	Healthcare	L+ 6.00% (10.42%), 10/30/2026	25,420	25,096	25,420	1.5 %
STRIPER BUYER, LLC (c) (h)	Paper & Packaging	L+ 5.50% (9.57%), 12/30/2026	12,268	12,184	12,268	0.7 %
Subsea Global Solutions, LLC (c) (i)	Business Services	L+ 6.75% (11.50%), 12/31/2023	4,649	4,643	4,649	0.3 %
Subsea Global Solutions, LLC (c) (i)	Business Services	L+ 6.75% (11.50%), 3/29/2023	7,061	7,054	7,061	0.4 %
Subsea Global Solutions, LLC (c)	Business Services	L+ 6.75% (10.50%), 12/31/2023	905	905	905	0.1 %
SunMed Group Holdings, LLC (c) (h)	Healthcare	L+ 5.75% (10.48%), 6/16/2028	8,964	8,841	8,830	0.5 %
SunMed Group Holdings, LLC (c)	Healthcare	L+ 5.75% (10.49%), 6/16/2027	288	288	285	0.0 %
Tax Defense Network, LLC (c) (p) (t)	Consumer	L+ 6.00% (10.00%) PIK, 3/31/2023	7,296	3,833	186	0.0 %
Tax Defense Network, LLC (c) (p) (t)	Consumer	10.00% PIK, 3/31/2023	4,264	2,986	4,264	0.3 %
Tax Defense Network, LLC (c) (p) (t)	Consumer	L+ 6.00% (10.00%) PIK, 3/31/2023	41,102	21,646	1,048	0.1 %
The NPD Group, LP (c)	Business Services	S+ 5.75% (10.07%) 2.75% PIK, 12/1/2028	34,210	33,577	33,571	2.0 %
The NPD Group, LP (c)	Business Services	S+ 5.75% (10.07%) 2.75% PIK, 12/1/2027	231	231	226	0.0 %
Therapy Brands Holdings, LLC (c) (h)	Healthcare	L+ 4.00% (8.35%), 5/18/2028	4,327	4,314	4,327	0.3 %
Trinity Air Consultants Holdings Corp. (c)	Business Services	L+ 5.25% (10.40%), 6/29/2027	3,836	3,836	3,778	0.2 %
Trinity Air Consultants Holdings Corp. (c) (h)	Business Services	L+ 5.25% (10.18%), 6/29/2027	20,424	20,118	20,118	1.2 %
Triple Lift, Inc. (c)	Software/Services	S+ 5.25% (9.58%), 5/5/2028	1,265	1,265	1,243	0.1 %
Triple Lift, Inc. (c) (i)	Software/Services	S+ 5.50% (10.45%), 5/5/2028	28,262	27,819	27,782	1.7 %
University of St. Augustine Acquisition Corp. (c) (h) (i)	Education	L+ 4.25% (8.33%), 2/2/2026	23,278	23,021	23,278	1.4 %
Urban One, Inc.	Media/Entertainment	7.38%, 2/1/2028	1,561	1,561	1,319	0.1 %
US Oral Surgery Management Holdco, LLC (c)	Healthcare	L+ 5.50% (10.72%), 11/18/2027	3,525	3,525	3,490	0.2 %
US Oral Surgery Management Holdco, LLC (c) (h)	Healthcare	L+ 6.00% (10.68%), 11/18/2027	12,173	11,975	12,051	0.7 %
US Salt Investors, LLC (c)	Chemicals	L+ 5.50% (9.17%), 7/19/2028	19,932	19,616	19,559	1.2 %
Vantage Mobility International, LLC (c) (p) (t)	Transportation	L+ 6.00% (10.13%) PIK, 3/21/2024	1,991	251	—	— %
Vantage Mobility International, LLC (c) (p) (t)	Transportation	L+ 6.00% (10.13%) PIK, 3/21/2024	256	244	—	— %
Vensure Employer Services, Inc. (c) (i)	Business Services	S+ 4.75% (8.71%), 4/1/2027	11,882	11,819	11,882	0.7 %
Victors CCC Buyer, LLC (c)	Business Services	S+ 5.75% (10.69%), 6/1/2029	16,947	16,636	16,637	1.0 %

FRANKLIN BSP LENDING CORPORATION

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(dollars in thousands)
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Portfolio Company (f) (q) (v)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
West Coast Dental Services, Inc. (c)	Healthcare	S+ 5.75% (9.99%), 7/1/2028	$ 255	$ 255	$ 251	0.0 %
West Coast Dental Services, Inc. (c)	Healthcare	S+ 5.75% (9.99%), 7/1/2028	19,765	19,446	19,448	1.2 %
Westwood Professional Services, Inc. (c)	Business Services	L+ 6.00% (9.75%), 5/26/2026	1,007	1,007	1,007	0.1 %
Westwood Professional Services, Inc. (c) (i)	Business Services	L+ 6.00% (9.75%), 5/26/2026	8,561	8,444	8,561	0.5 %
WHCG Purchaser III, Inc. (c) (h)	Healthcare	L+ 5.75% (9.42%), 6/22/2028	29,124	28,669	25,940	1.6 %
WHCG Purchaser III, Inc. (c)	Healthcare	L+ 5.75% (9.42%), 6/22/2028	7,078	7,078	6,304	0.4 %
WHCG Purchaser III, Inc. (c)	Healthcare	L+ 5.75% (10.48%), 6/22/2026	1,426	1,426	1,305	0.1 %
WIN Holdings III Corp. (c) (h)	Consumer	L+ 5.25% (10.40%), 7/16/2028	31,310	30,814	30,815	1.9 %
WMK, LLC (c) (i)	Business Services	S+ 5.75% (9.45%), 9/5/2025	2,532	2,526	2,532	0.2 %
WMK, LLC (c)	Business Services	S+ 5.75% (10.48%), 9/5/2025	349	347	349	0.0 %
WMK, LLC (c) (h) (i)	Business Services	S+ 5.75% (9.73%), 9/5/2025	17,975	17,838	17,975	1.1 %
WMK, LLC (c)	Business Services	L+ 5.75% (9.99%), 9/5/2024	2,618	2,618	2,618	0.2 %
WMK, LLC (c)	Business Services	S+ 5.75% (10.15%), 9/5/2025	11,118	11,118	11,118	0.7 %
WMK, LLC (c) (i)	Business Services	S+ 5.75% (10.17%), 9/5/2025	3,697	3,627	3,697	0.2 %
WMK, LLC (c)	Business Services	S+ 5.75% (10.30%), 9/5/2025	8,000	7,690	8,000	0.5 %
Zendesk, Inc. (c)	Software/Services	S+ 6.50% (11.04%) 3.50% PIK, 11/22/2028	42,801	41,961	41,962	2.5 %
Subtotal Senior Secured First Lien Debt				**$ 2,048,997**	**$ 1,995,273**	**119.8 %**
Senior Secured Second Lien Debt - 12.2% (b)						
Accentcare, Inc. (c) (h)	Healthcare	L+ 8.75% (13.49%), 6/21/2027	$ 30,152	$ 29,691	$ 25,026	1.5 %
Anchor Glass Container Corp. (c) (t)	Paper & Packaging	L+ 7.75% (11.53%), 12/7/2024	6,667	6,150	2,003	0.1 %
Aruba Investments Holdings, LLC (i)	Chemicals	L+ 7.75% (12.14%), 11/24/2028	3,759	3,717	3,401	0.2 %
Astro AB Merger Sub, Inc. (a) (c) (h)	Financials	L+ 8.00% (12.42%), 4/30/2025	8,162	8,145	7,560	0.5 %
Carlisle FoodService Products, Inc. (c)	Consumer	L+ 7.75% (11.32%), 3/20/2026	10,719	10,633	10,166	0.6 %
CommerceHub, Inc. (c)	Technology	S+ 7.00% (11.53%), 12/29/2028	12,360	12,314	10,506	0.6 %
Corelogic, Inc. (c)	Business Services	L+ 6.50% (10.94%), 6/4/2029	10,808	10,721	9,252	0.6 %
HAH Group Holding Company, LLC (c) (h)	Healthcare	L+ 8.50% (12.89%), 10/30/2028	12,445	12,218	12,445	0.7 %
Integrated Efficiency Solutions, Inc. (c) (o)	Industrials	10.00% PIK, 12/31/2026	1,586	1,062	760	0.0 %
Mercury Merger Sub, Inc. (c)	Business Services	L+ 6.50% (10.25%), 8/2/2029	13,965	13,869	13,518	0.8 %
ORG GC Holdings, LLC (c) (o)	Business Services	18.00% PIK, 11/29/2027	4,109	4,109	3,868	0.2 %
PetVet Care Centers, LLC (c) (h)	Healthcare	L+ 6.25% (10.63%), 2/13/2026	3,539	3,532	3,464	0.2 %
Project Boost Purchaser, LLC (c)	Business Services	L+ 8.00% (12.38%), 5/31/2027	1,848	1,848	1,848	0.1 %
Proofpoint, Inc. (h)	Software/Services	L+ 6.25% (10.99%), 8/31/2029	7,842	7,809	7,502	0.5 %
QuickBase, Inc. (c)	Technology	L+ 8.00% (12.38%), 4/2/2027	7,484	7,404	7,484	0.4 %
RealPage, Inc. (i)	Software/Services	L+ 6.50% (10.88%), 4/23/2029	13,647	13,485	13,067	0.8 %
Recess Holdings, Inc. (c) (h)	Industrials	L+ 7.75% (12.17%), 9/29/2025	16,134	16,038	16,134	1.0 %
SSH Group Holdings, Inc. (c)	Education	L+ 8.25% (12.98%), 7/30/2026	10,122	10,077	10,122	0.6 %
Therapy Brands Holdings, LLC (c) (h)	Healthcare	L+ 6.75% (11.10%), 5/18/2029	4,654	4,628	4,654	0.3 %
Travelpro Products, Inc. (a) (c)	Consumer	13.00%, 2.00% PIK, 11/20/2024	2,983	2,983	2,983	0.2 %
Travelpro Products, Inc. (a) (c) (m)	Consumer	13.00%, 2.00% PIK, 11/20/2024	CAD 3,445	2,671	2,542	0.2 %
USIC Holdings, Inc. (c) (h)	Business Services	L+ 6.50% (10.57%), 5/14/2029	5,798	5,751	5,589	0.3 %
Vantage Mobility International, LLC (c) (p) (t)	Transportation	L+ 6.00% (10.13%) PIK, 3/21/2024	1,212	17	—	— %

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

CONSOLIDATED SCHEDULES OF INVESTMENTS
(dollars in thousands)
December 31, 2022

Portfolio Company (f) (q) (v)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
Vantage Mobility International, LLC (c) (p) (t)	Transportation	L+ 6.00% (10.13%) PIK, 3/21/2024	$ 3,936	$ 2,914	$ —	— %
Victory Buyer, LLC (c)	Industrials	L+ 7.00% (11.35%), 11/19/2029	31,686	31,407	29,405	1.8 %
Subtotal Senior Secured Second Lien Debt				**$ 223,193**	**$ 203,299**	**12.2 %**
Subordinated Debt - 8.1% (b)						
Del Real, LLC (c)	Food & Beverage	16.00%, 12.00% PIK, 4/7/2023	$ 4,848	$ 4,679	$ 4,772	0.3 %
Encina Equipment Finance, LLC (c) (o)	Financials	L+ 7.75% (11.94%), 12/31/2028	15,086	15,086	15,086	0.9 %
Encina Equipment Finance, LLC (c) (o)	Financials	L+ 7.75% (11.94%), 12/31/2028	38,100	37,982	38,100	2.3 %
Siena Capital Finance, LLC (c) (j) (o)	Financials	12.50%, 11/26/2026	77,000	76,995	77,000	4.6 %
Subtotal Subordinated Debt				**$ 134,742**	**$ 134,958**	**8.1 %**
Collateralized Securities - 1.8% (b)						
Collateralized Securities - Debt Investments						
NewStar Arlington Senior Loan Program, LLC 14-1A FR (a) (c) (p)	Diversified Investment Vehicles	L+ 11.00% (15.36%), 4/25/2031	$ 4,750	$ 4,603	$ 4,165	0.3 %
Newstar Fairfield Fund CLO, Ltd. 2015-1RA F (a) (c) (p)	Diversified Investment Vehicles	L+ 7.50% (11.74%), 1/20/2027	10,728	10,264	8,849	0.5 %
Whitehorse, Ltd. 2014-1A E (a) (c) (p)	Diversified Investment Vehicles	L+ 4.55% (8.99%) PIK, 5/1/2026	8,132	8,076	6,996	0.4 %
Collateralized Securities - Equity Investments (n)						
NewStar Arlington Senior Loan Program, LLC 14-1A SUB (a) (c) (k) (p)	Diversified Investment Vehicles	19.92%, 4/25/2031	$ 31,603	$ 11,714	$ 10,278	0.6 %
Newstar Fairfield Fund CLO, Ltd. 2015-1RA SUB (a) (c) (k) (p)	Diversified Investment Vehicles	0.00%, 1/20/2027	31,575	6,285	—	— %
OFSI Fund, Ltd. 2014-6A Side Letter (a) (c)	Diversified Investment Vehicles	0.00%, 3/20/2025	1,970	47	—	— %
Whitehorse, Ltd. 2014-1A Side Letter (a) (c) (p)	Diversified Investment Vehicles	0.00%, 5/1/2026	1,886	134	—	— %
Whitehorse, Ltd. 2014-1A SUB (a) (c) (k) (p)	Diversified Investment Vehicles	0.00%, 5/1/2026	36,000	6,965	—	— %
Subtotal Collateralized Securities				**$ 48,088**	**$ 30,288**	**1.8 %**
Equity/Other - 30.7% (b) (d)						
Aden & Anais Holdings, Inc. (c) (e) (w)	Retail		4,470	$ —	$ —	— %
Baker Hill Acquisition, LLC (c) (e)	Financials		22,653	—	—	— %
Black Mountain Sand, LLC (c) (e) (u)	Energy		55,463	—	1,659	0.1 %
CDS U.S. Intermediate Holdings, Inc. (a) (e) (p)	Media/Entertainment		539,708	1,224	4,721	0.3 %
CDS U.S. Intermediate Holdings, Inc. (a) (e) (p)	Media/Entertainment		874,000	437	1,311	0.1 %
Clover Technologies Group, LLC (c) (e)	Industrials		180,274	1,153	52	0.0 %
Clover Technologies Group, LLC (c) (e)	Industrials		2,753	275	1,122	0.1 %
CRS-SPV, Inc. (c) (e) (o)	Industrials		246	2,218	1,559	0.1 %
Danish CRJ, Ltd. (a) (c) (e) (o) (r)	Transportation		5,002	—	—	— %
Del Real, LLC (c) (e) (u)	Food & Beverage		670,510	382	143	0.0 %
Dyno Acquiror, Inc. (c) (e)	Consumer		134,102	58	21	0.0 %
Encina Equipment Finance, LLC (c) (o) (u)	Financials		79,479	81,787	81,692	4.9 %

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

(dollars in thousands)

Portfolio Company (f) (q) (v)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
FBLC Senior Loan Fund, LLC (a) (c) (j) (o)	Diversified Investment Vehicles		304,934	$ 304,934	$ 304,934	18.3 %
First Eagle Greenway Fund II, LLC (a) (e) (p)	Diversified Investment Vehicles		5,329	3,977	360	0.0 %
Foresight Energy Operating, LLC (c) (e) (p) (u)	Energy		158,093	2,087	3,519	0.2 %
HemaSource, Inc. (c) (e) (w)	Healthcare		223,503	168	369	0.0 %
Integrated Efficiency Solutions, Inc. (c) (e) (o) (u)	Industrials		55,991	—	—	— %
Integrated Efficiency Solutions, Inc. (c) (e) (o) (u)	Industrials		57,427	—	—	— %
Internap Corp (c) (e) (o)	Business Services		1,293,189	543	595	0.0 %
Jakks Pacific, Inc. (c)	Consumer		5,303	223	788	0.0 %
Kahala Ireland OpCo Designated Activity Company (a) (c) (o) (y)	Transportation		1	—	5,027	0.3 %
Kahala Ireland OpCo Designated Activity Company (a) (c) (e) (o) (y)	Transportation		3,250,000	—	3,250	0.2 %
Kahala US OpCo, LLC (a) (c) (e) (o) (x)	Transportation		4,413,472	—	—	— %
KidKraft, Inc. (c) (e) (u)	Consumer		2,682,257	—	1,770	0.1 %
Lakeview Health Holdings, Inc. (c) (e) (o)	Healthcare		5,272	—	—	— %
McDonald Worley, P.C. (c) (e)	Business Services		20,167	20	2,799	0.2 %
MCS Acquisition Corp. (c) (e) (p)	Business Services		31,521	4,103	747	0.0 %
MCS Acquisition Corp. (c) (e) (p)	Business Services		356,537	357	357	0.0 %
MGTF Holdco, LLC (c) (e) (o) (u)	Media/Entertainment		402,000	—	—	— %
Motor Vehicle Software Corp. (c) (e) (w)	Business Services		223,503	318	262	0.0 %
ORG GC Holdings, LLC (c) (e) (o)	Business Services		93,380	212	—	— %
ORG GC Holdings, LLC (c) (e) (o)	Business Services		1,771	—	—	— %
PennantPark Credit Opportunities Fund II, LP (a) (e) (p)	Diversified Investment Vehicles		8,739	826	1,162	0.1 %
Point Broadband Acquisition, LLC (c) (e) (u)	Telecom		2,550,487	2,550	3,009	0.2 %
RMP Group, Inc. (c) (e) (u)	Financials		223	164	369	0.0 %
Siena Capital Finance, LLC (c) (j) (o)	Financials		41,789,400	42,499	77,310	4.7 %
Skillsoft Corp. (e) (s)	Technology		248,712	2,636	323	0.0 %
Smile Brands, Inc. (c) (e)	Healthcare		712	—	874	0.1 %
Squan Holding Corp. (c) (e)	Telecom		180,835	—	—	— %
Tap Rock Resources, LLC (c) (g) (p) (u)	Energy		18,356,442	—	596	0.0 %
Tax Defense Network, LLC (c) (e) (p)	Consumer		147,099	425	—	— %
Tax Defense Network, LLC (c) (e) (p)	Consumer		633,382	—	—	— %
Tennenbaum Waterman Fund, LP (a) (p)	Diversified Investment Vehicles		10,000	10,000	8,699	0.6 %
Travelpro Products, Inc. (a) (c) (e)	Consumer		447,007	506	313	0.0 %
United Biologics, LLC (c) (e) (u)	Healthcare		39,769	132	—	— %
United Biologics, LLC (c) (e) (u)	Healthcare		3,155	—	—	— %
United Biologics, LLC (c) (e) (u)	Healthcare		4,206	31	—	— %
United Biologics, LLC (c) (e) (u)	Healthcare		99,236	—	—	— %
United Biologics, LLC (c) (e) (u)	Healthcare		223	35	—	— %
USASF Holdco, LLC (c) (e) (u)	Financials		10,000	10	—	— %
USASF Holdco, LLC (c) (e) (u)	Financials		490	490	—	— %
USASF Holdco, LLC (c) (e) (u)	Financials		139	139	—	— %

CONSOLIDATED SCHEDULES OF INVESTMENTS
(dollars in thousands)
December 31, 2022

Portfolio Company (f) (q) (v)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
Vantage Mobility International, LLC (c) (e) (p)	Transportation		512,923	$ —	$ —	— %
Vantage Mobility International, LLC (c) (e) (p)	Transportation		4,639,261	3,140	—	— %
Vantage Mobility International, LLC (c) (e) (p)	Transportation		1,940,977	—	—	— %
World Business Lenders, LLC (c) (e)	Financials		922,669	3,750	1,614	0.1 %
WPNT, LLC (c) (e) (o) (u)	Media/Entertainment		402,000	—	—	— %
Wythe Will Tzetzo, LLC (c) (e) (u)	Food & Beverage		22,312	302	—	— %
YummyEarth, Inc. (c) (e)	Food & Beverage		223	—	—	— %
Subtotal Equity/Other				**$ 472,111**	**$ 511,326**	**30.7 %**
TOTAL INVESTMENTS - 172.6% (b)				**$ 2,927,131**	**$ 2,875,144**	**172.6 %**

(a) All of the Company's investments, except the investments noted by this footnote, are qualifying assets under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act"). Under the 1940 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. Qualifying assets represent 85.2% of the Company's total assets. The significant majority of all investments held are deemed to be illiquid.

(b) Percentages are based on net assets as of December 31, 2022.

(c) The fair value of investments with respect to securities for which market quotations are not readily available is determined in good faith by the Company's Board of Directors as required by the 1940 Act. Such investments are valued using significant unobservable inputs (See Note 3 to the consolidated financial statements).

(d) All amounts are in thousands except share amounts.

(e) Non-income producing at December 31, 2022.

(f) The Company has various unfunded commitments to portfolio companies. Please refer to Note 7 - Commitments and Contingencies for details of these unfunded commitments.

(g) The commitment related to this investment is discretionary.

(h) The Company's investment or a portion thereof is pledged as collateral under the JPM Credit Facility. Individual investments can be divided into parts which are pledged to separate credit facilities.

(i) The Company's investment or a portion thereof is pledged as collateral under the Wells Fargo Credit Facility. Individual investments can be divided into parts which are pledged to separate credit facilities.

(j) The Company's investment falls under the definition of a significant subsidiary, as it exceeded the threshold of at least one of the tests under Rule 3-09. See Note 18 and the relevant portfolio companies' audited financial statements for additional disclosure.

(k) The Collateralized Securities - subordinated notes are treated as equity investments and are entitled to recurring distributions which are generally equal to the remaining cash flow of the payments made by the underlying fund's securities less contractual payments to debt holders and fund expenses. The estimated yield indicated is based upon a current projection of the amount and timing of these recurring distributions and the estimated amount of repayment of principal upon termination. Such projections are periodically reviewed and adjusted, and the estimated yield may not ultimately be realized.

(l) The majority of the investments bear interest at a rate that may be determined by reference to London Interbank Offered Rate ("LIBOR" or "L"), Secured Overnight Financing Rate ("SOFR" or "S"), or Prime ("P") and which reset daily, monthly, quarterly, or semiannually. For each, the Company has provided the spread over the relevant reference rate and the current interest rate in effect at December 31, 2022. Certain investments are subject to reference rate floors. For fixed rate loans, a spread above a reference rate is not applicable. For floating rate securities the all-in rate is disclosed within parentheses.

(m) The principal amount (par amount) is denominated in Canadian Dollars ("CAD").

(n) For equity investments in Collateralized Securities, the effective yield is presented in place of the investment coupon rate for each investment. Refer to footnote (k) for a further description of an equity investment in a Collateralized Security.

(o) The provisions of the 1940 Act classify investments based on the level of control that the Company maintains in a particular portfolio company. As defined in the 1940 Act, a company is generally presumed to be "non-controlled" when the Company owns 25% or less of the portfolio company's voting securities and/or does not have the power to exercise control over the management or policies of such portfolio company. A company is generally presumed to be "controlled" when the Company owns more than 25% of the portfolio company's voting securities and/or has the power to exercise control over the management or policies of such portfolio company. The Company classifies this investment as "controlled".

(p) The provisions of the 1940 Act classify investments further based on the level of ownership that the Company maintains in a particular portfolio company. As defined in the 1940 Act, a company is generally deemed as "non-affiliated" when the Company owns less than 5% of a portfolio company's voting securities and "affiliated" when the Company owns 5% or more of a portfolio company's voting securities. The Company classifies this investment as "affiliated".

(q) Unless otherwise indicated, all investments in the Consolidated Schedules of Investments are non-affiliated, non-controlled investments.

(r) The Company's investment is held through the consolidated subsidiary, Kahala Aviation Holdings, LLC, which owns 49% of the operating company, Danish CRJ LTD.

(s) The investment is not a restricted security. All other securities are restricted securities.

(t) The investment is on non-accrual status as of December 31, 2022.

(u) Investments are held in the taxable wholly-owned, consolidated subsidiary, 54th Street Equity Holdings, Inc.

(v) Unless otherwise indicated, all of the Company's investments or a portion thereof are pledged as collateral under the JPM Revolver Facility.

(w) The investment is held through BSP TCAP Acquisition Holdings LP, which is an affiliated acquisition entity. Due to certain restrictions, such as limits on the number of partners allowable within the equity structures of the newly acquired investments, these investments are still held within the acquisition entity as of December 31, 2022.

(x) The Company's investment is held through the consolidated subsidiaries, Kahala Aviation Holdings, LLC and Kahala Aviation US, Inc., which own 100% of the equity of the operating company, Kahala US OpCo LLC.

(y) The Company's investment is held through the consolidated subsidiary, Kahala Aviation Holdings, LLC, which owns 100% of the equity of the operating company, Kahala Ireland OpCo Designated Activity Company.

(dollars in thousands)

The following table shows the portfolio composition by industry grouping based on fair value at December 31, 2022:

	At December 31, 2022	
	Investments at Fair Value	Percentage of Total Portfolio
Business Services	$ 441,450	15.5 %
Healthcare	412,315	14.3 %
Financials	389,041	13.5 %
Diversified Investment Vehicles (1)	345,443	12.0 %
Software/Services	288,652	10.0 %
Industrials	260,455	9.1 %
Media/Entertainment	183,907	6.4 %
Paper & Packaging	129,932	4.5 %
Consumer	115,259	4.0 %
Food & Beverage	75,047	2.6 %
Utilities	53,709	1.9 %
Education	41,486	1.4 %
Chemicals	34,879	1.2 %
Technology	33,663	1.2 %
Transportation	28,407	1.0 %
Telecom	26,316	0.9 %
Energy	15,183	0.5 %
Total	$ 2,875,144	100.0 %

(1) Includes FBLC's investment in FBLC Senior Loan Fund, LLC, which represents 10.6% of the fair value of investments as of December 31, 2022.

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Portfolio Company (f) (q)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
Senior Secured First Lien Debt - 121.3% (b)						
1236904 BC, Ltd. (c) (h)	Software/Services	L+ 7.50% (8.50%), 3/4/2027	$ 10,441	$ 10,264	$ 10,754	0.7 %
1236904 BC, Ltd. (c) (h) (i)	Software/Services	L+ 5.50% (5.60%), 3/4/2027	18,639	18,079	18,276	1.2 %
Absolute Software Corp. (a) (c) (h)	Software/Services	L+ 6.00% (6.75%), 7/1/2027	46,405	45,555	45,556	3.0 %
ADCS Clinics Intermediate Holdings, LLC (c) (h)	Healthcare	L+ 6.25% (7.25%), 5/7/2027	13,772	13,526	13,527	0.9 %
ADCS Clinics Intermediate Holdings, LLC (c)	Healthcare	L+ 6.25% (7.25%), 5/7/2027	2,119	2,119	2,082	0.1 %
Arch Global Precision, LLC (c)	Industrials	L+ 4.50% (4.72%), 4/1/2026	2,216	2,216	2,216	0.1 %
Arch Global Precision, LLC (c) (h) (i)	Industrials	L+ 4.50% (4.72%), 4/1/2026	7,556	7,526	7,556	0.5 %
Arctic Holdco, LLC (c)	Paper & Packaging	L+ 6.00% (7.00%), 12/23/2026	6,938	6,938	6,834	0.6 %
Arctic Holdco, LLC (c)	Paper & Packaging	L+ 6.00% (7.00%), 12/23/2026	1,015	1,015	1,000	0.1 %
Arctic Holdco, LLC (c) (h) (i)	Paper & Packaging	L+ 6.00% (7.00%), 12/23/2026	51,003	49,921	50,238	3.3 %
Armada Parent, Inc. (c) (h)	Industrials	L+ 5.75% (6.50%), 10/29/2027	45,169	44,292	44,293	2.9 %
Armada Parent, Inc. (c)	Industrials	L+ 5.75% (6.50%), 10/29/2027	452	452	443	0.0 %
Aventine Holdings, LLC (c)	Media/Entertainment	10.25%, 6/18/2027	22,439	21,881	21,880	1.5 %
Aventine Holdings, LLC (c)	Media/Entertainment	L+ 6.00% (6.75%), 6/18/2027	25,159	24,658	24,658	1.6 %
Axiom Global, Inc. (c) (h) (i)	Business Services	L+ 4.75% (5.50%), 10/1/2026	20,525	20,370	20,525	1.4 %
BCPE Oceandrive Buyer, Inc. (c) (i)	Healthcare	L+ 6.25% (7.00%), 12/29/2028	20,550	20,088	20,088	1.3 %
Bearcat Buyer, Inc. (c) (i)	Healthcare	L+ 4.25% (5.25%), 7/9/2026	151	151	151	0.0 %
Bearcat Buyer, Inc. (c) (i)	Healthcare	L+ 4.25% (5.25%), 7/9/2026	726	726	726	0.0 %
Black Mountain Sand, LLC (c)	Energy	L+ 9.00% (10.50%), 6/28/2024	17,145	17,071	17,145	1.1 %
Capstone Logistics (c)	Transportation	L+ 4.75% (5.75%), 11/12/2027	1,127	1,127	1,127	0.1 %
Capstone Logistics (c) (h)	Transportation	L+ 4.75% (5.75%), 11/12/2027	19,208	19,053	19,208	1.3 %
Capstone Logistics (c)	Transportation	P+ 3.75% (7.00%), 11/12/2025	278	278	278	0.0 %
CDS U.S. Intermediate Holdings, Inc. (a) (h) (i) (p)	Media/Entertainment	L+ 6.00% (7.00%), 11/24/2025	5,570	5,514	5,565	0.4 %
CHA Holdings, Inc. (c) (i)	Business Services	L+ 4.50% (5.50%), 4/10/2025	520	493	520	0.0 %
Chudy Group, LLC (c) (h)	Healthcare	L+ 5.75% (6.75%), 6/30/2027	20,600	20,317	20,318	1.3 %
Cobblestone Intermediate Holdco, LLC (c) (i)	Consumer	L+ 5.25% (6.25%), 1/29/2026	15,014	14,927	15,014	1.0 %
Cobblestone Intermediate Holdco, LLC (c)	Consumer	L+ 5.50% (6.25%), 1/29/2026	1,116	1,116	1,116	0.1 %
Cold Spring Brewing, Co. (c) (h) (i)	Food & Beverage	L+ 4.75% (5.75%), 12/19/2025	7,746	7,694	7,746	0.5 %
Communication Technology Intermediate, LLC (c) (h)	Business Services	L+ 5.75% (6.75%), 5/5/2027	18,072	17,750	18,072	1.2 %
Communication Technology Intermediate, LLC (c)	Business Services	L+ 5.75% (6.75%), 5/5/2027	6,286	6,286	6,286	0.4 %
Community Care Health Network, LLC (h)	Healthcare	L+ 4.75% (4.85%), 2/17/2025	8	7	7	0.0 %
Corfin Industries, LLC (c) (h) (i)	Industrials	L+ 5.75% (6.75%), 2/5/2026	16,520	16,277	16,520	1.1 %
Cornerstone Chemical, Co.	Chemicals	6.75%, 8/15/2024	14,850	14,369	13,271	0.9 %
CRS-SPV, Inc. (c) (j) (o) (w)	Industrials	L+ 4.50% (5.50%), 3/8/2022	62	62	62	0.0 %
Drilling Info Holdings, Inc. (c) (i)	Business Services	L+ 4.25% (4.35%), 7/30/2025	7,024	6,833	7,024	0.5 %
Dynagrid Holdings, LLC (c)	Utilities	L+ 6.00% (7.00%), 12/18/2025	679	679	679	0.0 %

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

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Dynagrid Holdings, LLC (c) (i)	Utilities	L+ 6.00% (7.00%), 12/18/2025	$ 14,336	$ 14,101	$ 14,336	0.9 %
FGT Purchaser, LLC (c) (h)	Consumer	L+ 5.50% (6.50%), 9/13/2027	21,445	21,038	21,038	1.4 %
FGT Purchaser, LLC (c)	Consumer	L+ 5.50% (6.50%), 9/13/2027	643	643	631	0.0 %
Foresight Energy Operating, LLC (c) (p)	Energy	L+ 8.00% (9.50%), 6/30/2027	1,091	1,091	1,102	0.1 %
Galway Borrower, LLC (c) (h)	Financials	L+ 5.25% (6.00%), 9/29/2028	26,354	25,878	25,845	1.7 %
Gold Standard Baking, Inc. (c) (t)	Food & Beverage	P+ 5.50% (8.75%) 2.00% PIK, 7/25/2022	2,515	2,176	755	0.1 %
Green Energy Partners/Stonewall, LLC	Utilities	L+ 6.00% (6.50%), 11/12/2026	10,339	10,138	10,235	0.7 %
Health Plan One, Inc. (c) (j)	Financials	L+ 7.50% (8.50%), 7/15/2025	10,695	10,317	10,695	0.7 %
Higginbotham Insurance Agency, Inc. (c) (h)	Financials	L+ 5.50% (6.25%), 11/25/2026	11,521	11,380	11,521	0.8 %
Higginbotham Insurance Agency, Inc. (c)	Financials	L+ 5.50% (6.25%), 11/25/2026	4,091	4,091	4,091	0.3 %
Hospice Care Buyer, Inc. (c)	Healthcare	L+ 6.50% (7.50%), 12/9/2026	4,579	4,579	4,527	0.3 %
Hospice Care Buyer, Inc. (c) (h)	Healthcare	L+ 6.50% (7.50%), 12/9/2026	24,561	23,956	24,283	1.6 %
Hospice Care Buyer, Inc. (c) (h)	Healthcare	L+ 6.50% (7.50%), 12/9/2026	18,191	17,804	17,986	1.2 %
Hospice Care Buyer, Inc. (c)	Healthcare	P+ 5.50% (8.75%), 12/9/2026	1,705	1,705	1,686	0.1 %
ICR Operations, LLC (c) (h)	Business Services	L+ 5.50% (6.50%), 11/22/2028	42,773	41,931	41,930	2.8 %
ICR Operations, LLC (c)	Business Services	L+ 5.25% (6.25%), 11/22/2027	3,089	3,089	3,028	0.2 %
Ideal Tridon Holdings, Inc. (c)	Industrials	L+ 5.25% (6.25%), 7/31/2024	45	45	45	0.0 %
Ideal Tridon Holdings, Inc. (c) (h) (i)	Industrials	L+ 5.25% (6.25%), 7/31/2024	820	812	820	0.1 %
Ideal Tridon Holdings, Inc. (c) (h) (i)	Industrials	L+ 5.25% (6.25%), 7/31/2024	26,837	26,699	26,837	1.8 %
Ideal Tridon Holdings, Inc. (c) (j)	Industrials	L+ 5.25% (6.25%), 7/31/2023	883	883	883	0.1 %
IG Investments Holdings, LLC (c) (h)	Business Services	L+ 6.00% (6.75%), 9/22/2028	17,807	17,465	17,465	1.2 %
IG Investments Holdings, LLC (c)	Business Services	L+ 6.00% (6.75%), 9/22/2027	695	695	682	0.0 %
Integrated Efficiency Solutions, Inc. (c) (o) (w)	Industrials	7.50%, 12/31/2025	1,436	1,436	1,436	0.1 %
Integrated Efficiency Solutions, Inc. (c) (o) (w)	Industrials	7.50%, 12/31/2025	131	131	131	0.0 %
Integrated Global Services, Inc. (c) (i)	Industrials	L+ 6.00% (7.00%), 2/4/2026	11,385	11,230	10,928	0.7 %
Integrated Global Services, Inc. (c) (j)	Industrials	L+ 6.00% (7.00%), 2/4/2026	1,622	1,622	1,556	0.1 %
Internap Corp. (c) (h) (p)	Business Services	L+ 6.50% (7.50%) 5.50% PIK, 5/8/2025	6,294	6,294	5,475	0.4 %
International Cruise & Excursions, Inc. (c) (i)	Business Services	L+ 5.25% (6.25%), 6/6/2025	4,900	4,874	4,459	0.3 %
K2 Intelligence Holdings, Inc. (c) (h) (i)	Business Services	L+ 5.75% (6.75%), 9/23/2024	10,251	10,140	9,539	0.6 %
Kaman Distribution Corp. (c) (h) (i)	Industrials	L+ 5.00% (5.10%), 8/26/2026	20,448	19,219	20,448	1.4 %
KidKraft, Inc. (c) (w)	Consumer	L+ 5.00% (6.00%), 8/15/2022	1,060	680	1,060	0.1 %
Kissner Milling Co., Ltd.	Industrials	4.88%, 5/1/2028	2,983	2,983	2,871	0.2 %
Knowledge Pro Buyer, Inc. (c) (i)	Business Services	L+ 5.75% (6.50%), 12/10/2027	24,800	24,309	24,309	1.6 %
Knowledge Pro Buyer, Inc. (c)	Business Services	L+ 5.75% (6.50%), 12/10/2027	607	607	595	0.0 %
Labrie Environmental Group, LLC (a) (c) (h)	Industrials	L+ 5.50% (6.50%), 9/1/2026	22,580	22,229	22,580	1.5 %
Lakeland Tours, LLC (c) (h) (i)	Education	L+ 7.50% (8.75%) 6.00% PIK, 9/25/2025	3,565	3,548	3,565	0.2 %
Lakeland Tours, LLC (c) (h) (i)	Education	L+ 7.50% (8.75%) 6.00% PIK, 9/25/2025	4,321	3,955	3,889	0.3 %
Lakeland Tours, LLC (c) (h)	Education	L+ 12.00% (13.25%) 6.00% PIK, 9/25/2023	1,875	1,875	1,875	0.1 %
Lakeland Tours, LLC (c) (h) (i)	Education	13.25% PIK, 9/27/2027	4,700	3,010	3,290	0.2 %

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Portfolio Company (f) (q)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
Lakeview Health Holdings, Inc. (c) (o) (w)	Healthcare	P+ 6.00% (9.25%), 10/15/2024	$ 414	$ 414	$ 414	0.0 %
Lakeview Health Holdings, Inc. (c) (o) (t) (w)	Healthcare	P+ 4.50% (7.75%) PIK, 10/15/2024	1,576	600	584	0.0 %
LightSquared, LP	Telecom	15.50% PIK, 11/1/2023	1,794	1,794	1,471	0.1 %
Manna Pro Products, LLC (c)	Consumer	L+ 6.00% (7.00%), 12/10/2026	4,033	4,033	4,033	0.3 %
Manna Pro Products, LLC (c) (i)	Consumer	L+ 6.00% (7.00%), 12/10/2026	33,250	32,596	33,250	2.2 %
Manna Pro Products, LLC (c)	Consumer	L+ 6.00% (7.00%), 12/10/2026	744	744	744	0.0 %
McDonald Worley, P.C. (c)	Business Services	26.00% PIK, 12/31/2024	12,080	12,080	11,826	0.8 %
MCS Acquisition Corp. (c)	Business Services	L+ 6.00% (7.00%), 10/2/2025	780	780	780	0.1 %
Medical Depot Holdings, Inc. (c) (h) (i)	Healthcare	L+ 9.50% (10.50%) 4.00% PIK, 6/2/2025	19,929	19,510	19,630	1.3 %
Medical Management Resource Group, LLC (c) (h)	Healthcare	L+ 5.75% (6.50%), 9/30/2027	16,139	15,830	15,829	1.0 %
MGTF Radio Company, LLC (c) (j) (o)	Media/Entertainment	L+ 6.00% (7.00%), 4/1/2024	51,596	51,529	42,567	2.8 %
Midwest Can Company, LLC (c) (h) (i)	Paper & Packaging	L+ 6.00% (7.00%), 3/2/2026	32,385	31,896	32,385	2.1 %
Midwest Can Company, LLC (c) (j)	Paper & Packaging	L+ 6.00% (7.00%), 3/2/2026	565	565	565	0.0 %
Miller Environmental Group, Inc. (c) (h) (i)	Business Services	L+ 6.50% (7.50%), 3/15/2024	11,346	11,246	11,346	0.8 %
Miller Environmental Group, Inc. (c) (h) (i)	Business Services	L+ 6.50% (7.50%), 3/15/2024	10,377	10,269	10,377	0.7 %
Ministry Brands, LLC (c) (i)	Software/Services	L+ 4.00% (5.00%), 12/2/2022	5,610	5,585	5,610	0.4 %
Mintz Group, LLC (c) (i)	Business Services	L+ 4.25% (5.25%), 3/18/2026	3,986	3,958	3,986	0.3 %
Mirra-Primeaccess Holdings, LLC (c) (h)	Healthcare	L+ 6.50% (7.50%), 7/29/2026	49,321	48,419	49,321	3.3 %
Muth Mirror Systems, LLC (c) (h) (i)	Technology	L+ 5.25% (6.25%), 4/23/2025	15,140	14,973	14,032	0.9 %
New Star Metals, Inc. (c) (h) (i)	Industrials	L+ 5.00% (6.00%), 1/9/2026	32,817	32,335	32,817	2.2 %
Norvax, LLC (a) (c)	Business Services	L+ 6.50% (7.50%), 9/13/2024	893	893	893	0.1 %
NTM Acquisition Corp. (c) (h) (i)	Media/Entertainment	L+ 7.25% (8.25%) 1.00% PIK, 6/7/2024	21,678	21,655	21,093	1.4 %
Odessa Technologies, Inc. (c) (h)	Software/Services	L+ 5.75% (6.50%), 10/19/2027	14,451	14,172	14,172	0.9 %
Olaplex, Inc. (c) (h) (i)	Consumer	L+ 6.25% (7.25%), 1/8/2026	16,792	16,567	16,792	1.1 %
ORG GC Holdings, LLC (c) (o)	Business Services	L+ 6.50% (7.50%) PIK, 11/24/2026	8,343	8,343	8,343	0.6 %
Pie Buyer, Inc. (c) (i)	Food & Beverage	L+ 5.50% (6.50%), 4/5/2027	28,390	27,644	28,390	1.9 %
Pie Buyer, Inc. (c)	Food & Beverage	L+ 5.50% (6.50%), 4/5/2027	1,471	1,471	1,471	0.1 %
Pilot Air Freight, LLC (c) (i)	Transportation	L+ 5.25% (6.25%), 7/25/2024	8,964	8,859	8,964	0.6 %
Pilot Air Freight, LLC (c)	Transportation	L+ 5.25% (6.25%), 7/25/2024	2,326	2,326	2,326	0.2 %
PlayPower, Inc. (c) (h) (i)	Industrials	L+ 5.50% (5.72%), 5/8/2026	23,961	23,737	22,786	1.5 %
Pluralsight, LLC (c) (h)	Software/Services	L+ 8.00% (9.00%), 4/6/2027	18,826	18,496	18,481	1.2 %
Pluralsight, LLC (c) (h)	Software/Services	L+ 8.00% (9.00%), 4/6/2027	6,728	6,605	6,605	0.4 %
Point Broadband Acquisition, LLC (c) (h)	Telecom	L+ 6.00% (7.00%), 9/29/2028	19,340	18,874	18,874	1.3 %
Premier Global Services, Inc. (c) (t)	Telecom	P+ 5.50% (8.75%), 6/8/2023	5,024	4,908	251	0.0 %
Premier Global Services, Inc. (c)	Telecom	P+ 5.50% (8.75%), 3/31/2022	969	969	969	0.1 %
Prototek, LLC (c) (h)	Industrials	L+ 5.75% (6.75%), 10/20/2026	11,172	10,971	11,060	0.7 %
Prototek, LLC (c)	Industrials	L+ 5.75% (6.75%), 10/20/2026	1,242	1,242	1,229	0.1 %
PSKW, LLC (c) (h) (i)	Healthcare	L+ 6.25% (7.25%), 3/9/2026	29,475	28,961	29,475	2.0 %
PT Network, LLC (c) (h)	Healthcare	L+ 7.50% (8.50%) 2.00% PIK, 11/30/2023	17,179	17,142	17,179	1.1 %

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

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PT Network, LLC (c)	Healthcare	L+ 7.50% (8.50%) 2.00% PIK, 11/30/2023	$ 395	$ 395	$ 395	0.0 %
Questex, Inc. (c) (h) (i)	Media/Entertainment	L+ 5.00% (6.00%), 9/9/2024	15,665	15,525	14,257	0.9 %
Questex, Inc. (c) (j)	Media/Entertainment	L+ 5.00% (6.00%), 9/9/2024	1,550	1,550	1,410	0.1 %
Reddy Ice Corp. (c) (j)	Food & Beverage	L+ 6.50% (7.50%), 7/1/2025	1,807	1,795	1,772	0.1 %
Reddy Ice Corp. (c)	Food & Beverage	L+ 6.50% (7.50%), 7/1/2025	1,476	1,476	1,447	0.1 %
Reddy Ice Corp. (c)	Food & Beverage	L+ 6.50% (7.50%), 7/1/2025	4,844	4,845	4,707	0.3 %
Reddy Ice Corp. (c) (h) (i)	Food & Beverage	L+ 6.50% (7.50%), 7/1/2025	19,147	18,812	18,774	1.2 %
Refresh Parent Holdings, Inc. (c)	Healthcare	L+ 6.50% (7.50%), 12/9/2026	3,035	3,035	3,035	0.2 %
Refresh Parent Holdings, Inc. (c) (h)	Healthcare	L+ 6.50% (7.50%), 12/9/2026	9,487	9,277	9,487	0.6 %
Refresh Parent Holdings, Inc. (c) (h)	Healthcare	L+ 6.50% (7.50%), 12/9/2026	1,159	1,136	1,136	0.1 %
Refresh Parent Holdings, Inc. (c)	Healthcare	P+ 5.50% (8.75%), 12/9/2026	406	406	406	0.0 %
Relativity Oda, LLC (c) (i)	Software/Services	L+ 7.50% (8.50%) PIK, 5/12/2027	4,885	4,781	4,787	0.3 %
REP TEC Intermediate Holdings, Inc. (c) (h) (i)	Software/Services	L+ 6.50% (7.50%), 12/1/2027	28,236	27,758	27,717	1.8 %
Resco Products, Inc. (c)	Industrials	L+ 7.00% (9.00%) 2.00% PIK, 6/5/2022	9,376	9,376	9,376	0.6 %
Roadsafe Holdings, Inc. (c) (i)	Industrials	L+ 5.75% (6.75%), 10/19/2027	7,832	7,692	7,692	0.5 %
Roadsafe Holdings, Inc. (c)	Industrials	P+ 4.75% (8.00%), 10/19/2027	2,879	2,879	2,828	0.2 %
RSC Acquisition, Inc. (c)	Financials	L+ 5.50% (6.25%), 10/30/2026	4,249	4,249	4,208	0.3 %
RSC Acquisition, Inc. (c)	Financials	L+ 5.50% (6.25%), 10/30/2026	1,293	1,293	1,280	0.1 %
RSC Acquisition, Inc. (c) (i)	Financials	L+ 5.50% (6.25%), 10/30/2026	1,847	1,829	1,829	0.1 %
Saturn SHC Buyer Holdings, Inc. (c) (h)	Healthcare	L+ 6.00% (6.75%), 11/18/2027	33,324	32,671	32,671	2.2 %
Saturn SHC Buyer Holdings, Inc. (c)	Healthcare	P+ 5.00% (8.25%), 11/18/2027	3,332	3,332	3,267	0.2 %
SCIH Salt Holdings, Inc. (c)	Industrials	L+ 4.00% (5.00%), 3/17/2025	1,030	1,030	978	0.1 %
Sherlock Buyer Corp. (c) (i)	Business Services	L+ 5.75% (6.50%), 12/8/2028	11,124	10,904	10,904	0.7 %
Simplifi Holdings, Inc. (c) (h)	Media/Entertainment	L+ 5.50% (6.25%), 10/1/2027	35,460	34,781	34,779	2.3 %
Skillsoft Corp. (a) (h)	Technology	L+ 4.75% (5.50%), 7/14/2028	1,460	1,440	1,462	0.1 %
St. Croix Hospice Acquisition Corp. (c) (i)	Healthcare	L+ 6.00% (7.00%), 10/30/2026	25,680	25,267	25,680	1.7 %
Striper Buyer, LLC (c) (h)	Paper & Packaging	L+ 5.50% (6.25%), 12/30/2026	12,393	12,287	12,393	0.8 %
Subsea Global Solutions, LLC (c) (i)	Business Services	L+ 7.00% (8.00%), 3/29/2023	4,697	4,663	4,697	0.3 %
Subsea Global Solutions, LLC (c) (i)	Business Services	L+ 7.00% (8.00%), 3/29/2023	7,916	7,877	7,916	0.5 %
Subsea Global Solutions, LLC (c) (j)	Business Services	L+ 7.00% (8.00%), 3/29/2023	963	963	963	0.1 %
SunMed Group Holdings, LLC (c) (h)	Healthcare	L+ 5.75% (6.50%), 6/16/2028	9,054	8,908	8,909	0.6 %
SunMed Group Holdings, LLC (c)	Healthcare	L+ 5.75% (6.50%), 6/16/2027	96	96	95	0.0 %
Tax Defense Network, LLC (c) (p) (t)	Consumer	L+ 6.00% (10.00%) PIK, 3/31/2022	6,633	3,833	464	0.0 %
Tax Defense Network, LLC (c) (p) (t)	Consumer	10.00% PIK, 3/31/2022	3,678	2,986	3,678	0.3 %
Tax Defense Network, LLC (c) (p) (t)	Consumer	L+ 6.00% (10.00%) PIK, 3/31/2022	37,368	21,646	2,616	0.2 %
Therapy Brands Holdings, LLC (c) (h)	Healthcare	L+ 4.00% (4.75%), 5/18/2028	3,475	3,459	3,475	0.2 %
Tillamook Country Smoker, LLC (c) (h)	Food & Beverage	L+ 7.75% (8.75%), 5/19/2022	9,629	9,618	8,493	0.6 %
Tillamook Country Smoker, LLC (c) (j)	Food & Beverage	L+ 7.75% (8.75%), 5/19/2022	2,561	2,561	2,259	0.1 %
Trilogy International Partners, LLC (a)	Telecom	8.88%, 5/15/2023	15,510	15,240	15,359	1.0 %
Trilogy International Partners, LLC (a) (c) (h)	Telecom	10.00%, 5/1/2022	6,298	6,235	6,298	0.4 %

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

CONSOLIDATED SCHEDULES OF INVESTMENTS
(dollars in thousands)

December 31, 2021

Portfolio Company (f) (q)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
Trinity Air Consultants Holdings Corp. (c) (h)	Business Services	L+ 5.25% (6.00%), 6/29/2027	$ 20,424	$ 20,050	$ 20,050	1.3 %
Trinity Air Consultants Holdings Corp. (c)	Business Services	L+ 5.25% (6.00%), 6/29/2027	1,594	1,594	1,565	0.1 %
Triple Lift, Inc. (c) (i)	Software/Services	L+ 5.75% (6.50%), 5/8/2028	22,983	22,566	22,983	1.5 %
University of St. Augustine Acquisition Corp. (c) (h) (i)	Education	L+ 4.25% (5.25%), 2/2/2026	23,520	23,177	23,520	1.6 %
Urban One, Inc.	Media/Entertainment	7.38%, 2/1/2028	1,561	1,561	1,613	0.1 %
US Oral Surgery Management Holdco, LLC (c)	Healthcare	L+ 5.50% (6.25%), 11/18/2027	428	428	420	0.0 %
US Oral Surgery Management Holdco, LLC (c) (h)	Healthcare	L+ 5.50% (6.25%), 11/18/2027	12,173	11,934	11,934	0.8 %
US Salt Investors, LLC (c) (h)	Chemicals	L+ 5.50% (6.25%), 7/19/2028	20,133	19,756	19,757	1.3 %
Vantage Mobility International, LLC (c) (p) (t) (w)	Transportation	L+ 6.00% (7.00%), 3/21/2024	1,897	251	251	0.0 %
Vantage Mobility International, LLC (c) (p) (w)	Transportation	L+ 6.00% (7.00%), 3/21/2024	244	244	244	0.0 %
Vensure Employer Services, Inc. (c) (i)	Business Services	L+ 4.75% (5.50%), 3/26/2027	9,614	9,536	9,614	0.6 %
Westwood Professional Services, Inc. (c)	Business Services	L+ 6.00% (7.00%), 5/26/2026	1,007	1,007	982	0.1 %
Westwood Professional Services, Inc. (c) (i)	Business Services	L+ 6.00% (7.00%), 5/26/2026	8,648	8,495	8,431	0.6 %
WHCG Purchaser III, Inc. (c) (h)	Healthcare	L+ 5.75% (6.50%), 6/22/2028	29,420	28,876	28,876	1.9 %
WHCG Purchaser III, Inc. (c)	Healthcare	L+ 5.75% (6.50%), 6/22/2028	919	919	902	0.1 %
WIN Holdings III Corp. (c) (h)	Consumer	L+ 5.75% (6.50%), 7/16/2028	31,627	31,036	31,035	2.1 %
WIN Holdings III Corp. (c)	Consumer	L+ 5.75% (6.50%), 7/16/2026	556	556	546	0.0 %
WMK, LLC (c) (j)	Business Services	L+ 5.75% (6.75%), 9/5/2025	2,558	2,550	2,558	0.2 %
WMK, LLC (c)	Business Services	L+ 5.75% (6.75%), 9/5/2025	352	350	352	0.0 %
WMK, LLC (c) (h) (i)	Business Services	L+ 5.75% (6.75%), 9/5/2025	18,912	18,714	18,912	1.3 %
WMK, LLC (c) (j)	Business Services	L+ 5.75% (6.75%), 9/5/2024	2,618	2,618	2,618	0.2 %
Subtotal Senior Secured First Lien Debt				**$ 1,865,403**	**$ 1,831,170**	**121.3 %**
Senior Secured Second Lien Debt - 16.2% (b)						
Accentcare, Inc. (c) (h)	Healthcare	L+ 8.75% (9.50%), 6/21/2027	$ 30,152	$ 29,588	$ 30,152	2.0 %
Anchor Glass Container Corp. (c) (j)	Paper & Packaging	L+ 7.75% (8.75%), 12/6/2024	6,667	6,615	2,003	0.1 %
Aruba Investments Holdings, LLC (i)	Chemicals	L+ 7.75% (8.50%), 11/24/2028	3,759	3,710	3,765	0.2 %
Astro AB Merger Sub, Inc. (a) (c) (h)	Financials	L+ 8.00% (9.00%), 4/30/2025	8,162	8,138	8,162	0.5 %
Carlisle FoodService Products, Inc. (c) (h)	Consumer	L+ 7.75% (8.75%), 3/20/2026	10,719	10,606	10,166	0.7 %
CDS U.S. Intermediate Holdings, Inc. (a) (p)	Media/Entertainment	L+ 8.00% (9.00%) 7.00% PIK, 11/24/2027	10,324	10,271	10,262	0.7 %
CommerceHub, Inc. (c) (h)	Technology	L+ 7.00% (7.75%), 12/29/2028	12,360	12,306	12,125	0.8 %
Corelogic, Inc. (h)	Business Services	L+ 6.50% (7.00%), 6/4/2029	10,808	10,707	10,882	0.7 %
HAH Group Holding Company, LLC (c) (h)	Healthcare	L+ 8.50% (9.50%), 10/30/2028	12,445	12,180	12,445	0.8 %
Integrated Efficiency Solutions, Inc. (c) (o) (w)	Industrials	10.00% PIK, 12/31/2026	1,436	780	780	0.1 %
Mercury Merger Sub, Inc. (c) (h)	Business Services	L+ 6.50% (7.00%), 8/2/2029	13,965	13,855	13,965	0.9 %
MLN US Holdco, LLC (a) (c) (h) (i)	Technology	L+ 8.75% (8.85%), 11/30/2026	3,000	2,963	2,699	0.2 %
ORG GC Holdings, LLC (c) (o)	Business Services	18.00% PIK, 11/24/2027	3,439	3,439	3,439	0.2 %
PetVet Care Centers, LLC (c) (h)	Healthcare	L+ 6.25% (6.35%), 2/13/2026	3,539	3,530	3,539	0.2 %
Project Boost Purchaser, LLC (c) (j)	Business Services	L+ 8.00% (8.10%), 5/31/2027	1,848	1,848	1,848	0.1 %
Proofpoint, Inc. (c) (h)	Software/Services	L+ 6.25% (6.75%), 8/31/2029	8,541	8,500	8,541	0.6 %
QuickBase, Inc. (c)	Technology	L+ 8.00% (8.10%), 4/2/2027	7,484	7,386	7,484	0.5 %

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

CONSOLIDATED SCHEDULES OF INVESTMENTS
(dollars in thousands)

December 31, 2021

Portfolio Company (f) (q)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
RealPage, Inc. (c) (i)	Software/Services	L+ 6.50% (7.25%), 4/23/2029	$ 13,647	$ 13,460	$ 13,756	0.9 %
Recess Holdings, Inc. (c) (h)	Industrials	L+ 7.75% (8.75%), 9/29/2025	16,134	16,003	16,134	1.1 %
River Cree Enterprises, LP (a) (c) (m)	Gaming/Lodging	10.00%, 5/17/2025	CAD 21,275	16,493	16,836	1.1 %
SSH Group Holdings, Inc. (c) (h)	Education	L+ 8.25% (8.38%), 7/30/2026	10,122	10,064	10,122	0.7 %
Therapy Brands Holdings, LLC (c) (h)	Healthcare	L+ 6.75% (7.50%), 5/18/2029	3,275	3,245	3,275	0.2 %
Travelpro Products, Inc. (a) (c) (w)	Consumer	14.00%, 10.75% PIK, 11/21/2022	2,861	2,861	2,282	0.2 %
Travelpro Products, Inc. (a) (c) (m) (w)	Consumer	13.00%, 2.00% PIK, 11/21/2022	CAD 3,304	2,557	2,086	0.2 %
USIC Holdings, Inc. (c) (h)	Business Services	L+ 6.50% (7.25%), 5/14/2029	5,798	5,744	5,798	0.4 %
Vantage Mobility International, LLC (c) (p) (t) (w)	Transportation	L+ 6.00% (7.00%), 3/21/2024	1,134	17	17	0.0 %
Vantage Mobility International, LLC (c) (p) (t) (w)	Transportation	L+ 6.00% (7.00%) PIK, 3/21/2024	3,578	2,914	—	— %
Victory Buyer, LLC (c) (h)	Industrials	L+ 7.00% (7.50%), 11/15/2029	31,686	31,369	31,369	2.1 %
Subtotal Senior Secured Second Lien Debt				**$ 251,149**	**$ 243,932**	**16.2 %**
Subordinated Debt - 7.8% (b)						
Del Real, LLC (c) (t) (w)	Food & Beverage	14.50%, 2.00% PIK, 4/1/2023	$ 4,239	$ 3,131	$ 3,576	0.2 %
Encina Equipment Finance, LLC (c) (o)	Financials	L+ 7.75% (9.00%), 12/31/2028	38,100	37,964	37,964	2.5 %
Park Ave RE Holdings, LLC (c) (j) (o) (v)	Financials	13.00%, 12/30/2022	1,537	1,537	1,537	0.1 %
Siena Capital Finance, LLC (c) (j) (o) (z)	Financials	12.50%, 11/27/2026	75,000	74,995	75,000	5.0 %
Subtotal Subordinated Debt				**$ 117,627**	**$ 118,077**	**7.8 %**
Collateralized Securities - 2.5% (b)						
Collateralized Securities - Debt Investments						
Newstar Fairfield Fund CLO, Ltd. 2015-1RA F (a) (c) (j) (p)	Diversified Investment Vehicles	L+ 7.50% (7.63%), 1/20/2027	$ 10,728	$ 9,945	$ 8,237	0.6 %
NewStar Arlington Senior Loan Program, LLC 14-1A FR (a) (c) (j) (p)	Diversified Investment Vehicles	L+ 11.00% (11.12%), 4/25/2031	4,750	4,585	4,575	0.3 %
Whitehorse, Ltd. 2014-1A E (a) (c) (p)	Diversified Investment Vehicles	L+ 4.55% (4.68%), 5/1/2026	8,000	7,899	7,171	0.5 %
Collateralized Securities - Equity Investments (n)						
Newstar Fairfield Fund CLO, Ltd. 2015-1RA SUB (a) (c) (k) (p)	Diversified Investment Vehicles	0.00%, 1/20/2027	$ 31,575	$ 6,285	$ —	— %
NewStar Arlington Senior Loan Program, LLC 14-1A SUB (a) (c) (j) (k) (p)	Diversified Investment Vehicles	23.85%, 4/25/2031	31,603	15,223	17,114	1.1 %
OFSI Fund, Ltd. 2014-6A Side Letter (a) (c)	Diversified Investment Vehicles	0.00%, 3/20/2025	1,970	47	—	— %
Whitehorse, Ltd. 2014-1A Side Letter (a) (c) (p)	Diversified Investment Vehicles	0.00%, 5/1/2026	1,886	134	—	— %
Whitehorse, Ltd. 2014-1A SUB (a) (c) (k) (p)	Diversified Investment Vehicles	0.00%, 5/1/2026	36,000	6,965	—	— %
Subtotal Collateralized Securities				**$ 51,083**	**$ 37,097**	**2.5 %**
Equity/Other - 36.3% (b) (d)						
Aden & Anais Holdings, Inc. (c) (e) (w)	Retail		4,470	$ —	$ —	— %
Answers Corp. (c) (e) (p)	Media/Entertainment		908,911	10,643	145	0.0 %
Baker Hill Acquisition, LLC (c) (e) (w)	Financials		22,653	—	—	— %
Black Mountain Sand, LLC (c) (e) (u)	Energy		55,463	—	478	0.0 %

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

CONSOLIDATED SCHEDULES OF INVESTMENTS
(dollars in thousands)

December 31, 2021

Portfolio Company (f) (q)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
CDS U.S. Intermediate Holdings, Inc. (a) (e) (p)	Media/Entertainment		539,708	$ 1,224	$ 5,442	0.4 %
CDS U.S. Intermediate Holdings, Inc. (a) (c) (e) (p)	Media/Entertainment		874,000	437	2,884	0.2 %
Clover Technologies Group, LLC (c) (e)	Industrials		180,274	1,153	29	0.0 %
Clover Technologies Group, LLC (c) (e)	Industrials		2,753	275	627	0.0 %
CRS-SPV, Inc. (c) (e) (j) (o) (w)	Industrials		246	2,219	1,266	0.1 %
Danish CRJ, Ltd. (a) (c) (e) (o) (r)	Transportation		5,002	—	—	— %
Data Source Holdings, LLC (c) (e) (w)	Business Services		10,617	140	276	0.0 %
Del Real, LLC (c) (e) (u) (w)	Food & Beverage		670,510	382	—	— %
Dyno Acquiror, Inc. (c) (e) (w)	Consumer		134,102	58	107	0.0 %
Encina Equipment Finance, LLC (c) (e) (o) (u)	Financials		79,479,085	81,693	81,693	5.4 %
FBLC Senior Loan Fund, LLC (a) (c) (o) (z)	Diversified Investment Vehicles		304,934	304,934	304,934	20.2 %
First Eagle Greenway Fund II, LLC (a) (j) (p)	Diversified Investment Vehicles		5,329	4,049	464	0.0 %
Foresight Energy Operating, LLC (c) (e) (p) (u)	Energy		158,093	2,087	3,965	0.3 %
HemaSource, Inc. (c) (e) (w)	Healthcare		223,503	168	268	0.0 %
Integrated Efficiency Solutions, Inc. (c) (e) (o)	Industrials		55,991	—	—	— %
Integrated Efficiency Solutions, Inc. (c) (e) (o)	Industrials		57,427	—	—	— %
Internap Corp (c) (e) (p)	Business Services		1,293,189	543	1,552	0.1 %
Jakks Pacific, Inc. (e) (p) (s)	Consumer		237,436	2,385	2,412	0.2 %
Jakks Pacific, Inc. (c) (e) (p)	Consumer		5,303	185	785	0.1 %
Kahala Ireland OpCo Designated Activity Company (a) (c) (o) (y)	Transportation		1	—	23,732	1.6 %
Kahala Ireland OpCo Designated Activity Company (a) (c) (e) (o) (y)	Transportation		3,250,000	—	3,250	0.2 %
Kahala US OpCo, LLC (a) (c) (e) (o) (x)	Transportation	13.00%	4,413,472	—	—	— %
KidKraft, Inc. (c) (e) (u) (w)	Consumer		2,682,257	—	1,048	0.1 %
Lakeview Health Holdings, Inc. (c) (e) (o) (w)	Healthcare		5,272	—	—	— %
McDonald Worley, P.C. (c) (e)	Business Services		248,600	104	1,272	0.1 %
MCS Acquisition Corp. (c) (e)	Business Services		31,521	4,103	2,431	0.2 %
MGTF Holdco, LLC (c) (e) (o) (u)	Media/Entertainment		402,000	—	—	— %
Motor Vehicle Software Corp. (c) (e) (w)	Business Services		223,503	318	386	0.0 %
New Constellis Holdings Inc. (c) (e) (w)	Business Services		2,316	67	—	— %
ORG GC Holdings, LLC (c) (e) (o)	Business Services		93,380	212	212	0.0 %
ORG GC Holdings, LLC (c) (e) (o)	Business Services		1,771	—	—	— %
Park Ave RE Holdings, LLC (c) (e) (j) (o) (v)	Financials		719	1,623	4,461	0.3 %
PennantPark Credit Opportunities Fund II, LP (a) (p)	Diversified Investment Vehicles		8,739	3,936	4,953	0.3 %
Point Broadband Acquisition, LLC (c) (e)	Telecom		2,099,333	2,099	2,099	0.1 %
PT Network, LLC (c) (e) (u)	Healthcare		3	—	2,813	0.2 %
RMP Group, Inc. (c) (e) (u) (w)	Financials		223	164	340	0.0 %
Schweiger Dermatology Group, LLC (c) (e) (u) (w)	Healthcare		265,024	—	—	— %

FRANKLIN BSP LENDING CORPORATION

CONSOLIDATED SCHEDULES OF INVESTMENTS
(dollars in thousands)

December 31, 2021

Portfolio Company (f) (q)	Industry	Investment Coupon Rate / Maturity (l)	Principal / Number of Shares	Amortized Cost	Fair Value	% of Net Assets (b)
Siena Capital Finance, LLC (c) (j) (o) (z)	Financials		41,789,400	$ 42,499	$ 65,609	4.3 %
Skillsoft Corp (a) (e) (s)	Technology		248,712	2,636	2,275	0.2 %
Smile Brands, Inc. (c) (w)	Healthcare		712	—	1,437	0.1 %
Squan Holding Corp. (c) (e)	Telecom		180,835	—	—	— %
Tap Rock Resources, LLC (c) (g) (p) (u)	Energy		18,356,442	6,490	8,742	0.6 %
Tax Defense Network, LLC (c) (e) (p)	Consumer		147,099	425	—	— %
Tax Defense Network, LLC (c) (e) (p)	Consumer		633,382	—	—	— %
Team Waste, LLC (c) (e) (p) (u) (w)	Industrials		128,483	2,569	3,073	0.2 %
Tennenbaum Waterman Fund, LP (a) (j) (p)	Diversified Investment Vehicles		10,000	10,000	9,764	0.6 %
Travelpro Products, Inc. (a) (c) (e) (w)	Consumer		447,007	506	—	— %
United Biologics, LLC (c) (e) (u) (w)	Healthcare		39,769	132	—	— %
United Biologics, LLC (c) (e) (u) (w)	Healthcare		3,155	—	—	— %
United Biologics, LLC (c) (e) (u) (w)	Healthcare		4,206	31	—	— %
United Biologics, LLC (c) (e) (u) (w)	Healthcare		99,236	—	—	— %
United Biologics, LLC (c) (e) (u) (w)	Healthcare		223	35	—	— %
USASF Holdco, LLC (c) (e) (u)	Financials		10,000	10	—	— %
USASF Holdco, LLC (c) (e) (u)	Financials		490	490	510	0.0 %
USASF Holdco, LLC (c) (e) (u)	Financials		139	139	278	0.0 %
Vantage Mobility International, LLC (c) (e) (p) (w)	Transportation		512,923	—	—	— %
Vantage Mobility International, LLC (c) (e) (p) (w)	Transportation		4,439,484	3,140	—	— %
Vantage Mobility International, LLC (c) (e) (p) (w)	Transportation		1,940,977	—	—	— %
World Business Lenders, LLC (c) (e)	Financials		922,669	3,750	2,676	0.2 %
WPNT, LLC (c) (e) (o) (u)	Media/Entertainment		402,000	—	—	— %
Wythe Will Tzetzo, LLC (c) (e) (u) (w)	Food & Beverage		22,312	302	—	— %
YummyEarth, Inc. (c) (e) (w)	Food & Beverage		223	—	—	— %
Subtotal Equity/Other				**$ 498,355**	**$ 548,688**	**36.3 %**
TOTAL INVESTMENTS - 184.1% (b)				**$ 2,783,617**	**$ 2,778,964**	**184.1 %**

December 31, 2021

Forward foreign currency contracts:

Counterparty	Contract to Deliver	In Exchange For	Maturity Date	Unrealized Depreciation
Goldman Sachs International	CAD21,807	$ 17,388	2/17/2022	$ 266

(a) All of the Company's investments, except the investments noted by this footnote, are qualifying assets under Section 55(a) of the 1940 Act. Under the 1940 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. Qualifying assets represent 81.4% of the Company's total assets. The significant majority of all investments held are deemed to be illiquid.

(b) Percentages are based on net assets as of December 31, 2021.

(c) The fair value of investments with respect to securities for which market quotations are not readily available is determined in good faith by the Company's Board of Directors as required by the 1940 Act. Such investments are valued using significant unobservable inputs (See Note 3 to the consolidated financial statements).

(d) All amounts are in thousands except share amounts.

(e) Non-income producing at December 31, 2021.

(f) The Company has various unfunded commitments to portfolio companies. Please refer to Note 7 - Commitments and Contingencies for details of these unfunded commitments.

(g) The commitment related to this investment is discretionary.

(h) The Company's investment or a portion thereof is pledged as collateral under the JPM Credit Facility. Individual investments can be divided into parts which are pledged to separate credit facilities.

(i) The Company's investment or a portion thereof is pledged as collateral under the Wells Fargo Credit Facility. Individual investments can be divided into parts which are pledged to separate credit facilities.

(j) The Company's investment or a portion thereof is pledged as collateral under the MassMutual Credit Facility. Individual investments can be divided into parts which are pledged to separate credit facilities.

(k) The Collateralized Securities - subordinated notes are treated as equity investments and are entitled to recurring distributions which are generally equal to the remaining cash flow of the payments made by the underlying fund's securities less contractual payments to debt holders and fund expenses. The estimated yield indicated is based upon a current projection of the amount and timing of these recurring distributions and the estimated amount of repayment of principal upon termination. Such projections are periodically reviewed and adjusted, and the estimated yield may not ultimately be realized.

(l) The majority of the investments bear interest at a rate that may be determined by reference to London Interbank Offered Rate ("LIBOR" or "L") or Prime ("P") and which reset daily, monthly, quarterly, or semiannually. For each, the Company has provided the spread over LIBOR or Prime and the current interest rate in effect at December 31, 2021. Certain investments are subject to a LIBOR or Prime interest rate floor. For fixed rate loans, a spread above a reference rate is not applicable. For floating rate securities the all-in rate is disclosed within parentheses.

(m) The principal amount (par amount) is denominated in Canadian Dollars ("CAD").

(n) For equity investments in Collateralized Securities, the effective yield is presented in place of the investment coupon rate for each investment. Refer to footnote (k) for a further description of an equity investment in a Collateralized Security.

(o) The provisions of the 1940 Act classify investments based on the level of control that the Company maintains in a particular portfolio company. As defined in the 1940 Act, a company is generally presumed to be "non-controlled" when the Company owns 25% or less of the portfolio company's voting securities and/or does not have the power to exercise control over the management or policies of such portfolio company. A company is generally presumed to be "controlled" when the Company owns more than 25% of the portfolio company's voting securities and/or has the power to exercise control over the management or policies of such portfolio company. The Company classifies this investment as "controlled".

(p) The provisions of the 1940 Act classify investments further based on the level of ownership that the Company maintains in a particular portfolio company. As defined in the 1940 Act, a company is generally deemed as "non-affiliated" when the Company owns less than 5% of a portfolio company's voting securities and "affiliated" when the Company owns 5% or more of a portfolio company's voting securities. The Company classifies this investment as "affiliated".

(q) Unless otherwise indicated, all investments in the Consolidated Schedules of Investments are non-affiliated, non-controlled investments.

(r) The Company's investment is held through the Consolidated Holding Company, Kahala Aviation Holdings, LLC, which owns 49% of the operating company, Danish CRJ LTD.

(s) The investment is not a restricted security. All other securities are restricted securities.

(t) The investment is on non-accrual status as of December 31, 2021.

(u) Investments are held in the taxable wholly-owned, consolidated subsidiary, 54th Street Equity Holdings, Inc.

(v) The Company's investment is held through the consolidated subsidiary, Park Ave RE, Inc., which owns 100% of the equity of the operating company, Park Ave RE Holdings, LLC.

(w) The investment is held through BSP TCAP Acquisition Holdings LP, which is an affiliated acquisition entity utilized for the Triangle Transaction. Due to certain restrictions, such as limits on the number of partners allowable within the equity structures of the newly acquired investments, these investments are still held within the acquisition entity as of December 31, 2021.

(x) The Company's investment is held through the consolidated subsidiaries, Kahala Aviation Holdings, LLC and Kahala Aviation US, Inc., which own 100% of the equity of the operating company, Kahala US OpCo LLC.

(y) The Company's investment is held through the consolidated subsidiary, Kahala Aviation Holdings, LLC, which owns 100% of the equity of the operating company, Kahala Ireland OpCo Designated Activity Company.

(z) The Company's investment falls under the definition of a significant subsidiary, as it exceeded the threshold of at least one of the tests under Rule 4-08(g), but did not exceed the threshold of any tests under Rule 3-09. See Note 3 for additional disclosure.

(dollars in thousands)

December 31, 2021

The following table shows the portfolio composition by industry grouping based on fair value at December 31, 2021:

	At December 31, 2021	
	Investments at Fair Value	Percentage of Total Portfolio
Healthcare	$ 422,430	15.2 %
Diversified Investment Vehicles [1]	357,212	12.9 %
Business Services	339,083	12.2 %
Financials	337,699	12.2 %
Industrials	301,669	10.9 %
Software/Services	197,238	7.1 %
Media/Entertainment	186,555	6.7 %
Consumer	150,903	5.4 %
Paper & Packaging	105,418	3.8 %
Food & Beverage	79,390	2.9 %
Transportation	59,397	2.1 %
Education	46,261	1.7 %
Telecom	45,321	1.6 %
Technology	40,077	1.4 %
Chemicals	36,793	1.3 %
Energy	31,432	1.1 %
Utilities	25,250	0.9 %
Gaming/Lodging	16,836	0.6 %
Retail	—	— %
Total	$ 2,778,964	100.0 %

[1] Includes FBLC's investment in FBLC Senior Loan Fund, LLC, which represents 11.0% of the fair value of investments as of December 31, 2021.

Note 1 — Organization and Basis of Presentation

Franklin BSP Lending Corporation (the “Company” or "FBLC") is an externally managed, non-diversified closed-end management investment company incorporated in Maryland in May 2010 that has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (“the 1940 Act”). In addition, the Company has elected to be treated for tax purposes as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). The Company’s investment activities are managed by Franklin BSP Lending Adviser, L.L.C. (the “Adviser”), a subsidiary of Benefit Street Partners L.L.C. (“BSP”) and supervised by the Company’s Board of Directors ("Board" or "Board of Directors"), a majority of whom are independent of the Adviser and its affiliates. As a BDC, the Company is required to comply with certain regulatory requirements.

The Company’s investment objective is to generate both current income and to a lesser extent long-term capital appreciation through debt and equity investments. The Company invests primarily in first and second lien senior secured loans and mezzanine debt issued by middle market companies. The Company defines middle market companies as those with EBITDA of between $25 million and $100 million annually. The Company also purchases interests in loans through secondary market transactions. First and second lien secured loans generally are senior debt instruments that rank ahead of subordinated debt and equity in bankruptcy priority and are generally secured by liens on the operating assets of a borrower, which may include inventory, receivables, plant, property, and equipment. Mezzanine debt is subordinated to senior loans and is generally unsecured. The Company may invest in the equity and junior debt tranches of collateralized loan obligation investment vehicles (“Collateralized Securities” or "CLOs"). CLOs are entities that are formed to manage a portfolio of senior secured loans made to companies whose debt is typically rated below investment grade or, in limited circumstances, unrated. The senior secured loans within these Collateralized Securities meet specified credit and diversity criteria and are subject to concentration limitations in order to create a diverse investment portfolio. In most cases, companies to whom the Company provides customized financing solutions will be privately held at the time the Company invests in them.

On February 1, 2019, Franklin Resources, Inc. (“FRI”) and Templeton International, Inc. (collectively with FRI, “Franklin Templeton”) acquired BSP, including BSP’s 100% ownership interest in the Adviser (the “FT Transaction”).

While the structure of the Company’s investments is likely to vary, the Company may invest in senior secured debt, senior unsecured debt, subordinated secured debt, subordinated unsecured debt, mezzanine debt, convertible debt, convertible preferred equity, preferred equity, common equity, warrants, CLOs, and other instruments, many of which generate current yields. If the Adviser deems appropriate, the Company may invest in more liquid senior secured and second lien debt securities, some of which may be traded. The Company will make such investments to the extent allowed by the 1940 Act and consistent with its continued qualification as a RIC for federal income tax purposes.

On January 25, 2011, the Company commenced its initial public offering (the “IPO”) on a “reasonable best efforts basis” of up to 150.0 million shares of common stock, $0.001 par value per share, and subsequently amended the offering to issue up to an additional 101.1 million shares of its common stock (the “Offering”). The Company closed the Offering to new investments on April 30, 2015. As of December 31, 2022, the Company had issued 262.6 million shares of common stock for gross proceeds of $2.6 billion including the shares purchased by affiliates and shares issued under the Company's distribution reinvestment plan (“DRIP”). As of December 31, 2022, the Company had repurchased a cumulative 34.0 million shares of common stock through its share repurchase program for payments of $282.8 million.

The Company intends to co-invest, subject to the conditions included in the exemptive order the Company received from the Securities and Exchange Commission ("SEC"), with certain of its affiliates. The Company believes that such co-investments may afford it additional investment opportunities and an ability to achieve greater diversification.

As a BDC, the Company is generally required to invest at least 70% of its total assets primarily in securities of private and certain U.S. public companies (other than certain financial institutions), cash, cash equivalents and U.S. Government securities, and other high-quality debt investments that mature in one year or less.

The Company is permitted to borrow money from time to time within the levels permitted by the 1940 Act (which generally currently allows it to incur leverage for up to one half of its total assets). The Company has used, and expects to continue to use, its credit facilities and other borrowings, along with proceeds from the rotation of its portfolio and proceeds from private securities offerings to finance its investment objectives.

Although the Small Business Credit Availability Act of 2018 (the "SBCAA") amended the 1940 Act to permit BDCs to incur increased leverage if certain conditions are met, the Company does not presently intend to avail itself of the increased leverage limits permitted by the SBCAA. If the Company were to avail itself of the increased leverage permitted by the SBCAA, this would effectively allow the Company to double its leverage, which would increase leverage risk and expenses.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The consolidated financial statements reflect all adjustments, both normal and recurring which, in the opinion of management, are necessary for the fair presentation of the Company's results of operations and financial condition for the periods presented. The Company is an investment company and follows accounting and reporting guidance in Accounting Standards Codification ("ASC") Topic 946 - Financial Services - Investment Companies ("ASC 946").

We have also formed and expect to continue to form consolidated subsidiaries (the "Consolidated Holding Companies"). The Company consolidates the following subsidiaries for accounting purposes: FBLC Funding I, LLC ("Funding I"), FBLC 57th Street Funding, LLC ("57th Street") and 54th Street Equity Holdings, Inc. The Company owns 100% of the equity of Kahala Aviation Holdings, LLC and Kahala Aviation US, Inc., which are consolidated for accounting purposes. All significant intercompany balances and transactions have been eliminated in consolidation. Prior to February 18, 2022, the Company also consolidated BDCA Asset Financing, LLC ("BDCA Asset Financing"); and prior to January 20, 2021, the Company consolidated BDCA-CB Funding, LLC ("CB Funding"). Refer to Note 3 and Note 5 for more information.

Certain prior period information has been reclassified to conform to the current period presentation. The reclassification has no effect on the Company's financial position or the results of operations as previously reported.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Consolidation

As provided under ASC 946, the Company will generally not consolidate its investment in a company other than a substantially or wholly-owned investment company or controlled operating company whose business consists of providing services to the Company. Accordingly, the Company consolidated the accounts of the Company's substantially wholly-owned subsidiaries in its consolidated financial statements. Although the Company owns more than 25% of the voting securities of FBLC Senior Loan Fund, LLC, ("SLF"), the Company does not have sole control over significant actions of SLF for purposes of the 1940 Act or otherwise, and thus does not consolidate its interest.

Valuation of Portfolio Investments

Portfolio investments are reported on the consolidated statements of assets and liabilities at fair value. The Board of Directors has delegated to the Adviser as valuation designee (the "Valuation Designee") the responsibility of determining the fair value of the Company's investment portfolio, subject to oversight of the Board of Directors, pursuant to Rule 2a-5 under the 1940 Act. As such, the Valuation Designee is charged with determining the fair value of the Company's investment portfolio, subject to oversight of the Board of Directors. On a quarterly basis, the Valuation Designee performs an analysis of each investment to determine fair value as follows:

Securities for which market quotations are readily available on an exchange are valued at the reported closing price on the valuation date. The Valuation Designee may also obtain quotes with respect to certain of the Company's investments from pricing services or brokers or dealers in order to value assets. When doing so, the Valuation Designee determines whether the quote obtained is readily available according to U.S. GAAP to determine the fair value of the security. If determined to be readily available, the Valuation Designee uses the quote obtained.

Investments without a readily determined market value are primarily valued using a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that the Valuation Designee may take into account in fair value pricing the Company's investments include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, and enterprise values, among other factors. When available, broker quotations and/or quotations provided by pricing services are considered as an input in the valuation process.

With respect to investments for which market quotations are not readily available, the Valuation Designee undertakes a multi-step valuation process each quarter, as described below:

- Each portfolio company or investment will be valued by the Valuation Designee, with assistance from one or more independent valuation firms engaged by the Company's Board of Directors or as noted below, with respect to investments in an investment fund;
- The independent valuation firm(s) conduct independent appraisals and make an independent assessment of the value of each investment; and
- The Valuation Designee, under the supervision of the Board of Directors, determines the fair value of each investment, in good faith, based on the input of independent valuation firms (to the extent applicable) and the Valuation Designee's own analysis. The Valuation Designee also has established a Valuation Committee to assist the Valuation Designee in carrying out its designated responsibilities, subject to oversight of the Board.

For an investment in an investment fund that does not have a readily determinable fair value, the Valuation Designee measures the fair value of the investment predominately based on the net asset value per share of the investment fund if the net asset value of the investment fund is calculated in a manner consistent with the measurement principles of ASC 946, as of the Company's measurement date. However, there can be no assurance that the Company will be able to sell such investment at a price equal to its net asset value per share and the Company may ultimately sell such investment at a discount to its net asset value per share.

The Company's investments in funds that offer periodic liquidity have redemption frequencies which range from monthly to quarterly and redemption notice periods which range from 30 to 90 days. Investments in private equity typically do not offer liquidity and instead, capital is returned through periodic distributions.

Because there is not a readily available market value for most of the investments in its portfolio, the Valuation Designee values substantially all of its portfolio investments at fair value as determined in good faith by its Board of Directors, as described herein. 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. Additionally, the fair value of the Company's investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that the Company may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If the Company was required to liquidate a portfolio investment in a forced or liquidation sale, the Company could realize significantly less than the value at which the Company has recorded it.

Investment Classification

The Company classifies its investments in accordance with the requirements of the 1940 Act. Under the 1940 Act, “Control” is defined as the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of an official position with such company. In addition, any person “who owns beneficially, either directly or through one or more controlled companies, more than 25% of the voting securities of a company and/or has the power to exercise control over the management or policies of such portfolio company shall be presumed to control such company. Typically, any person who does not so own more than 25% of the voting securities of any company and/or does not have the power to exercise control over the management or policies of such portfolio company shall be presumed not to control such company.” Consistent with the 1940 Act, “Affiliated Investments” are defined as those investments in companies in which the Company owns 5% or more of the voting securities. Consistent with the 1940 Act, “Non-affiliated Investments” are defined as investments that are neither Control Investments nor Affiliated Investments.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, liquid investments in a money market deposit account. Cash and cash equivalents are carried at cost which approximates fair value.

Offering Costs

The Company incurs certain costs in connection with the registration of shares of its common stock. Offering costs principally relate to professional fees, printing costs, direct marketing expenses, due diligence costs, fees paid to regulators, and other expenses, including the salaries and/or expenses of the Adviser and its affiliates engaged in registering and marketing the Company’s common stock. Such allocated expenses of the Adviser and its affiliates may include the development of marketing materials and presentations, training and educational meetings, and generally coordinating the marketing process for the Company.

Pursuant to the Investment Advisory Agreement, the Company and the Adviser have agreed that the Company will not be liable for organization and offering costs, including transfer agent fees, in excess of 1.5% of the aggregate gross proceeds from the Company’s on-going offering. Should the Company resume continually offering its shares, any offering costs incurred will be capitalized and amortized as an expense on a straight-line basis over a 12-month period. For the years ended December 31, 2022, 2021, and 2020 the Company did not incur any offering costs subject to the Adviser limitation.

Deferred Financing Costs

Financing costs incurred in connection with the Company’s unsecured notes and revolving credit facilities are capitalized and amortized into expense using the straight-line method, which approximates the effective yield method over the life of the respective facility. See Note 5 - Borrowings for details on the credit facilities and unsecured notes.

Distributions

The Company’s Board of Directors authorizes and declares cash distributions payable on a quarterly basis to stockholders of record on each record date. The amount of each such distribution is subject to the discretion of the Board of Directors and applicable legal restrictions related to the payment of distributions. The Company calculates each stockholder’s specific distribution amount for the quarter using record and declaration dates. The distributions are payable by the fifth day following each record date. From time to time, the Company may also pay interim distributions, including capital gains distributions, at the discretion of the Company’s Board of Directors. The Company’s distributions may exceed earnings, especially during the period before it has substantially invested the proceeds from the offering. As a result, a portion of the distributions made by the Company may represent a return of capital for U.S. federal income tax purposes. A return of capital is a return of each stockholder’s investment rather than earnings or gains derived from the Company’s investment activities.

The Company may fund cash distributions to stockholders from any sources of funds available to the Company, including advances from the Adviser that are subject to reimbursement, as well as offering proceeds, borrowings, net investment income from operations, capital gain proceeds from the sale of assets, and non-capital gain proceeds from the sale of assets. The Company has not established limits on the amount of funds it may use from available sources to make distributions. See Note 14 - Income Tax Information and Distributions to Stockholders for additional information.

Revenue Recognition

Interest Income

Investment transactions are accounted for on the trade date. Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis. Discount and premium on investments purchased are accreted/amortized over the expected life of the respective investment using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion of discount and amortization of premium on investments.

The Company has a number of investments in Collateralized Securities. Interest income from investments in the “equity” class of these Collateralized Securities (in the Company's case, preferred shares or subordinated notes) is recorded based upon an estimation of an effective yield to expected maturity utilizing assumed cash flows in accordance with ASC 325-40-35, Beneficial Interests in Securitized Financial Assets ("ASC 325-40-35"). The Company monitors the expected cash inflows from its equity investments in Collateralized Securities, including the expected principal repayments. The effective yield is determined and updated quarterly. In accordance with ASC 325-40, investments in CLOs are periodically assessed for other-than-temporary impairment ("OTTI"). When the Company determines that a CLO has OTTI, the amortized cost basis of the CLO is written down as of the date of the determination based on events and information evaluated and that write-down is recognized as a realized loss.

Dividend Income

Dividend income on preferred equity investments is recorded on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity investments is recorded on the record date for private portfolio companies and on the ex-dividend date for publicly traded portfolio companies.

Dividend income from SLF is recorded on accrual basis once dividends are declared by SLF's board of directors. Distributions from SLF are evaluated at the time of distribution to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions as dividend income unless there are sufficient accumulated tax-basis earnings and profit in SLF prior to distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

Fee Income

Fee income, such as structuring fees, origination, closing, amendment fees, commitment, termination, and other upfront fees are generally non-recurring and are recognized as income when earned, either upon receipt or amortized into income. Upon the re-payment of a loan or debt security, any prepayment penalties and unamortized loan origination, structuring, closing, commitment, and other upfront fees are recorded as income.

Payment-in-Kind Interest/Dividends

The Company may hold debt and equity investments in its portfolio that contain payment-in-kind (“PIK”) interest and dividend provisions. PIK interest and PIK dividend, which represent contractually deferred interest or dividends that add to the investment balance that is generally due at maturity, are recorded on accrual basis to the extent such amounts are expected to be collected.

Non-accrual Income

Investments may be placed on non-accrual status when principal or interest payments are past due and/or when there is reasonable doubt that principal or interest will be collected. Accrued interest which may include un-capitalized PIK interest is generally reversed when an investment is placed on non-accrual status. Previously capitalized PIK interest is not reversed when an investment is placed on non-accrual status. Interest payments received on non-accrual investments may be recognized as income or applied to principal depending upon management's judgment of the ultimate outcome. Non-accrual investments are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current.

Net Realized Gain or Loss and Net Change in Unrealized Appreciation or Depreciation

Gain or loss on the sale of investments is calculated using the specific identification method. The Company measures realized gain or loss by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Net change in unrealized appreciation or depreciation will reflect the change in portfolio investment values during the reporting period, including any reversal of previously recorded unrealized appreciation or depreciation, when a gain or loss is realized.

Income Taxes

The Company has elected to be treated for federal income tax purposes as a RIC under Subchapter M of the Code. Generally, a RIC is not subject to federal income taxes in respect of each taxable year if it distributes dividends for federal income tax purposes to stockholders of an amount generally equal to at least 90% of ''investment company taxable income,'' as defined in the Code, and determined without regard to any deduction for dividends paid. Distributions declared prior to the filing of the previous year's tax return and paid up to twelve months after the previous tax year can be carried back to the prior tax year in determining the distributions paid in such tax year. The Company intends to make sufficient distributions to maintain its ability to be subject to be taxed as a RIC each year. The Company may be subject to federal excise tax imposed at a rate of 4% on certain undistributed amounts. See Note 14 - Income Tax Information and Distributions to Stockholders for additional information.

Note 3 — Fair Value of Financial Instruments

The Company's fair value measurements are classified into a fair value hierarchy in accordance with ASC Topic 820, Fair Value Measurement, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The Company determines fair value based on quoted prices when available or through the use of alternative approaches, such as discounting the expected cash flows using market interest rates commensurate with the credit quality and duration of the investment. This alternative approach also reflects the contractual terms of the derivatives, if any, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The guidance defines three levels of inputs that may be used to measure fair value:

- Level 1—Quoted prices in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset and liability or can be corroborated with observable market data for substantially the entire contractual term of the asset or liability.
- Level 3—Unobservable inputs that reflect the entity's own assumptions about the assumptions that market participants would use in the pricing of the asset or liability and are consequently not based on market activity, but rather through particular valuation techniques.

The determination of where an asset or liability falls in the above hierarchy requires significant judgment and factors specific to the asset or liability. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company evaluates its hierarchy disclosures each quarter and depending on various factors, it is possible that an asset or liability may be classified differently from quarter to quarter.

For investments for which Level 1 inputs, such as quoted prices, were not available at December 31, 2022 and December 31, 2021, the investments were valued at fair value as determined in good faith using the valuation policy approved by the Board of Directors using Level 2 and Level 3 inputs. The Company evaluates the source of inputs, including any markets in which the Company's investments are trading, in determining fair value. Due to the inherent uncertainty in the valuation process, the estimate of fair value of the Company's investment portfolio at December 31, 2022 and December 31, 2021 may differ materially from values that would have been used had a ready market for the securities existed.

In addition to using the above inputs in investment valuations, the Company continues to employ the valuation policy approved by the Board of Directors. Portfolio investments are reported on the consolidated statements of assets and liabilities at fair value. On a quarterly basis the Company performs an analysis of each investment to determine fair value as described below.

Securities for which market quotations are readily available on an exchange are valued at the reported closing price on the valuation date. The Company may also obtain quotes with respect to certain of the Company's investments from pricing services or brokers or dealers in order to value assets. When doing so, the Company determines whether the quote obtained is readily available according to U.S. GAAP to determine the fair value of the security. If determined readily available, the Company uses the quote obtained.

Investments without a readily determined market value are primarily valued using a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that the Valuation Designee may take into account in fair value pricing the Company's investments include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, and enterprise values, among other factors. When available, broker quotations and/or quotations provided by pricing services are considered as an input in the valuation process.

For an investment in an investment fund that does not have a readily determinable fair value, the Valuation Designee measures the fair value of the investment predominately based on the net asset value per share of the investment fund if the net asset value of the investment fund is calculated in a manner consistent with the measurement principles of ASC Topic 946, as of the Company's measurement date.

For investments in Collateralized Securities, the Valuation Designee models both the assets and liabilities of each Collateralized Securities' capital structure. The model uses a waterfall engine to store the collateral data, generate cash flows from the assets, and distribute the cash flows to the liability structure based on the contractual priority of payments. The cash flows are discounted using rates that incorporate risk factors such as default risk, interest rate risk, downgrade risk, and credit spread risk, among others. In addition, the Valuation Designee considers broker quotations and/or comparable trade activity, which are considered as inputs to determining fair value when available.

As part of the Company's quarterly valuation process, the Valuation Designee may be assisted by one or more independent valuation firms. The Valuation Designee, under the supervision of the Board of Directors, determines the fair value of each investment, in good faith, based on the input of independent valuation firm(s) (to the extent applicable) and the Valuation Designee's own analysis.

Determination of fair values involves subjective judgments and estimates. Accordingly, the notes to the consolidated financial statements refer to the uncertainty with respect to the possible effect of such valuations, and any change in such valuations on the consolidated financial statements.

For discussion of the fair value measurement of the Company's borrowings, refer to Note 5 - Borrowings.

For discussion of the fair value measurement of the Company's foreign currency contracts, refer to Note 6 - Derivatives.

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

The following table presents fair value measurements of investments, by major class, as of December 31, 2022, according to the fair value hierarchy:

	Fair Value Measurements				
	Level 1	Level 2	Level 3	Measured at Net Asset Value (1)	Total
Senior Secured First Lien Debt	$ —	$ 18,313	$ 1,976,960	$ —	$ 1,995,273
Senior Secured Second Lien Debt	—	23,970	179,329	—	203,299
Subordinated Debt	—	—	134,958	—	134,958
Collateralized Securities	—	—	30,288	—	30,288
Equity/Other	323	6,032	189,816	10,221	206,392
FBLC Senior Loan Fund, LLC	—	—	304,934	—	304,934
Total	$ 323	$ 48,315	$ 2,816,285	$ 10,221	$ 2,875,144

(1) In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient election have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of assets and liabilities.

The following table presents fair value measurements of investments, by major class, as of December 31, 2021, according to the fair value hierarchy:

	Fair Value Measurements				
	Level 1	Level 2	Level 3	Measured at Net Asset Value (1)	Total
Senior Secured First Lien Debt	$ —	$ 51,854	$ 1,779,316	$ —	$ 1,831,170
Senior Secured Second Lien Debt	—	24,909	219,023	—	243,932
Subordinated Debt	—	—	118,077	—	118,077
Collateralized Securities	—	—	37,097	—	37,097
Equity/Other	4,687	5,442	218,444	15,181	243,754
FBLC Senior Loan Fund, LLC	—	—	304,934	—	304,934
Total	$ 4,687	$ 82,205	$ 2,676,891	$ 15,181	$ 2,778,964

(1) In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient election have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of assets and liabilities.

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

The following table provides a reconciliation of the beginning and ending balances for investments that use Level 3 inputs for the year ended December 31, 2022:

	Senior Secured First Lien Debt	Senior Secured Second Lien Debt	Subordinated Debt	Collateralized Securities	Equity/Other [(1)]	Total
Balance as of December 31, 2021	$ 1,779,316	$ 219,023	$ 118,077	$ 37,097	$ 523,378	$ 2,676,891
Purchases and other adjustments to cost	492,616	2,919	32,653	513	866	529,567
Sales and repayments	(291,141)	(19,832)	(15,537)	(3,509)	(24,574)	(354,593)
Net realized gain (loss)	1,587	(113)	—	—	3,032	4,506
Transfers in	10,243	10,882	—	—	—	21,125
Transfers out	—	(22,297)	—	—	(2,884)	(25,181)
Net change in unrealized depreciation on investments	(15,661)	(11,253)	(235)	(3,813)	(5,068)	(36,030)
Balance as of December 31, 2022	$ 1,976,960	$ 179,329	$ 134,958	$ 30,288	$ 494,750	$ 2,816,285
Net change in unrealized depreciation for the period relating to those Level 3 assets that were still held by the Company at the end of the period:	$ (16,421)	$ (11,176)	$ (234)	$ (3,813)	$ (8,173)	$ (39,817)

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[(1)] Includes FBLC's investment in FBLC Senior Loan Fund, LLC.

For the year ended December 31, 2022, transfers from Level 2 to Level 3 were due to current assessments of investment liquidity and a decrease in the number of observable market inputs. For the year ended December 31, 2022, transfers from Level 3 to Level 2 were due to an increase in the number of observable market inputs.

The following table provides a reconciliation of the beginning and ending balances for investments that use Level 3 inputs for the year ended December 31, 2021:

	Senior Secured First Lien Debt	Senior Secured Second Lien Debt	Subordinated Debt	Collateralized Securities	Equity/Other	Total
Balance as of December 31, 2020	$ 1,307,957	$ 186,899	$ 108,610	$ 106,525	$ 208,793	$ 1,918,784
Purchases and other adjustments to cost	1,077,201	83,554	115,838	422	395,008 [(1)]	1,672,023
Sales and repayments	(664,874)	(68,648)	(106,646)	(84,250)	(119,493)	(1,043,911)
Net realized gain (loss)	(12,043)	382	2,561	(4,677)	25,959	12,182
Transfers in	90,853	25,018	—	—	—	115,871
Transfers out	(63,570)	(13,094)	—	—	(1,224)	(77,888)
Net change in unrealized appreciation (depreciation) on investments	43,792	4,912	(2,286)	19,077	14,335	79,830
Balance as of December 31, 2021	$ 1,779,316	$ 219,023	$ 118,077	$ 37,097	$ 523,378	$ 2,676,891
Net change in unrealized appreciation (depreciation) for the period relating to those Level 3 assets that were still held by the Company at the end of the period:	$ 18,655	$ 4,052	$ 504	$ 10,436	$ 18,515	$ 52,162

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[(1)] Includes $304.9 million of purchases related to FBLC Senior Loan Fund, LLC.

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

For the year ended December 31, 2021, transfers from Level 2 to Level 3 were due to current assessments of investment liquidity and a decrease in the number of observable market inputs. For the year ended December 31, 2021, transfers from Level 3 to Level 2 were due to an increase in the number of observable market inputs.

The composition of the Company's investments as of December 31, 2022, at amortized cost and fair value, were as follows:

	Investments at Amortized Cost	Investments at Fair Value	Fair Value Percentage of Total Portfolio
Senior Secured First Lien Debt	$ 2,048,997	$ 1,995,273	69.4 %
Senior Secured Second Lien Debt	223,193	203,299	7.1
Subordinated Debt	134,742	134,958	4.7
Collateralized Securities	48,088	30,288	1.1
Equity/Other	167,177	206,392	7.1
FBLC Senior Loan Fund, LLC	304,934	304,934	10.6
Total	$ 2,927,131	$ 2,875,144	100.0 %

The composition of the Company's investments as of December 31, 2021, at amortized cost and fair value, were as follows:

	Investments at Amortized Cost	Investments at Fair Value	Fair Value Percentage of Total Portfolio
Senior Secured First Lien Debt	$ 1,865,403	$ 1,831,170	65.9 %
Senior Secured Second Lien Debt	251,149	243,932	8.8
Subordinated Debt	117,627	118,077	4.2
Collateralized Securities	51,083	37,097	1.3
Equity/Other	193,421	243,754	8.8
FBLC Senior Loan Fund, LLC	304,934	304,934	11.0
Total	$ 2,783,617	$ 2,778,964	100.0 %

Significant Unobservable Inputs

The following table summarizes the significant unobservable inputs used to value the majority of the Level 3 investments as of December 31, 2022. The table is not intended to be all-inclusive, but instead identifies the significant unobservable inputs relevant to the determination of fair values.

Asset Category	Fair Value	Primary Valuation Technique	Unobservable Inputs	Range		Weighted Average [(a)]
				Minimum	Maximum	
Senior Secured First Lien Debt	$ 1,949,582	Yield Analysis	Market Yield	6.86%	56.39%	11.34%
Senior Secured First Lien Debt	18,961	Waterfall Analysis	EBITDA Multiple	4.77x	9.00x	8.99x
Senior Secured First Lien Debt	8,417	Waterfall Analysis	Revenue Multiple	0.10x	0.77x	0.32x
Senior Secured Second Lien Debt	172,697	Yield Analysis	Market Yield	10.98%	19.94%	15.46%
Senior Secured Second Lien Debt	5,872	Waterfall Analysis	EBITDA Multiple	4.80x	7.75x	6.74x
Senior Secured Second Lien Debt [(b)]	760	Waterfall Analysis	Revenue Multiple	0.51x	0.51x	0.51x
Subordinated Debt	130,185	Waterfall Analysis	Tangible Net Asset Value Multiple	1.66x	1.87x	1.75x
Subordinated Debt [(b)]	4,773	Yield Analysis	Market Yield	19.28%	19.28%	19.28%
Collateralized Securities	30,288	Discounted Cash Flow	Discount Rate	14.32%	23.50%	19.59%
Equity/Other	159,003	Waterfall Analysis	Tangible Net Asset Value Multiple	1.66x	1.87x	1.77x
Equity/Other	15,018	Waterfall Analysis	EBITDA Multiple	4.13x	20.75x	9.03x
Equity/Other	8,277	Waterfall Analysis	Discount Rate	14.00%	14.00%	14.00%
Equity/Other	3,587	Yield Analysis	Market Yield	13.00%	27.50%	24.32%
Equity/Other [(b)]	1,615	Waterfall Analysis	TBV Multiple	0.95x	0.95x	0.95x
Equity/Other	1,125	Waterfall Analysis	Revenue Multiple	0.30x	0.70x	0.69x
Equity/Other [(b) (c)]	596	N/A	N/A	N/A	N/A	N/A
Equity/Other [(b) (d)]	595	Waterfall Analysis	Asset Recovery	$110.00	$110.00	$110.00
FBLC Senior Loan Fund, LLC [(b)]	304,934	Discounted Cash Flow	Discount Rate	13.69%	13.69%	13.69%
Total	$ 2,816,285					

(a) Weighted averages are calculated based on fair value of investments.

(b) This asset category contains one investment.

(c) Investment(s) were valued based on recent or pending transactions expected to close after the valuation date.

(d) Range and weighted average shown in millions.

There were no significant changes in valuation approach or technique as of December 31, 2022.

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

The following table summarizes the significant unobservable inputs used to value the majority of the Level 3 investments as of December 31, 2021. The table is not intended to be all-inclusive, but instead identifies the significant unobservable inputs relevant to the determination of fair values.

				Range		
Asset Category	**Fair Value**	**Primary Valuation Technique**	**Unobservable Inputs**	**Minimum**	**Maximum**	**Weighted Average [(a)]**
Senior Secured First Lien Debt	$ 1,258,128	Yield Analysis	Market Yield	5.00%	23.71%	8.15%
Senior Secured First Lien Debt [(c)]	272,647	N/A	N/A	N/A	N/A	N/A
Senior Secured First Lien Debt	214,761	Yield Analysis	Market Yield	1.82%	14.14%	7.93%
Senior Secured First Lien Debt	27,022	Waterfall Analysis	EBITDA Multiple	4.30x	10.16x	8.08x
Senior Secured First Lien Debt	6,758	Waterfall Analysis	Revenue Multiple	0.24x	0.24x	0.24x
Senior Secured Second Lien Debt	120,275	Yield Analysis	Market Yield	7.00%	19.54%	9.17%
Senior Secured Second Lien Debt	64,578	Yield Analysis	Market Yield	8.03%	24.78%	10.92%
Senior Secured Second Lien Debt [(c)]	31,387	N/A	N/A	N/A	N/A	N/A
Senior Secured Second Lien Debt	2,783	Waterfall Analysis	EBITDA Multiple	6.26x	6.30x	6.29x
Subordinated Debt [(b)]	75,000	Waterfall Analysis	Tangible Net Asset Value Multiple	1.65x	1.65x	1.65x
Subordinated Debt [(b)] [(c)]	37,963	N/A	N/A	N/A	N/A	N/A
Subordinated Debt [(b)]	3,577	Waterfall Analysis	EBITDA Multiple	11.12x	11.12x	11.12x
Subordinated Debt [(b)]	1,537	Discounted Cash Flow	Discount Rate	8.75%	8.75%	8.75%
Collateralized Securities	37,097	Discounted Cash Flow	Discount Rate	9.00%	17.00%	14.62%
Equity/Other [(c)]	89,678	N/A	N/A	N/A	N/A	N/A
Equity/Other [(b)]	65,609	Waterfall Analysis	Tangible Net Asset Value Multiple	1.65x	1.65x	1.65x
Equity/Other	26,981	Waterfall Analysis	Discount Rate	17.50%	17.50%	17.50%
Equity/Other	15,209	Waterfall Analysis	EBITDA Multiple	2.75x	12.00x	7.01x
Equity/Other	13,204	Discounted Cash Flow	Discount Rate	8.75%	12.50%	11.23%
Equity/Other	3,030	Waterfall Analysis	Revenue Multiple	0.15x	2.70x	2.58x
Equity/Other [(b)]	2,676	Waterfall Analysis	TBV Multiple	5.50x	5.50x	5.50x
Equity/Other	2,057	Yield Analysis	Market Yield	9.75%	12.54%	11.48%
FBLC Senior Loan Fund, LLC [(b)]	304,934	Discounted Cash Flow	Discount Rate	13.03%	13.03%	13.03%
Total	$ 2,676,891					

(a) Weighted averages are calculated based on fair value of investments.

(b) This asset category contains one investment.

(c) Investment(s) were valued based on recent or pending transactions expected to close after the valuation date.

There were no significant changes in valuation approach or technique as of December 31, 2021.

Level 3 Inputs to the valuation methodology are unobservable and significant to overall fair value measurement. The inputs into the determination of fair value require significant management judgment or estimation. Financial instruments that are included in this category include investments in privately held entities where the fair value is based on unobservable inputs.

Increases or decreases in any of the above unobservable inputs in isolation would result in a lower or higher fair value measurement for such assets.

The income and market approaches were used in the determination of fair value of certain Level 3 assets as of December 31, 2022 and December 31, 2021. The significant unobservable inputs used in the income approach are the discount rate or market yield used to discount the estimated future cash flows expected to be received from the underlying investment, which include both future principal and interest payments. An increase in the discount rate or market yield would result in a decrease in the fair value. Included in the consideration and selection of discount rates is risk of default, rating of the investment, call provisions and comparable company investments. The significant unobservable inputs used in the market approach are based on market comparable transactions and market multiples of publicly traded comparable companies. Increases or decreases in market comparable transactions or market multiples would result in an increase or decrease, respectively, in the fair value.

Valuations of loans, corporate debt, and other debt obligations are generally based on discounted cash flow techniques, for which the significant inputs are the amount and timing of expected future cash flows, market yields and recovery assumptions. The significant inputs are generally determined based on relative value analysis, which incorporate comparisons to other debt instruments for which observable prices or broker quotes are available. Other valuation methodologies are used as appropriate including market comparables, transactions in similar instruments and recovery/liquidation analysis. The Company also considers the use of EBITDA multiples, revenue multiples, tangible net asset value multiples, TBV multiples, and other relevant multiples on its debt and equity investments to determine any credit gains or losses in certain instances. Increases or decreases in either of these inputs in isolation may result in a significantly lower or higher fair value measurement of the respective subject instrument.

As of December 31, 2022, the Company had 5 portfolio companies on non-accrual with a total amortized cost of $44.6 million and fair value of $8.2 million, which represented 1.5% and 0.3% of the investment portfolio's total amortized cost and fair value, respectively. As of December 31, 2021, the Company had 6 portfolio companies on non-accrual with a total amortized cost of $42.5 million and fair value of $12.2 million, which represented 1.5%, and 0.4% of the investment portfolio's total amortized cost and fair value, respectively. Refer to Note 2 - Summary of Significant Accounting Policies - for additional details regarding the Company’s non-accrual policy.

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

FBLC Senior Loan Fund, LLC

On January 20, 2021, FBLC and Cliffwater Corporate Lending Fund ("CCLF") formed a joint venture, FBLC Senior Loan Fund, LLC (the "SLF"), that invests primarily in senior secured loans, and to a lesser extent may invest in mezzanine loans, unsecured loans and equity of predominantly private U.S. middle market companies. SLF was formed as a Delaware limited liability company and is not consolidated by FBLC for financial reporting purposes. FBLC provides capital to SLF in the form of LLC equity interests. At formation, FBLC and CCLF owned 87.5% and 12.5%, respectively, of the LLC equity interests of SLF. As of December 31, 2022 and December 31, 2021, FBLC and CCLF owned 79.8% and 20.2%, respectively, of the LLC equity interests of SLF. Profit and loss are allocated based on each members' ownership percentage of the joint venture's net asset value. SLF has an Administrative and Loan Services Agreement with BSP, an affiliate of the Company, pursuant to which BSP provides certain operational and valuation services for SLF's investments; as well as certain agreements with third-party service providers. FBLC and CCLF each appoint two members to SLF's four-person board of members. All material decisions with respect to SLF, including those involving its investment portfolio, require unanimous approval of a quorum of the board of members. Quorum is defined as (i) the presence of two members of the board of members; provided that at least one individual is present that was elected, designated or appointed by each member; (ii) the presence of three members of the board of members; provided that the individual that was elected, designated or appointed by the member with only one individual present shall be entitled to cast two votes on each matter; and (iii) the presence of four members of the board of members; provided that two individuals are present that were elected, designated or appointed by each member.

As part of the initial contribution to SLF, FBLC contributed $751.8 million of assets, including $664.2 million of investments and $42.4 million of cash, as well as $446.9 million worth of liabilities, including the Citi Credit Facility (as defined in Note 5) debt of $344.4 million in exchange for $304.9 million of equity in SLF. As of December 31, 2022 and December 31, 2021, FBLC's investment in SLF consisted of equity contributions of $304.9 million. FBLC's investment in SLF is classified as "Equity/Other" on the Consolidated Schedules of Investments, and other disclosures unless otherwise indicated. Subsequent to the initial contribution, FBLC may sell investments to SLF. For the year ended December 31, 2022, FBLC had not sold any investments to SLF. For the year ended December 31, 2021, FBLC had sold $322.7 million of investments to SLF. As of December 31, 2022, $0.0 million of net accounts payable relates to investments sold by FBLC to SLF, which is reflected on the Consolidated Statements of Assets and Liabilities. As of December 31, 2021, $0.1 million of net accounts receivable relates to investments sold by FBLC to SLF, which is reflected on the Consolidated Statements of Assets and Liabilities.

Below is a summary of SLF's portfolio as of December 31, 2022 and December 31, 2021. A listing of the individual investments in SLF's portfolio as of such dates can be found below:

	December 31, 2022	December 31, 2021
Total assets	$ 965,671	$ 1,195,960
Total investments [(1)]	$ 855,705	$ 1,088,337
Weighted Average Current Yield for Total Portfolio [(2)]	10.2 %	5.4 %
Number of Portfolio companies in SLF	163	172
Largest portfolio company investment [(1)]	$ 19,381	$ 27,965
Total of five largest portfolio company investments [(1)]	$ 86,158	$ 113,297

[(1)] At fair value.

[(2)] Includes the effect of the amortization or accretion of loan premiums or discounts.

SLF may invest in portfolio companies in the same industries in which FBLC directly invests.

Below is a listing of SLF's individual investments as of December 31, 2022:

December 31, 2022

Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Senior Secured First Lien Debt							
Accentcare, Inc. (b)	Healthcare	L+ 4.00% (8.74%)	6/22/2026	$ 9,929	$ 9,929	$ 6,652	2.0 %
Access Cig, LLC (b)	Business Services	L+ 3.75% (7.82%)	2/27/2025	4,188	4,180	4,094	1.2 %
Acrisure, LLC (b)	Financials	L+ 3.50% (7.88%)	2/15/2027	20,112	19,758	18,830	5.6 %
Adtalem Global Education, Inc.	Education	5.50%	3/1/2028	1,042	1,042	953	0.3 %
Adtalem Global Education, Inc. (f)	Education	L+ 4.00% (8.39%)	8/12/2028	692	693	685	0.2 %

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts, percentages and as otherwise indicated)
For the year ended December 31, 2022

December 31, 2022							
Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Advisor Group, Inc. (f)	Financials	L+ 4.50% (8.57%)	7/31/2026	$ 7,823	$ 7,823	$ 7,638	2.3 %
Alchemy US Holdco 1, LLC (b)	Industrials	L+ 5.50% (9.88%)	10/10/2025	15,555	15,441	14,467	4.3 %
Allegiant Travel, Co.	Transportation	7.25%	8/15/2027	1,200	1,194	1,143	0.3 %
Altice Financing, SA	Telecom	5.00%	1/15/2028	2,000	1,937	1,616	0.5 %
Alvogen Pharma US, Inc. (b)	Healthcare	S+ 7.50% (12.23%)	6/30/2025	11,873	11,809	10,638	3.3 %
Amentum Government Services Holdings, LLC (f)	Industrials	L+ 4.00% (7.67%)	1/29/2027	1,970	1,960	1,922	0.6 %
Amentum Government Services Holdings, LLC (b)	Industrials	S+ 4.00% (7.56%)	2/15/2029	4,975	4,909	4,837	1.4 %
American Airlines Inc/AAdvantage Loyalty IP, Ltd. (b)	Transportation	L+ 4.75% (8.99%)	4/20/2028	8,316	8,249	8,271	2.5 %
American Rock Salt Company, LLC (f)	Chemicals	L+ 4.00% (8.38%)	6/9/2028	4,729	4,729	4,433	1.3 %
AmWINS Group, Inc. (f)	Financials	L+ 2.25% (6.32%)	2/19/2028	4,925	4,869	4,831	1.4 %
AP Gaming I, LLC (f)	Gaming/Lodging	S+ 4.00% (8.73%)	2/15/2029	7,411	7,291	7,003	2.1 %
Apollo Commercial Real Estate Finance, Inc.	Financials	4.63%	6/15/2029	3,000	3,000	2,418	0.7 %
AppLovin Corp. (b)	Media/Entertainment	P+ 2.00% (9.50%)	10/25/2028	8,933	8,913	8,464	2.5 %
Artera Services, LLC (f)	Utilities	L+ 3.50% (8.23%)	3/6/2025	2,463	2,453	2,012	0.6 %
Ascensus Holidngs, Inc. (b)	Business Services	L+ 3.50% (8.25%)	8/2/2028	7,920	7,913	7,547	2.2 %
Astoria Energy, LLC (f)	Utilities	L+ 3.50% (7.57%)	12/10/2027	1,937	1,937	1,908	0.6 %
Astro AB Merger Sub, Inc. (f)	Financials	L+ 4.25% (8.98%)	4/30/2024	3,795	3,792	3,675	1.1 %
Asurion, LLC (b)	Business Services	L+ 3.25% (7.63%)	12/23/2026	4,925	4,857	4,380	1.3 %
Athenahealth, Inc. (b)	Healthcare	S+ 3.50% (7.82%)	2/15/2029	12,951	12,891	11,660	3.5 %
Athletico Management, LLC (f)	Healthcare	S+ 4.25% (8.98%)	2/15/2029	4,975	4,952	4,024	1.2 %
Avaya Holdings Corp.	Technology	L+ 4.00% (8.32%)	12/15/2027	8,543	8,543	2,879	0.9 %
Aveanna Healthcare, LLC (f)	Healthcare	L+ 3.75% (7.77%)	7/17/2028	93	92	71	— %
Bally's Corp. (b)	Gaming/Lodging	L+ 3.25% (7.54%)	10/2/2028	2,703	2,680	2,494	0.7 %
BCP Renaissance, LLC (f)	Energy	L+ 3.50% (7.88%)	10/31/2024	1,049	1,043	1,037	0.3 %
Bella Holding Company, LLC (f)	Healthcare	L+ 3.75% (7.82%)	5/10/2028	2,951	2,927	2,779	0.8 %
Blackstone CQP Holdco, LP (b)	Industrials	L+ 3.75% (8.48%)	6/5/2028	7,887	7,857	7,840	2.3 %
BMC Software Finance, Inc. (b)	Technology	L+ 3.75% (8.13%)	10/2/2025	12,601	12,621	12,044	3.6 %
Bomgar Corp. (f)	Technology	L+ 4.00% (8.38%)	4/18/2025	3,848	3,857	3,721	1.1 %
Cablevision Lightpath, LLC	Telecom	3.88%	9/15/2027	2,000	1,936	1,661	0.5 %
CDK Global, Inc. (f)	Software/Services	S+ 4.50% (9.08%)	7/6/2029	2,625	2,551	2,598	0.9 %
CLP Health Services, Inc. (b)	Healthcare	L+ 4.25% (7.13%)	12/31/2026	12,784	12,744	11,997	3.6 %
Cnt Holdings I Corp. (f)	Consumer	S+ 3.50% (7.24%)	11/8/2027	3,439	3,439	3,301	1.0 %
CommerceHub, Inc. (f)	Technology	L+ 4.00% (7.67%)	12/29/2027	9,541	9,551	8,726	2.6 %
Community Care Health Network, LLC (b)	Healthcare	L+ 4.75% (9.13%)	2/17/2025	9,661	9,641	8,211	2.4 %
Compass Power Generation, LLC (b)	Utilities	S+ 4.25% (8.69%)	4/14/2029	4,511	4,384	4,466	1.3 %
Connect Finco SARL (f)	Telecom	L+ 3.50% (7.58%)	12/11/2026	7,461	7,479	7,365	2.2 %
Connectwise, LLC (f)	Software/Services	L+ 3.50% (7.88%)	9/29/2028	6,930	6,923	6,568	2.0 %
Conservice Midco, LLC (b)	Business Services	L+ 4.25% (8.63%)	5/13/2027	7,622	7,630	7,514	2.2 %
Conterra Ultra Broadband, LLC (b)	Telecom	S+ 4.75% (9.18%)	4/30/2026	6,642	6,642	6,642	2.0 %
Corelogic, Inc. (b)	Business Services	L+ 3.50% (7.94%)	6/2/2028	7,900	7,887	6,567	2.0 %
Directv Financing, LLC (b)	Media/Entertainment	L+ 5.00% (9.38%)	8/2/2027	4,437	4,400	4,311	1.3 %
Dish Dbs Corp.	Cable	5.25%	12/1/2026	700	700	589	0.2 %
Dish Dbs Corp.	Cable	5.75%	12/1/2028	1,000	1,000	797	0.2 %
Division Holding Corp. (b)	Business Services	L+ 4.75% (9.13%)	5/27/2028	8,651	8,657	8,424	2.5 %
Dynasty Acquisition Co., Inc. (e)	Industrials	L+ 3.50% (7.92%)	4/6/2026	5,199	4,990	4,946	1.5 %

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

December 31, 2022

Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Dynasty Acquisition Co., Inc. (e)	Industrials	L+ 3.50% (7.92%)	4/6/2026	$ 2,795	$ 2,683	$ 2,659	0.8 %
Echo Global Logistics, Inc. (b)	Transportation	L+ 3.50% (7.57%)	11/23/2028	3,305	3,298	3,096	0.9 %
Edelman Financial Services, LLC (b)	Financials	L+ 3.50% (7.88%)	4/7/2028	1,980	1,944	1,843	0.5 %
Edgewater Generation, LLC (b)	Utilities	L+ 3.75% (8.13%)	12/13/2025	2,374	2,363	2,245	0.7 %
Flex Acquisition Company, Inc. (f)	Paper & Packaging	S+ 3.93% (8.60%)	4/13/2029	2,488	2,430	2,364	0.7 %
Florida Food Products, LLC (f)	Food & Beverage	L+ 5.00% (9.38%)	10/18/2028	7,940	7,835	7,503	2.2 %
Foley Products Co, LLC (b)	Industrials	S+ 4.75% (9.48%)	12/29/2028	3,175	3,146	3,062	0.9 %
Frontier Communications Corp.	Telecom	5.00%	5/1/2028	1,240	1,294	1,079	0.3 %
Frontier Communications Corp. (b)	Telecom	L+ 3.75% (8.50%)	5/1/2028	19,229	19,215	18,302	5.5 %
Geon Performance Solutions, LLC (b)	Chemicals	L+ 4.50% (9.23%)	8/18/2028	4,658	4,627	4,658	1.4 %
Gordian Medical, Inc. (b)	Healthcare	L+ 6.25% (10.98%)	1/31/2027	10,949	10,890	10,084	3.0 %
Greeneden U.S. Holdings I, LLC (b)	Software/Services	L+ 4.00% (8.38%)	12/1/2027	4,890	4,801	4,685	1.4 %
GVC Holdings Gibraltar, Ltd. (f)	Gaming/Lodging	L+ 2.50% (7.23%)	3/29/2027	4,925	4,920	4,887	1.5 %
HAH Group Holding Company, LLC (b)	Healthcare	S+ 5.00% (9.43%)	10/29/2027	5,768	5,700	5,667	1.7 %
HAH Group Holding Company, LLC (b)	Healthcare	S+ 5.00% (9.43%)	10/29/2027	730	730	717	0.2 %
Hamilton Projects Acquiror, LLC (f)	Utilities	L+ 4.50% (9.23%)	6/17/2027	5,092	5,074	5,005	1.5 %
Heartland Dental, LLC (e)	Healthcare	L+ 3.75% (8.13%)	4/30/2025	4,111	3,792	3,790	1.1 %
Hertz Corp. (b) (f)	Transportation	L+ 3.25% (7.63%)	6/30/2028	4,143	4,130	4,053	1.2 %
Hertz Corp. (b) (f)	Transportation	L+ 3.25% (7.63%)	6/30/2028	793	791	776	0.2 %
HireRight, Inc. (f)	Business Services	L+ 3.75% (7.82%)	7/11/2025	5,177	5,158	4,972	1.5 %
Hudson River Trading, LLC (b)	Financials	S+ 3.00% (7.44%)	3/20/2028	5,392	5,331	5,090	1.5 %
ICP Industrial, Inc. (f)	Chemicals	L+ 3.75% (8.48%)	12/29/2027	6,905	6,897	4,964	1.5 %
IDERA, Inc. (f)	Technology	L+ 3.75% (7.50%)	3/2/2028	6,912	6,921	6,498	1.9 %
Ineos Us Finance, LLC (f)	Chemicals	S+ 2.50% (6.92%)	11/8/2028	3,970	3,966	3,819	1.1 %
Intelsat Jackson Holdings, SA (b)	Telecom	S+ 4.25% (7.45%)	2/1/2029	8,543	8,462	8,232	2.5 %
Jack Ohio Finance, LLC (f)	Gaming/Lodging	L+ 4.75% (8.82%)	10/4/2028	3,959	3,942	3,838	1.1 %
Jane Street Group, LLC	Financials	4.50%	11/15/2029	5,000	4,864	4,340	1.3 %
Jump Financial, LLC (b)	Financials	S+ 4.50% (9.34%)	8/7/2028	7,419	7,298	7,029	2.1 %
Kissner Milling Co., Ltd.	Industrials	4.88%	5/1/2028	2,000	1,928	1,718	0.5 %
LABL, Inc. (b)	Paper & Packaging	L+ 5.00% (9.07%)	10/29/2028	3,960	3,908	3,748	1.1 %
Lightstone Holdco, LLC (f)	Utilities	S+ 5.75% (10.07%)	2/1/2027	7,113	6,351	6,494	1.9 %
Lightstone Holdco, LLC (f)	Utilities	S+ 5.75% (10.07%)	2/1/2027	402	359	367	0.2 %
Liquid Tech Solutions Holdings, LLC (b) (f)	Industrials	L+ 4.75% (8.92%)	3/20/2028	10,113	10,071	9,557	2.8 %
Luxembourg Investment Co., 428 SARL (b)	Chemicals	S+ 5.00% (9.73%)	1/3/2029	3,686	3,654	3,296	1.0 %
Madison IAQ, LLC	Industrials	4.13%	6/30/2028	2,000	1,985	1,661	0.5 %
Medallion Midland Acquisition, LP (f)	Energy	S+ 3.75% (8.59%)	10/18/2028	5,572	5,544	5,511	1.6 %
MH Sub I, LLC (f)	Business Services	L+ 3.75% (8.13%)	9/13/2024	8,553	8,549	8,300	2.5 %
Michael Baker International, LLC (b)	Industrials	L+ 5.00% (9.38%)	12/1/2028	3,301	3,272	3,208	1.0 %
Monitronics International, Inc. (b)	Business Services	L+ 7.50% (11.92%)	3/29/2024	5,452	5,336	3,593	1.1 %
MPH Acquisition Holdings, LLC	Healthcare	5.50%	9/1/2028	2,000	1,991	1,560	0.5 %
MPH Acquisition Holdings, LLC (b)	Healthcare	L+ 4.25% (8.99%)	9/1/2028	4,938	4,857	4,197	1.3 %
MYOB US Borrower, LLC (f)	Business Services	L+ 4.00% (8.07%)	5/6/2026	5,411	5,400	5,036	1.5 %
Naked Juice, LLC (f)	Food & Beverage	S+ 3.25% (7.93%)	1/24/2029	1,423	1,420	1,269	0.4 %
National Mentor Holdings, Inc. (f)	Healthcare	L+ 3.75% (8.48%)	3/2/2028	179	178	125	— %
National Mentor Holdings, Inc. (b) (f)	Healthcare	L+ 3.75% (8.48%)	3/2/2028	5,445	5,422	3,790	1.1 %
Nexus Buyer, LLC (f)	Business Services	L+ 3.75% (8.13%)	11/9/2026	4,443	4,442	4,248	1.3 %
Nouryon Finance B.V. (e)	Chemicals	L+ 2.75% (7.17%)	10/1/2025	2,319	2,257	2,283	0.7 %

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

December 31, 2022

Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Novae, LLC (f)	Industrials	S+ 5.00% (9.70%)	12/22/2028	$ 4,963	$ 4,928	$ 4,069	1.2 %
Pathway Vet Alliance, LLC (b)	Healthcare	L+ 3.75% (8.13%)	3/31/2027	2,970	2,976	2,456	0.7 %
Paysafe Finance, PLC	Software/Services	4.00%	6/15/2029	400	400	308	0.1 %
Peraton Corp. (b)	Industrials	L+ 3.75% (8.13%)	2/1/2028	2,916	2,886	2,842	0.8 %
PG&E Corp. (f)	Utilities	L+ 3.00% (7.44%)	6/23/2025	10,589	10,616	10,493	3.1 %
Polaris Newco, LLC (f)	Business Services	L+ 4.00% (7.67%)	6/2/2028	1,980	1,931	1,802	0.5 %
Power Stop, LLC (f)	Transportation	L+ 4.75% (9.49%)	1/26/2029	3,553	3,520	2,653	0.8 %
Project Accelerate Parent, LLC (e)	Technology	L+ 4.25% (8.63%)	1/2/2025	15,942	14,823	14,906	4.4 %
Proofpoint, Inc. (b)	Software/Services	L+ 3.25% (7.99%)	8/31/2028	6,437	6,395	6,176	1.8 %
Protective Industrial Products, Inc. (b)	Industrials	L+ 4.00% (8.38%)	12/29/2027	9,035	8,999	8,880	2.6 %
Pug, LLC (f)	Technology	L+ 3.50% (7.88%)	2/12/2027	4,911	4,814	4,044	1.2 %
Quikrete Holdings, Inc. (f)	Industrials	L+ 3.00% (7.38%)	6/11/2028	7,940	7,901	7,868	2.3 %
Regionalcare Hospital Partners Holdings, Inc.	Healthcare	4.38%	2/15/2027	2,000	2,000	1,696	0.5 %
Regionalcare Hospital Partners Holdings, Inc. (b)	Healthcare	L+ 3.75% (8.17%)	11/16/2025	5,195	5,210	4,886	1.5 %
Renaissance Learning, Inc. (f)	Software/Services	S+ 4.50% (8.72%)	3/30/2029	1,990	1,935	1,908	0.7 %
RXB Holdings, Inc. (f)	Healthcare	L+ 4.50% (8.72%)	12/20/2027	10,103	10,134	9,446	2.8 %
S&S Holdings, LLC (f)	Consumer	L+ 5.00% (9.29%)	3/11/2028	6,878	6,715	6,578	2.0 %
Safe Fleet Holdings, LLC (b)	Industrials	S+ 3.75% (8.17%)	2/23/2029	7,444	7,407	7,179	2.1 %
Safety Products/JHC Acquisition Corp. (b)	Industrials	L+ 4.50% (8.88%)	6/28/2026	17,182	16,536	16,323	4.9 %
Safety Products/JHC Acquisition Corp. (b)	Industrials	L+ 4.50% (8.88%)	6/28/2026	929	888	882	0.3 %
Schenectady International Group, Inc. (b)	Chemicals	S+ 4.75% (9.02%)	10/15/2025	19,721	19,631	15,836	4.7 %
SCIH Salt Holdings, Inc. (f)	Industrials	L+ 4.00% (8.42%)	3/16/2027	3,690	3,667	3,578	1.1 %
SFR Group, SA (b) (e)	Telecom	L+ 4.00% (8.65%)	8/14/2026	12,574	12,380	11,668	3.5 %
Sierra Acquisition, Inc. (b)	Food & Beverage	L+ 4.00% (8.42%)	11/11/2024	4,851	4,724	3,711	1.1 %
Sophia, LP (f)	Software/Services	L+ 3.50% (8.23%)	10/7/2027	2,973	2,976	2,864	0.9 %
SSH Group Holdings, Inc. (e)	Education	L+ 4.25% (8.73%)	7/30/2025	10,409	10,130	10,140	3.0 %
Staples, Inc. (b)	Business Services	L+ 5.00% (7.78%)	4/16/2026	4,898	4,856	4,520	1.3 %
Team Health Holdings, Inc. (e) (f)	Healthcare	S+ 5.25% (9.57%)	3/2/2027	5,433	4,603	4,061	1.2 %
Tecta America Corp. (f)	Industrials	S+ 4.25% (8.69%)	4/10/2028	8,954	8,931	8,573	2.6 %
Tenet Healthcare Corp.	Healthcare	4.25%	6/1/2029	2,000	1,707	1,731	0.5 %
The Dun & Bradstreet Corp. (f)	Business Services	L+ 3.25% (7.64%)	2/6/2026	4,683	4,699	4,632	1.4 %
Traverse Midstream Partners, LLC (b)	Energy	S+ 4.25% (8.80%)	9/27/2024	13,421	13,405	13,375	4.0 %
Triton Water Holdings, Inc. (f)	Food & Beverage	L+ 3.50% (8.23%)	3/31/2028	7,387	7,373	6,845	2.0 %
Truck Hero, Inc. (f)	Transportation	L+ 3.75% (8.13%)	1/31/2028	1,474	1,471	1,258	0.4 %
United Airlines, Inc.	Transportation	4.63%	4/15/2029	500	440	435	0.1 %
United Airlines, Inc. (f)	Transportation	L+ 3.75% (8.11%)	4/21/2028	3,756	3,745	3,702	1.1 %
University Support Services, LLC (f)	Education	L+ 3.25% (7.63%)	2/10/2029	4,950	4,933	4,805	1.4 %
Urban One, Inc.	Media/Entertainment	7.38%	2/1/2028	5,000	5,140	4,227	1.3 %
Venga Finance Sarl (b)	Telecom	L+ 4.75% (9.49%)	6/28/2029	3,990	3,878	3,798	1.1 %
Veritext Corp. (f)	Business Services	L+ 3.50% (7.88%)	8/1/2025	3,458	3,426	3,334	1.0 %
Vyaire Medical, Inc. (f)	Healthcare	L+ 4.75% (8.51%)	4/16/2025	7,354	6,478	5,593	1.7 %
WaterBridge Midstream Operating, LLC (b)	Energy	L+ 5.75% (9.13%)	6/22/2026	8,653	7,878	8,299	2.5 %
Watlow Electric Manufacturing Co. (b)	Industrials	S+ 3.75% (8.15%)	3/2/2028	9,378	9,340	8,997	2.7 %
Western Dental Services, Inc. (f)	Healthcare	L+ 4.50% (9.24%)	8/18/2028	8,984	8,978	8,190	2.4 %
Western Dental Services, Inc. (f)	Healthcare	L+ 4.50% (9.24%)	8/18/2028	917	917	836	0.2 %

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

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Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Wilsonart, LLC (b)	Consumer	L+ 3.25% (7.98%)	12/31/2026	$ 7,375	$ 7,370	$ 7,002	2.1 %
WMG Acquisition Corp.	Media/Entertainment	3.00%	2/15/2031	500	394	398	0.1 %
WMG Holdings, Inc. (b)	Business Services	S+ 3.25% (7.67%)	11/2/2029	834	809	824	0.3 %
YI, LLC (e)	Healthcare	L+ 4.00% (8.38%)	11/7/2024	8,880	8,524	8,525	2.5 %
Subtotal Senior Secured First Lien Debt					**$ 809,938**	**$ 754,019**	**224.8 %**
Senior Secured Second Lien Debt							
American Rock Salt Company, LLC (b)	Chemicals	L+ 7.25% (11.63%)	6/11/2029	$ 1,943	$ 1,924	$ 1,858	0.5 %
Asurion, LLC (b)	Business Services	L+ 5.25% (9.63%)	1/31/2028	7,632	7,605	5,921	1.8 %
CDS U.S. Intermediate Holdings, Inc.	Media/Entertainment	L+ 8.00% (12.73%) 7.00% PIK	11/24/2027	5,459	5,444	5,317	1.6 %
Edelman Financial Services, LLC (b) (e)	Financials	L+ 6.75% (11.13%)	7/20/2026	7,972	7,256	7,145	2.1 %
IDERA, Inc. (b) (e)	Technology	L+ 6.75% (10.50%)	3/2/2029	1,545	1,375	1,435	0.4 %
Tecta America Corp. (b)	Industrials	S+ 8.50% (12.94%)	4/9/2029	4,998	4,973	4,894	1.5 %
Subtotal Senior Secured Second Lien Debt					**$ 28,577**	**$ 26,570**	**7.9 %**
Collateralized Securities							
Collateralized Securities - Debt Investments							
AIG CLO, Ltd. 21-1A F	Diversified Investment Vehicles	L+ 6.90% (11.23%)	4/22/2034	$ 1,410	$ 1,291	$ 1,053	0.3 %
Battalion CLO, Ltd. 21-17A F	Diversified Investment Vehicles	L+ 7.50% (11.74%)	3/9/2034	1,224	1,137	933	0.3 %
Carlyle GMS CLO, 16-3A FRR	Diversified Investment Vehicles	L+ 8.60% (12.84%)	7/20/2034	2,100	1,990	1,642	0.5 %
Covenant Credit Partners CLO, Ltd. 17 1A E	Diversified Investment Vehicles	L+ 6.45% (10.53%)	10/15/2029	2,500	2,298	2,059	0.6 %
Eaton Vance CDO, Ltd. 15-1A FR	Diversified Investment Vehicles	L+ 7.97% (12.21%)	1/20/2030	2,000	1,758	1,554	0.5 %
Elevation CLO, Ltd. 13-1A D2	Diversified Investment Vehicles	L+ 7.65% (12.26%)	8/15/2032	2,000	1,963	1,804	0.5 %
Fortress Credit BSL, Ltd. 22-1A E	Diversified Investment Vehicles	S+ 8.15% (12.19%)	10/23/2034	1,000	981	927	0.3 %
Great Lakes CLO, Ltd. 21-6A E (f)	Diversified Investment Vehicles	L+ 8.03% (12.11%)	1/15/2034	5,150	4,956	4,380	1.3 %
Greywolf CLO, Ltd. 20-3RA ER	Diversified Investment Vehicles	S+ 9.00% (13.04%)	4/15/2033	1,000	879	815	0.2 %
Hayfin Kingsland XI, Ltd. 19-2A ER	Diversified Investment Vehicles	L+ 7.72% (11.96%)	10/20/2034	2,500	2,430	2,125	0.6 %
Highbridge Loan Management, Ltd. 11A-17 E (f)	Diversified Investment Vehicles	L+ 6.10% (10.63%)	5/6/2030	3,000	2,716	2,429	0.7 %
Jamestown CLO, Ltd. 22-18A E	Diversified Investment Vehicles	S+ 7.87% (11.93%)	7/25/2035	3,000	2,735	2,680	0.8 %
KKR Financial CLO, Ltd. 15 FR	Diversified Investment Vehicles	L+ 8.50% (12.69%)	1/18/2032	2,000	1,899	1,579	0.5 %
LCM, Ltd. Partnership 16A ER2 (f)	Diversified Investment Vehicles	L+ 6.38% (10.46%)	10/15/2031	2,500	2,295	2,114	0.6 %
Marble Point CLO, Ltd. 20-1A E (f)	Diversified Investment Vehicles	L+ 6.82% (11.06%)	4/20/2033	4,500	4,406	3,905	1.2 %
Medalist Partners Corporate Finance CLO, Ltd. 21-1A D (f)	Diversified Investment Vehicles	L+ 7.48% (11.72%)	10/20/2034	3,000	2,860	2,498	0.7 %

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

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Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Northwoods Capital, Ltd. 17-15A ER	Diversified Investment Vehicles	L+ 7.64% (12.39%)	6/20/2034	$ 3,000	$ 2,924	$ 2,568	0.8 %
Ocean Trails CLO 22-12A E	Diversified Investment Vehicles	S+ 8.11% (12.07%)	7/20/2035	3,460	3,188	3,050	0.9 %
OCP CLO, Ltd. 14-5A DR (f)	Diversified Investment Vehicles	L+ 5.70% (10.03%)	4/26/2031	2,200	2,087	1,802	0.5 %
OZLM, Ltd. 16-15A DR (f)	Diversified Investment Vehicles	L+ 6.75% (10.99%)	4/20/2033	2,000	1,909	1,604	0.5 %
Palmer Square CLO, Ltd. 21-4A F	Diversified Investment Vehicles	L+ 7.66% (11.74%)	10/15/2034	1,500	1,430	1,156	0.3 %
Regatta II Funding, LP 13-2A DR2 (f)	Diversified Investment Vehicles	L+ 6.95% (11.03%)	1/15/2029	2,000	1,931	1,759	0.5 %
Saranac CLO, Ltd. 20-8A E	Diversified Investment Vehicles	L+ 8.12% (12.80%)	2/20/2033	1,455	1,442	1,281	0.4 %
Sculptor CLO, Ltd. 27A E	Diversified Investment Vehicles	L+ 7.05% (11.29%)	7/20/2034	1,500	1,459	1,286	0.4 %
Sound Point CLO, Ltd. 17-1A E (f)	Diversified Investment Vehicles	L+ 5.96% (10.29%)	1/23/2029	4,000	3,634	3,223	1.0 %
Sound Point CLO, Ltd. 17-2A E (f)	Diversified Investment Vehicles	L+ 6.10% (10.46%)	7/25/2030	2,400	2,092	1,821	0.5 %
Sound Point CLO, Ltd. 18-3A D (f)	Diversified Investment Vehicles	L+ 5.79% (10.12%)	10/26/2031	1,000	906	752	0.2 %
Symphony CLO, Ltd. 2012-9A ER2 (f)	Diversified Investment Vehicles	L+ 6.95% (11.03%)	7/16/2032	3,000	2,784	2,587	0.8 %
Trimaran CAVU 2021-2A, Ltd. 21-2A E (f)	Diversified Investment Vehicles	L+ 7.20% (11.56%)	10/25/2034	3,000	2,945	2,660	0.8 %
Trysail CLO, Ltd. 21-1A E	Diversified Investment Vehicles	L+ 7.38% (11.62%)	7/20/2032	1,500	1,448	1,287	0.4 %
Venture CDO, Ltd. 16-23A ER2 (f)	Diversified Investment Vehicles	L+ 7.55% (11.78%)	7/19/2034	3,000	2,916	2,550	0.9 %
Venture CDO, Ltd. 16-25A E (f)	Diversified Investment Vehicles	L+ 7.20% (11.44%)	4/20/2029	2,000	1,949	1,692	0.4 %
Venture CDO, Ltd. 20-39A E	Diversified Investment Vehicles	L+ 7.63% (11.71%)	4/15/2033	4,995	4,962	4,384	1.3 %
Venture CLO 43, Ltd. 21-43A E (f)	Diversified Investment Vehicles	L+ 7.15% (11.23%)	4/15/2034	3,000	2,918	2,560	0.7 %
Wind River CLO, Ltd. 14-2A FR	Diversified Investment Vehicles	L+ 7.87% (11.95%)	1/15/2031	3,000	2,530	2,061	0.6 %
Zais CLO 13, Ltd. 19-13A D1 (f)	Diversified Investment Vehicles	L+ 4.52% (8.60%)	7/15/2032	3,000	2,741	2,536	0.9 %
Subtotal Collateralized Securities					**$ 84,789**	**$ 75,116**	**22.4 %**
TOTAL INVESTMENTS					**$ 923,304**	**$ 855,705**	**255.1 %**

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(a) The majority of the investments bear interest at a rate that may be determined by reference to London Interbank Offered Rate ("LIBOR" or "L"), Secured Overnight Financing Rate ("SOFR" or "S"), or Prime ("P") and which reset daily, monthly, quarterly, or semiannually. For each, SLF has provided the spread over the relevant reference rate and the current interest rate in effect at December 31, 2022. Certain investments are subject to reference rate floors. For fixed rate loans, a spread above a reference rate is not applicable. For floating rate securities the all-in rate is disclosed within parentheses.

(b) SLF's investment or a portion thereof is pledged as collateral under the Citi Credit Facility. Individual investments can be divided into parts which are pledged to separate credit facilities.

(c) Percentages are based on SLF members' capital as of December 31, 2022.

(d) SLF has various unfunded commitments to portfolio companies.

(e) SLF's investment or a portion thereof is held through a total return swap with J.P. Morgan.

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

(f) SLF's investment or a portion thereof is pledged as collateral under a credit facility with CIBC. Individual investments can be divided into parts which are pledged to separate credit facilities.

SLF had $1.6 million of unfunded commitments on delayed draw term loans as of December 31, 2022.

Below is a listing of SLF's individual investments as of December 31, 2021:

December 31, 2021							
Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Senior Secured First Lien Debt							
ABC Financial Intermediate, LLC (e)	Technology	L+ 4.25% (5.25%)	1/2/2025	$ 19,109	$ 19,038	$ 19,014	4.8 %
Accentcare, Inc. (b)	Healthcare	L+ 4.00% (4.18%)	6/22/2026	10,030	10,030	9,976	2.5 %
Access Cig, LLC (b)	Business Services	L+ 3.75% (3.84%)	2/27/2025	4,233	4,220	4,200	1.1 %
Acrisure, LLC (b) (f)	Financials	L+ 3.50% (3.72%)	2/16/2027	28,319	27,836	27,965	7.0 %
Adtalem Global Education, Inc.	Education	5.50%	3/1/2028	2,000	2,000	1,959	0.5 %
Adtalem Global Education, Inc. (f)	Education	L+ 4.50% (5.25%)	8/12/2028	2,000	2,000	2,003	0.5 %
Advisor Group, Inc. (f)	Financials	L+ 4.50% (4.60%)	7/31/2026	7,903	7,902	7,925	2.0 %
Alchemy US Holdco 1, LLC (b)	Industrials	L+ 5.50% (5.60%)	10/10/2025	15,555	15,403	15,555	3.9 %
Alvogen Pharma US, Inc. (b)	Healthcare	L+ 5.25% (6.25%)	12/29/2023	12,497	12,388	11,935	3.0 %
Amentum Government Services Holdings, LLC (f)	Industrials	L+ 3.50% (3.60%)	2/1/2027	1,990	1,978	1,956	0.5 %
American Airlines Inc/AAdvantage Loyalty IP, Ltd. (b)	Transportation	L+ 4.75% (5.50%)	4/20/2028	6,316	6,259	6,534	1.6 %
American Rock Salt Company, LLC (f)	Chemicals	L+ 4.00% (4.75%)	6/9/2028	4,777	4,780	4,759	1.2 %
AmWINS Group, Inc. (f)	Financials	L+ 2.25% (3.00%)	2/22/2028	4,975	4,909	4,933	1.2 %
AP Gaming I, LLC (f)	Gaming/Lodging	L+ 3.50% (4.50%)	2/15/2024	7,467	7,327	7,410	1.9 %
APLP Holdings, LP (b)	Utilities	L+ 3.75% (4.75%)	5/14/2027	3,245	3,215	3,265	0.8 %
Apollo Commercial Real Estate Finance, Inc.	Financials	4.63%	6/15/2029	3,000	3,000	2,922	0.7 %
AppLovin Corp. (b)	Media/Entertainment	L+ 3.00% (3.50%)	10/25/2028	8,978	8,955	8,953	2.2 %
Artera Services, LLC (f)	Utilities	L+ 3.50% (4.50%)	3/6/2025	2,488	2,473	2,404	0.6 %
Ascensus Holidngs, Inc. (b)	Business Services	L+ 3.50% (4.00%)	8/2/2028	5,000	4,982	4,974	1.2 %
Asp Navigate Acquisition Corp. (f)	Healthcare	L+ 4.50% (5.50%)	10/6/2027	3,276	3,284	3,276	0.8 %
Astoria Energy, LLC (f)	Utilities	L+ 3.50% (4.50%)	12/10/2027	1,985	1,985	1,976	0.5 %
Astro AB Merger Sub, Inc. (f)	Financials	L+ 4.25% (5.25%)	4/30/2024	3,902	3,898	3,907	1.0 %
Asurion, LLC (b)	Business Services	L+ 3.25% (3.35%)	12/23/2026	4,975	4,892	4,938	1.2 %
Athenahealth, Inc. (e)	Healthcare	L+ 4.25% (4.38%)	2/11/2026	14,233	14,197	14,219	3.6 %
Avaya Holdings Corp. (b)	Technology	L+ 4.00% (4.11%)	12/15/2027	17,770	17,770	17,743	4.5 %
Aveanna Healthcare, LLC	Healthcare	L+ 3.75% (4.25%)	7/17/2028	5,465	5,457	5,432	1.4 %
Bally's Corp. (b)	Gaming/Lodging	L+ 3.25% (3.75%)	10/2/2028	2,730	2,704	2,729	0.6 %
BBB Industries, LLC (b)	Transportation	L+ 4.50% (4.60%)	8/1/2025	12,855	12,754	12,855	3.2 %
BCP Raptor, LLC (b)	Energy	L+ 4.25% (5.25%)	6/24/2024	13,604	12,835	13,572	3.4 %
BCP Renaissance, LLC (f)	Energy	L+ 3.50% (4.50%)	10/31/2024	5,896	5,852	5,880	1.5 %
Beasley Mezzanine Holdings, LLC	Broadcasting	8.63%	2/1/2026	2,174	2,225	2,151	0.5 %
Bella Holding Company, LLC (f)	Healthcare	L+ 3.75% (4.50%)	5/10/2028	7,481	7,411	7,469	1.9 %
Blackstone CQP Holdco, LP (f)	Industrials	L+ 3.75% (4.25%)	6/5/2028	7,967	7,931	7,944	2.0 %
BMC Software Finance, Inc. (b)	Technology	L+ 3.75% (3.97%)	10/2/2025	12,748	12,782	12,659	3.2 %
Bomgar Corp. (f)	Technology	L+ 4.00% (4.10%)	4/18/2025	1,922	1,926	1,916	0.5 %
CareCentrix, Inc. (b)	Healthcare	L+ 4.50% (4.72%)	4/3/2025	20,845	20,127	20,715	5.2 %

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

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Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Clover Technologies Group, LLC (e)	Industrials	L+ 7.50% (8.50%)	2/5/2024	$ 1,445	$ 1,375	$ 1,369	0.3 %
CLP Health Services, Inc. (b)	Healthcare	L+ 4.25% (5.00%)	12/31/2026	12,915	12,867	12,882	3.2 %
Cnt Holdings I Corp (f)	Consumer	L+ 3.50% (4.25%)	11/8/2027	3,474	3,474	3,473	0.9 %
CommerceHub, Inc. (f)	Technology	L+ 4.00% (4.75%)	12/29/2027	7,639	7,649	7,551	1.9 %
Community Care Health Network, LLC (b)	Healthcare	L+ 4.75% (4.85%)	2/17/2025	9,755	9,726	9,368	2.3 %
Compass Power Generation, LLC (f)	Utilities	L+ 3.50% (4.50%)	12/20/2024	4,777	4,765	4,753	1.2 %
Connect Finco SARL (f)	Telecom	L+ 3.50% (4.50%)	12/11/2026	7,538	7,560	7,534	1.9 %
Connectwise, LLC (f)	Software/Services	L+ 3.50% (4.00%)	9/29/2028	4,000	3,980	3,986	1.0 %
Conservice Midco, LLC (b)	Business Services	L+ 4.25% (4.47%)	5/13/2027	7,700	7,713	7,679	1.9 %
CONSOL Energy, Inc. (b)	Energy	L+ 4.50% (4.60%)	9/27/2024	3,612	3,328	3,502	0.9 %
Conterra Ultra Broadband, LLC (b)	Telecom	L+ 4.75% (5.75%)	4/30/2026	6,710	6,710	6,710	1.7 %
Corelogic, Inc. (b)	Business Services	L+ 3.50% (4.00%)	6/2/2028	7,980	7,965	7,964	2.0 %
CVENT, Inc. (e)	Technology	L+ 3.75% (3.83%)	11/29/2024	2,700	2,628	2,695	0.6 %
Dealer Tire, LLC (e)	Retail	L+ 4.25% (4.33%)	12/12/2025	3,952	3,927	3,946	1.0 %
Directv Financing, LLC (b)	Media/Entertainment	L+ 5.00% (5.75%)	8/2/2027	4,888	4,842	4,889	1.2 %
Dish DBS Corp.	Cable	5.25%	12/1/2026	700	700	711	0.2 %
Dish DBS Corp.	Cable	5.75%	12/1/2028	1,000	1,000	1,009	0.3 %
Division Holding Corp. (b)	Business Services	L+ 4.75% (5.50%)	5/26/2028	8,739	8,749	8,745	2.2 %
Dunn Paper, Inc. (b)	Paper & Packaging	L+ 5.25% (6.25%)	8/26/2022	578	562	555	0.1 %
Dynasty Acquisition Co., Inc. (e)	Industrials	L+ 3.50% (3.63%)	4/6/2026	2,824	2,736	2,743	0.7 %
Dynasty Acquisition Co., Inc. (e)	Industrials	L+ 3.50% (3.63%)	4/6/2026	5,253	5,089	5,102	1.3 %
Echo Global Logistics, Inc. (b)	Transportation	L+ 3.75% (4.25%)	11/23/2028	3,330	3,322	3,313	0.8 %
Edgewater Generation, LLC (b)	Utilities	L+ 3.75% (3.85%)	12/12/2025	2,491	2,476	2,349	0.6 %
Emerald 2, Ltd. (b)	Industrials	L+ 3.25% (3.47%)	7/12/2028	518	515	514	0.1 %
Fastlane Parent Co, Inc. (b)	Transportation	L+ 4.50%(4.60%)	2/4/2026	1,569	1,569	1,567	0.4 %
Flex Acquisition Company, Inc. (f)	Paper & Packaging	L+ 3.50% (4.00%)	3/2/2028	6,957	6,920	6,939	1.7 %
Florida Food Products, LLC (f)	Food & Beverage	L+ 5.00% (5.75%)	10/18/2028	8,000	7,881	7,860	2.0 %
Frontier Communications Corp.	Telecom	5.00%	5/1/2028	1,240	1,303	1,276	0.3 %
Frontier Communications Corp. (b)	Telecom	L+ 3.75% (4.50%)	5/1/2028	19,425	19,407	19,386	4.9 %
Geon Performance Solutions, LLC (b)	Chemicals	L+ 4.75% (5.50%)	8/18/2028	4,705	4,671	4,739	1.2 %
Gogo Intermediate Holdings, LLC (f)	Telecom	L+ 3.75% (4.50%)	4/28/2028	8,381	8,381	8,373	2.1 %
Golden Nugget, LLC (b) (f)	Gaming/Lodging	L+ 2.50% (3.25%)	10/4/2023	3,960	3,932	3,933	1.0 %
Gordian Medical, Inc. (b)	Healthcare	L+ 6.25% (7.00%)	1/31/2027	11,060	10,987	10,968	2.8 %
Greenway Health, LLC (f)	Healthcare	L+ 3.75% (4.75%)	2/16/2024	4,733	4,462	4,496	1.1 %
GVC Holdings Gibraltar, Ltd. (f)	Gaming/Lodging	L+ 2.50% (3.00%)	3/29/2027	4,975	4,969	4,958	1.2 %
HAH Group Holding Company, LLC (b)	Healthcare	L+ 5.00% (6.00%)	10/29/2027	737	737	737	0.2 %
HAH Group Holding Company, LLC (b)	Healthcare	L+ 5.00% (6.00%)	10/29/2027	5,827	5,748	5,827	1.5 %
Hamilton Projects Acquiror, LLC (f)	Utilities	L+ 4.50% (5.25%)	6/17/2027	5,718	5,694	5,710	1.4 %
Heartland Dental, LLC (e)	Healthcare	L+ 3.50% (3.58%)	4/30/2025	4,154	4,076	4,109	1.0 %
Hertz Corp. (b) (f)	Transportation	L+ 3.25% (3.75%)	6/30/2028	4,186	4,170	4,185	1.0 %
Hertz Corp. (b) (f)	Transportation	L+ 3.25% (3.75%)	6/30/2028	793	790	793	0.2 %

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Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
HireRight, Inc. (f)	Business Services	L+ 3.75% (3.85%)	7/11/2025	$ 7,237	$ 7,197	$ 7,203	1.8 %
Hudson River Trading, LLC (b)	Financials	L+ 3.00% (3.10%)	3/20/2028	4,975	4,910	4,933	1.2 %
ICP Industrial, Inc. (f)	Chemicals	L+ 3.75% (4.50%)	12/29/2027	4,975	4,971	4,900	1.2 %
IDERA, Inc. (f)	Technology	L+ 3.75% (4.50%)	3/2/2028	6,983	6,994	6,972	1.7 %
Ineos Us Finance, LLC (f)	Chemicals	L+ 2.50% (3.00%)	11/6/2028	4,000	3,995	3,977	1.0 %
Iri Holdings, Inc. (b)	Business Services	L+ 4.25% (4.35%)	12/1/2025	7,819	7,800	7,809	2.0 %
Jack Ohio Finance, LLC (f)	Gaming/Lodging	L+ 4.75% (5.50%)	10/4/2028	4,000	3,980	3,980	1.0 %
Jane Street Group, LLC (f)	Financials	L+ 2.75% (2.85%)	1/26/2028	4,938	4,932	4,895	1.2 %
Jump Financial, LLC (b)	Financials	L+ 3.50% (4.00%)	8/7/2028	2,494	2,482	2,475	0.6 %
Kissner Milling Co., Ltd.	Industrials	4.88%	5/1/2028	5,000	5,035	4,814	1.2 %
LABL, Inc. (b)	Paper & Packaging	L+ 5.00% (5.50%)	10/30/2028	5,000	4,925	4,988	1.3 %
Liquid Tech Solutions Holdings, LLC (b) (f)	Industrials	L+ 4.75% (5.50%)	3/20/2028	10,216	10,166	10,216	2.6 %
Luxembourg Investment Co., 428 SARL (b)	Chemicals	S+ 5.00% (5.50%)	1/3/2029	3,864	3,825	3,827	1.0 %
Medallion Midland Acquisition, LP (f)	Energy	L+ 3.75% (4.50%)	10/18/2028	3,614	3,579	3,594	0.9 %
Meridian Adhesives Group, Inc. (b)	Chemicals	L+ 4.00% (4.75%)	7/24/2028	5,000	4,953	5,000	1.3 %
MH Sub I, LLC (f)	Business Services	L+ 3.75% (4.75%)	9/13/2024	8,641	8,636	8,650	2.2 %
Michael Baker International, LLC (b)	Industrials	L+ 5.00% (5.75%)	12/1/2028	3,334	3,301	3,301	0.8 %
MicroStrategy, Inc.	Software/Services	6.13%	6/15/2028	1,500	1,500	1,508	0.4 %
Monitronics International, Inc. (b)	Business Services	L+ 6.50% (7.75%)	3/29/2024	5,508	5,301	5,164	1.3 %
MPH Acquisition Holdings, LLC (b)	Healthcare	L+ 4.25% (4.75%)	9/1/2028	4,988	4,895	4,860	1.2 %
MSG National Properties, LLC (b)	Media/Entertainment	L+ 6.25% (7.00%)	11/12/2025	12,188	12,431	12,188	3.1 %
MYOB US Borrower, LLC (f)	Business Services	L+ 4.00% (4.10%)	5/6/2026	5,468	5,453	5,422	1.4 %
National Mentor Holdings, Inc. (b) (f)	Healthcare	L+ 3.75% (4.50%)	3/2/2028	7,370	7,336	7,282	1.8 %
National Mentor Holdings, Inc. (f)	Healthcare	L+ 3.75% (4.50%)	3/2/2028	233	232	230	0.1 %
Navitas Midstream Midland Basin, LLC (b)	Energy	L+ 4.00% (4.75%)	12/13/2024	10,676	10,676	10,639	2.7 %
Nexus Buyer, LLC (f)	Business Services	L+ 3.75% (3.85%)	11/9/2026	1,489	1,485	1,480	0.4 %
Nouryon USA, LLC (e)	Chemicals	L+ 3.00% (3.10%)	10/1/2025	2,342	2,310	2,332	0.6 %
Paysafe Finance, PLC	Software/Services	4.00%	6/15/2029	400	400	373	0.1 %
Perstorp Holding Ab (b)	Chemicals	L+ 4.75% (4.91%)	2/27/2026	8,777	8,325	8,777	2.2 %
PG&E Corp. (f)	Utilities	L+ 3.00% (3.50%)	6/23/2025	10,698	10,735	10,569	2.7 %
Proofpoint, Inc. (b)	Software/Services	L+ 3.25% (3.75%)	8/31/2028	2,500	2,494	2,488	0.6 %
Protective Industrial Products, Inc. (b)	Industrials	L+ 4.00% (4.75%)	12/29/2027	9,127	9,091	9,087	2.3 %
Pug, LLC (f)	Technology	L+ 3.50% (3.60%)	2/12/2027	4,962	4,843	4,843	1.2 %
Pug, LLC (f)	Technology	L+ 4.25% (4.75%)	2/13/2027	1,995	1,986	1,983	0.5 %
Quikrete Holdings, Inc. (f)	Industrials	L+ 3.00% (3.19%)	6/11/2028	8,000	7,959	7,978	2.0 %
Regionalcare Hospital Partners Holdings, Inc.	Healthcare	4.38%	2/15/2027	2,000	2,000	2,025	0.5 %
Regionalcare Hospital Partners Holdings, Inc. (b)	Healthcare	L+ 3.75% (3.85%)	11/14/2025	5,195	5,214	5,186	1.3 %
RXB Holdings, Inc. (f)	Healthcare	L+ 4.50% (5.25%)	12/20/2027	10,205	10,244	10,205	2.6 %
S&S Holdings, LLC (f)	Consumer	L+ 5.00% (5.50%)	3/10/2028	6,948	6,759	6,948	1.7 %
Safe Fleet Holdings, LLC (f)	Industrials	L+ 3.00% (4.00%)	2/3/2025	2,374	2,359	2,357	0.6 %
Safety Products/JHC Acquisition Corp. (b)	Industrials	L+ 4.50% (4.60%)	6/28/2026	938	891	892	0.2 %

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Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Safety Products/JHC Acquisition Corp. (b)	Industrials	L+ 4.50% (4.60%)	6/28/2026	$ 17,360	$ 16,549	$ 16,492	4.1 %
Schenectady International Group, Inc. (b)	Chemicals	L+ 4.75% (4.87%)	10/15/2025	19,911	19,791	19,911	5.0 %
SCIH Salt Holdings, Inc. (b) (f)	Industrials	L+ 4.00% (4.75%)	3/16/2027	18,735	18,671	18,532	4.6 %
SFR Group, SA (b) (e)	Telecom	L+ 4.00% (4.13%)	8/14/2026	12,705	12,640	12,629	3.2 %
Sierra Acquisition, Inc. (b)	Food & Beverage	L+ 4.00% (5.00%)	11/11/2024	4,902	4,712	4,890	1.2 %
Sophia, LP (f)	Software/Services	L+ 3.50% (4.00%)	10/7/2027	3,004	3,007	3,001	0.8 %
Spirit Aerosystems, Inc. (b)	Industrials	L+ 3.75% (4.25%)	1/15/2025	2,555	2,584	2,556	0.6 %
SSH Group Holdings, Inc. (e)	Education	L+ 4.25% (4.40%)	7/30/2025	10,518	10,064	10,134	2.5 %
Staples, Inc. (b)	Business Services	L+ 5.00% (5.13%)	4/16/2026	4,949	4,896	4,774	1.2 %
Station Casinos, LLC (f)	Gaming/Lodging	L+ 2.25% (2.50%)	2/8/2027	2,278	2,267	2,257	0.6 %
Team Health Holdings, Inc. (e)	Healthcare	L+ 2.75% (3.75%)	2/6/2024	2,969	2,808	2,830	0.7 %
Tecta America Corp. (f)	Industrials	L+ 4.25% (5.00%)	4/6/2028	9,045	9,018	9,033	2.3 %
Tenneco, Inc.	Transportation	5.13%	4/15/2029	3,846	3,846	3,773	0.9 %
Tenneco, Inc. (e)	Transportation	L+ 3.00% (3.08%)	10/1/2025	2,969	2,911	2,921	0.7 %
The Dun & Bradstreet Corp. (f)	Business Services	L+ 3.25% (3.35%)	2/6/2026	4,863	4,884	4,841	1.2 %
TransDigm, Inc. (f)	Industrials	L+ 2.25% (2.35%)	12/9/2025	2,970	2,953	2,926	0.7 %
Traverse Midstream Partners, LLC (b)	Energy	S+ 4.25% (5.25%)	9/27/2024	14,962	14,936	14,878	3.7 %
Triton Water Holdings, Inc. (f)	Food & Beverage	L+ 3.50% (4.00%)	3/31/2028	7,463	7,445	7,374	1.8 %
Truck Hero, Inc. (f)	Transportation	L+ 3.25% (4.00%)	1/31/2028	1,489	1,485	1,479	0.4 %
TSL Engineered Products, LLC (b)	Industrials	L+ 4.75% (5.50%)	1/7/2028	7,858	7,785	7,858	2.0 %
United Airlines, Inc. (f)	Transportation	L+ 3.75% (4.50%)	4/21/2028	3,794	3,782	3,800	1.0 %
University Support Services, LLC (f)	Education	L+ 3.25% (3.75%)	6/29/2028	5,000	4,983	4,975	1.2 %
Urban One, Inc.	Media/Entertainment	7.38%	2/1/2028	6,000	6,194	6,200	1.6 %
Venga Finance Sarl (b)	Telecom	L+ 4.75% (5.25%)	12/4/2028	4,000	3,880	3,913	1.0 %
Veritext Corp. (f)	Business Services	L+ 3.25% (3.35%)	8/1/2025	3,505	3,463	3,472	0.9 %
Virgin Media Bristol, LLC (f)	Telecom	L+ 3.25% (3.36%)	1/31/2029	2,500	2,497	2,497	0.6 %
Vyaire Medical, Inc. (f)	Healthcare	L+ 4.75% (5.75%)	4/16/2025	7,831	6,573	6,695	1.7 %
WaterBridge Midstream Operating, LLC (b)	Energy	L+ 5.75% (6.75%)	6/22/2026	10,748	9,572	10,462	2.6 %
Watlow Electric Manufacturing Co. (b)	Industrials	L+ 3.75% (4.25%)	3/2/2028	9,473	9,431	9,447	2.4 %
Western Dental Services, Inc. (f)	Healthcare	L+ 4.50% (5.25%)	8/18/2028	9,075	9,067	9,070	2.3 %
Western Dental Services, Inc. (f)	Healthcare	L+ 4.50% (5.25%)	8/18/2028	389	389	388	0.1 %
Wilsonart, LLC (b)	Consumer	L+ 3.50% (4.50%)	12/31/2026	7,450	7,444	7,444	1.9 %
Wrench Group, LLC (f)	Consumer	L+ 4.00% (4.22%)	4/30/2026	3,151	3,098	3,151	0.8 %
YI, LLC (e)	Healthcare	L+ 4.00% (5.00%)	11/7/2024	8,974	8,891	8,974	2.3 %
Subtotal Senior Secured First Lien Debt					**$ 945,196**	**$ 947,148**	**237.6 %**
Senior Secured Second Lien Debt							
American Rock Salt Company, LLC (b)	Chemicals	L+ 7.25% (8.00%)	6/11/2029	$ 4,943	$ 4,894	$ 4,955	1.2 %
Asp Ls Acquisition Corp. (b)	Transportation	L+ 7.50% (8.25%)	4/30/2029	2,065	2,075	2,074	0.5 %
Asurion, LLC (b)	Business Services	L+ 5.25% (5.35%)	1/31/2028	15,632	15,564	15,671	3.9 %
Barracuda Networks, Inc. (b)	Software/Services	L+ 6.75% (7.50%)	10/30/2028	4,698	4,724	4,749	1.2 %

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

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Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
CDS U.S. Intermediate Holdings, Inc. (b)	Media/Entertainment	L+ 8.00% (9.00%) 7.00% PIK	11/24/2027	$ 5,088	$ 5,070	$ 5,058	1.3 %
Edelman Financial Services, LLC (b) (e)	Financials	L+ 6.75% (6.84%)	7/20/2026	9,972	9,929	9,989	2.5 %
IDERA, Inc. (b) (e)	Technology	L+ 6.75% (7.50%)	3/2/2029	1,545	1,537	1,545	0.4 %
Tecta America Corp. (b)	Industrials	L+ 8.50% (9.25%)	4/6/2029	4,998	4,973	4,998	1.3 %
TIBCO Software, Inc. (b)	Technology	L+ 7.25% (7.36%)	3/3/2028	13,020	13,166	13,047	3.3 %
Subtotal Senior Secured Second Lien Debt					**$ 61,932**	**$ 62,086**	**15.6 %**
Collateralized Securities							
Collateralized Securities - Debt Investments							
AIG CLO, Ltd. 21-1A F	Diversified Investment Vehicles	L+ 6.90% (7.03%)	4/22/2034	$ 1,410	$ 1,285	$ 1,270	0.3 %
Avery Point CLO, Ltd. 15-6A E1 (f)	Diversified Investment Vehicles	L+ 5.50% (5.64%)	8/6/2027	3,500	3,124	3,380	0.9 %
Battalion CLO, Ltd. 21-17A F	Diversified Investment Vehicles	L+ 7.50% (7.63%)	3/9/2034	1,224	1,132	1,123	0.3 %
Carlyle GMS CLO, 16-3A FRR (f)	Diversified Investment Vehicles	L+ 8.60% (8.73%)	7/20/2034	2,100	1,984	1,983	0.5 %
Eaton Vance CDO, Ltd. 15-1A FR (f)	Diversified Investment Vehicles	L+ 7.97% (8.10%)	1/20/2030	2,000	1,736	1,829	0.5 %
Elevation CLO, Ltd. 13-1A D2	Diversified Investment Vehicles	L+ 7.65% (7.80%)	8/15/2032	2,000	1,961	1,973	0.5 %
Great Lakes CLO, Ltd. 21-6A E	Diversified Investment Vehicles	L+ 8.03% (8.25%)	1/15/2034	5,150	4,945	4,906	1.2 %
Greywolf CLO, Ltd. 20-3RA ER (f)	Diversified Investment Vehicles	L+ 8.74% (8.87%)	4/15/2033	1,000	873	949	0.2 %
Hayfin Kingsland XI, Ltd. 19-2A ER	Diversified Investment Vehicles	L+ 7.72% (7.85%)	10/20/2034	2,500	2,426	2,412	0.6 %
Highbridge Loan Management, Ltd. 11A-17 E (f)	Diversified Investment Vehicles	L+ 6.10% (6.24%)	5/6/2030	3,000	2,689	2,825	0.7 %
Jamestown CLO, Ltd. 17-10A D (f)	Diversified Investment Vehicles	L+ 6.70% (6.82%)	7/17/2029	1,200	1,120	1,153	0.3 %
KKR Financial CLO, Ltd. 15 FR	Diversified Investment Vehicles	L+ 8.50% (8.62%)	1/18/2032	2,000	1,892	1,880	0.5 %
LCM, Ltd. Partnership 16A ER2 (f)	Diversified Investment Vehicles	L+ 6.38% (6.50%)	10/15/2031	2,500	2,280	2,373	0.6 %
Marble Point CLO, Ltd. 20-1A E (f)	Diversified Investment Vehicles	L+ 6.82% (6.95%)	4/20/2033	4,500	4,400	4,392	1.1 %
Medalist Partners Corporate Finance CLO, Ltd. 21-1A D (f)	Diversified Investment Vehicles	L+ 7.48% (7.69%)	10/20/2034	3,000	2,852	2,833	0.7 %
Northwoods Capital, Ltd. 17-15A ER	Diversified Investment Vehicles	L+ 7.64% (7.85%)	6/20/2034	3,000	2,920	2,909	0.7 %
OCP CLO, Ltd. 14-5A DR (f)	Diversified Investment Vehicles	L+ 5.70% (5.82%)	4/26/2031	2,200	2,077	2,118	0.5 %
OZLM, Ltd. 16-15A DR (f)	Diversified Investment Vehicles	L+ 6.75% (6.88%)	4/20/2033	2,000	1,903	1,922	0.5 %
Palmer Square CLO, Ltd. 21-4A F	Diversified Investment Vehicles	L+ 7.66% (7.80%)	10/15/2034	1,500	1,426	1,413	0.4 %
Regatta II Funding, LP 13-2A DR2 (f)	Diversified Investment Vehicles	L+ 6.95% (7.07%)	1/15/2029	2,000	1,923	1,968	0.5 %
Saranac CLO, Ltd. 20-8A E	Diversified Investment Vehicles	L+ 8.12% (8.28%)	2/20/2033	1,455	1,441	1,433	0.4 %
Sound Point CLO, Ltd. 17-1A E (f)	Diversified Investment Vehicles	L+ 5.96% (6.08%)	1/23/2029	4,000	3,589	3,736	0.9 %
Sound Point CLO, Ltd. 17-2A E (f)	Diversified Investment Vehicles	L+ 6.10% (6.22%)	7/25/2030	2,400	2,065	2,173	0.6 %

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

December 31, 2021

Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal/ Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Sound Point CLO, Ltd. 18-3A D (f)	Diversified Investment Vehicles	L+ 5.79% (5.91%)	10/26/2031	$ 1,000	$ 899	$ 895	0.2 %
Symphony CLO, Ltd. 2012-9A ER2 (f)	Diversified Investment Vehicles	L+ 6.95% (7.07%)	7/16/2032	3,000	2,769	2,937	0.7 %
Trimaran CAVU 2021-2A, Ltd. 21-2A E (f)	Diversified Investment Vehicles	L+ 7.20% (7.33%)	10/25/2034	3,000	2,941	2,915	0.7 %
Trysail CLO, Ltd. 21-1A E	Diversified Investment Vehicles	L+ 7.38% (7.52%)	7/20/2032	1,500	1,444	1,445	0.4 %
Venture CDO, Ltd. 16-23A ER2 (f)	Diversified Investment Vehicles	L+ 7.55% (7.67%)	7/19/2034	3,000	2,912	2,892	0.7 %
Venture CDO, Ltd. 16-25A E (f)	Diversified Investment Vehicles	L+ 7.20% (7.33%)	4/20/2029	2,000	1,943	1,936	0.5 %
Venture CDO, Ltd. 20-39A E	Diversified Investment Vehicles	L+ 7.63% (7.75%)	4/15/2033	4,995	4,961	4,922	1.2 %
Venture CLO 43, Ltd. 21-43A E (f)	Diversified Investment Vehicles	L+ 7.15% (7.27%)	4/15/2034	3,000	2,913	2,901	0.7 %
Wind River CLO, Ltd. 14-2A FR	Diversified Investment Vehicles	L+ 7.87% (7.99%)	1/15/2031	3,000	2,495	2,489	0.6 %
Zais CLO 13, Ltd. 19-13A D1 (f)	Diversified Investment Vehicles	L+ 4.52% (4.64%)	7/15/2032	3,000	2,722	2,818	0.7 %
Subtotal Collateralized Securities					**$ 78,042**	**$ 79,103**	**19.8 %**
TOTAL INVESTMENTS					**$ 1,085,170**	**$ 1,088,337**	**273.0 %**

(a) The majority of the investments bear interest at a rate that may be determined by reference to London Interbank Offered Rate ("LIBOR" or "L"), Secured Overnight Financing Rate ("SOFR" or "S"), or Prime ("P") and which reset daily, monthly, quarterly, or semiannually. For each, SLF has provided the spread over the relevant reference rate and the current interest rate in effect at December 31, 2021. Certain investments are subject to reference rate floors. For fixed rate loans, a spread above a reference rate is not applicable. For floating rate securities the all-in rate is disclosed within parentheses.

(b) SLF's investment or a portion thereof is pledged as collateral under the Citi Credit Facility. Individual investments can be divided into parts which are pledged to separate credit facilities.

(c) Percentages are based on SLF members' capital as of December 31, 2021.

(d) SLF has various unfunded commitments to portfolio companies.

(e) SLF's investment or a portion thereof is held through a total return swap with J.P. Morgan.

(f) SLF's investment or a portion thereof is pledged as collateral under a credit facility with CIBC. Individual investments can be divided into parts which are pledged to separate credit facilities.

SLF had $2.2 million of unfunded commitments on delayed draw term loans as of December 31, 2021.

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

Below is certain summarized financial information for SLF as of December 31, 2022 and December 31, 2021 and for the periods ended December 31, 2022 and December 31, 2021:

Selected Statements of Assets and Liabilities Information	December 31, 2022	December 31, 2021
ASSETS		
Investments, at fair value (amortized cost of $923,304 and $1,085,170, respectively)	$ 855,705	$ 1,088,337
Cash and other assets	109,966	107,623
Total assets	$ 965,671	$ 1,195,960
LIABILITIES		
Revolving credit facilities (net of deferred financing costs of $1,483 and $2,488, respectively)	$ 549,067	$ 631,562
Secured borrowings	60,899	94,737
Other liabilities	20,264	71,008
Total liabilities	$ 630,230	$ 797,307
MEMBERS' CAPITAL		
Total members' capital	$ 335,441	$ 398,653
Total liabilities and members' capital	$ 965,671	$ 1,195,960

Selected Statements of Operations Information	For the year ended December 31, 2022	For the period January 20, 2021 (inception) through December 31, 2021
Investment income:		
Total investment income	$ 69,988	$ 44,964
Operating expenses:		
Interest and credit facility financing expenses	24,003	10,051
Other expenses	2,498	2,161
Total expenses	26,501	12,212
Net investment income	43,487	32,752
Realized and unrealized gain (loss):		
Net realized and unrealized gain (loss)	(75,053)	10,093
Net increase (decrease) in members' capital resulting from operations	$ (31,566)	$ 42,845

Note 4 — Related Party Transactions and Arrangements

Investment Advisory Agreement

Pursuant to the Investment Advisory Agreement and for the investment advisory and management services provided thereunder, the Company pays the Adviser a base management fee and an incentive fee.

The Investment Advisory Agreement was approved by the Board, including a majority of independent directors, on October 22, 2018, and by stockholders at a special meeting held on January 11, 2019 and took effect February 1, 2019. The Board renewed the Investment Advisory Agreement on January 30, 2023.

Base Management Fee

The base management fee is calculated at an annual rate of 1.5% of the Company's average gross assets (including assets purchased with borrowed funds). The Company's gross assets increase or decrease with any appreciation or depreciation associated with a derivative contract. Average gross assets is calculated based on the average value of the Company's gross assets at the end of the two most recently completed calendar quarters. The base management fee is payable quarterly in arrears and is appropriately pro-rated for any partial month or quarter. All or any part of the base management fee not taken as to any quarter may be deferred without interest and may be taken in such other quarter as the Adviser will determine within three years.

As of December 31, 2022 and December 31, 2021, $11.1 million and $10.5 million was payable to the Adviser for base management fees, respectively.

For the years ended December 31, 2022, 2021, and 2020 the Company incurred $42.9 million, $39.6 million, and $37.8 million, respectively, in base management fees under the Investment Advisory Agreement.

Incentive Fees

The incentive fee consists of two parts. The first part is referred to as the incentive fee on income and it is calculated and payable quarterly in arrears based on the Company's "Pre-Incentive Fee Net Investment Income" for the immediately preceding quarter. "Pre-Incentive Fee Net Investment Income" means interest income, dividend income, and any other income (including any other fees, other than fees for providing managerial assistance, such as commitment, origination, structuring, diligence, and consulting fees or other fees that the Company receives from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses for the quarter (including the base management fee, expenses payable under the 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 original issue discount debt instruments with payment-in-kind 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 or losses, or unrealized capital appreciation or depreciation. The payment of the incentive fee on income is subject to payment of a preferred return to investors each quarter, expressed as a quarterly rate of return on the value of the Company's net assets at the end of the most recently completed calendar quarter, of 1.75% (7.00% annualized), subject to a "catch up" feature (as described below). The calculation of the incentive fee on income for each quarter is as follows:

- No incentive fee on income will be payable to the Adviser in any calendar quarter in which the Company's Pre-Incentive Fee Net Investment Income does not exceed the preferred return rate of 1.75% or 7.00% annualized (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 2.1875% in any calendar quarter (8.75% annualized) will be payable to the Adviser. This portion of the Company's incentive fee on income is referred to as the "catch up" and is intended to provide the Adviser with an incentive fee of 20% on all of the Company's Pre-Incentive Fee Net Investment Income when the Company's Pre-Incentive Fee Net Investment Income reaches 2.1875% (8.75% annualized) in any calendar quarter; and
- For any quarter in which the Company's Pre-Incentive Fee Net Investment Income exceeds 2.1875% (8.75% annualized), the incentive fee on income will be equal to 20% of the amount of the Company's Pre-Incentive Fee Net Investment Income, as the Preferred Return and catch-up will have been achieved.

As of December 31, 2022 and December 31, 2021, $9.7 million and $7.2 million was payable to the Adviser for the incentive fee on income, respectively.

For the years ended December 31, 2022, 2021, and 2020 the Company incurred $31.3 million, $26.9 million, and $6.2 million, respectively, in incentive fees on income under the Investment Advisory Agreement.

The second part of the incentive fee, referred to as the "incentive fee on capital gains during operations," is an incentive fee on capital gains earned on liquidated investments from the portfolio during operations prior to the Company's liquidation and is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, if earlier). This fee equals 20% of the Company's incentive fee capital gains, which equals the Company's realized capital gains on a cumulative basis from inception, calculated as of the end of each calendar 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. For the years ended December 31, 2022, 2021, and 2020 the Company did not incur incentive fees on capital gains during operations under the Investment Advisory Agreement.

Administration Agreement

In connection with the Administration Agreement, BSP provides the Company with office facilities and administrative services. As of December 31, 2022 and December 31, 2021, $1.4 million and $1.6 million was payable to BSP under the Administration Agreement, respectively.

For the years ended December 31, 2022, 2021, and 2020 the Company incurred $1.4 million, $1.6 million, and $2.0 million, respectively, in administrative service fees under the Administration Agreement.

Co-Investment Relief

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

Due To/From Affiliated Funds

As of December 31, 2022, there were no receivables from Affiliated Funds included within Prepaid and Other Assets on the Consolidated Statements of Assets and Liabilities. As of December 31, 2021, $2.6 million of receivables from Affiliated Funds are included within Prepaid and Other Assets on the Consolidated Statements of Assets and Liabilities.

Note 5 — Borrowings

Wells Fargo Credit Facility

On August 28, 2020, the Company entered into a $300.0 million revolving credit facility with the Company, as collateral manager, Funding I, a wholly owned, consolidated special purpose financing subsidiary, as borrower, the lenders party thereto, Wells Fargo, as administrative agent, and U.S. Bank, as collateral agent and collateral custodian (the "Wells Fargo Credit Facility").The Wells Fargo Credit Facility provides for borrowings through August 28, 2023, and any amounts borrowed under the Wells Fargo Credit Facility will mature on August 28, 2025. Prior to the Second Amendment (defined below), the Wells Fargo Credit Facility was priced at three-month LIBOR, with a LIBOR floor of zero, plus a spread calculated based upon the composition of loans in the collateral pool, which will not exceed 2.75% per annum. Interest is payable quarterly in arrears. Funding I will be subject to a non-usage fee to the extent the commitments available under the Wells Fargo Credit Facility have not been borrowed. The non-usage fee per annum is 0.50% for the first 25% of the unused balance and up to 2.0% for the remaining unused balance. Funding I paid a structuring fee and incurred other customary costs and expenses in connection with the Wells Fargo Credit Facility. Pursuant to an amendment entered into on April 6, 2021, the commitment fee for any unused portion of the Wells Fargo Credit Facility was temporarily reduced until September 30, 2021 (the "First Amendment"). Additionally, pursuant to the First Amendment, the maximum spread was reduced from 2.75% to 2.50% as a result of this amendment. The other terms of the Wells Fargo Credit Facility were unchanged. Pursuant to an amendment entered into on May 27, 2022 (the "Second Amendment"), the benchmark rate was transitioned from LIBOR to SOFR. After the Second Amendment, the Wells Fargo Credit Facility is priced at Daily Simple SOFR, with a Daily Simple SOFR floor of zero, plus a spread calculated based upon the composition of loans in the collateral pool, which will not exceed 2.60% per annum.

Funding I's obligations under the Wells Fargo Credit Facility are secured by a first priority security interest in substantially all of the assets of Funding I, including its portfolio of investments and the Company's equity interest in Funding I. The obligations of Funding I under the Wells Fargo Credit Facility are non-recourse to the Company.

In connection with the Wells Fargo Credit Facility, the Company and Funding I have made certain representations and warranties and are required to comply with various covenants and other customary requirements. The Wells Fargo Credit Facility contains customary default provisions pursuant to which the administrative agent and the lenders under the Wells Fargo Credit Facility may terminate the Company in its capacity as collateral manager/portfolio manager under the Wells Fargo Credit Facility. Upon the occurrence of an event of default under the Wells Fargo Credit Facility, the administrative agent or the lenders may declare the outstanding advances and all other obligations under the Wells Fargo Credit Facility immediately due and payable.

JPM Credit Facility

On August 28, 2020, the Company, through a wholly-owned, consolidated special purpose financing subsidiary, 57th Street, entered into a $300.0 million revolving credit facility with JPMorgan Chase Bank, National Association, as administrative agent ("JPM"), and U.S. Bank, as collateral agent, collateral administrator and securities intermediary (the "JPM Credit Facility").

The JPM Credit Facility provides for borrowings through August 28, 2023, and any amounts borrowed under the JPM Credit Facility will mature on August 28, 2023 unless the administrative agent exercises its option to extend the maturity date to August 28, 2024. The JPM Credit Facility is priced at three-month LIBOR, with a LIBOR floor of zero, plus a spread of 2.75% per annum. Interest is payable quarterly in arrears. 57th Street will be subject to a non-usage fee to the extent the commitments available under the JPM Credit Facility have not been borrowed. The non-usage fee per annum is 0.50% for the first 20% of the unused balance and up to 2.75% for the remaining unused balance until August 28, 2021, when the non-usage fee per annum is 0.75% for the first 20% of the unused balance and up to 2.75% for the remaining unused balance. 57th Street paid a structuring fee and incurred other customary costs and expenses in connection with the JPM Credit Facility. On January 21, 2021, the Company entered into an amendment (the "JPM Amendment") to the JPM Credit Facility. The JPM Amendment, among other things, increases the amount that the Company is permitted to borrow under the JPM Credit Agreement from $300.0 million to $400.0 million. On April 12, 2021, the Company, through 57th Street, amended and restated the JPM Credit Facility. The amendment and restatement temporarily reduced the previous minimum funding amount until October 13, 2021. The other material terms of the JPM Credit Facility were unchanged.

On December 9, 2022, the Company entered into an amendment (the "JPM 2022 Amendment") to the JPM Credit Facility. The JPM 2022 Amendment, among other things, (1) extends the maturity date of the JPM Credit Facility to August 28, 2024, (2) extends the maturity date, upon the exercise of the Extension Options (as defined in the JPM Credit Facility), of the JPM Credit Facility to August 28, 2025, and (3) changes the benchmark rate and applicable margin for advances under the JPM Credit Facility to three-month Term SOFR plus 3.00% (subject to further increases consistent with the terms of the JPM Credit Facility).

57th Street's obligations under the JPM Credit Facility are secured by a first priority security interest in substantially all of the assets of 57th Street, including its portfolio of investments and the Company's equity interest in 57th Street. The obligations of 57th Street under the JPM Credit Facility are non-recourse to the Company.

In connection with the JPM Credit Facility, the Company and 57th Street have made certain representations and warranties and are required to comply with various covenants and other customary requirements. The JPM Credit Facility contains customary default provisions pursuant to which the administrative agent and the lenders under the JPM Credit Facility may terminate the Company in its capacity as collateral manager/portfolio manager under the JPM Credit Facility. Upon the occurrence of an event of default under the JPM Credit Facility, the administrative agent or the lenders may declare the outstanding advances and all other obligations under the JPM Credit Facility immediately due and payable.

JPM Revolver Facility

On June 10, 2022, the Company entered into a $495.0 million revolving credit facility with JPMorgan Chase Bank, as administrative agent and as collateral agent, MUFG Union Bank, N.A., Sumitomo Mitsui Banking Corporation, and Wells Fargo Bank, National Association as syndication agents, as well as other Lender parties (the "JPM Revolver Facility").

The JPM Revolver Facility provides for borrowings through June 10, 2026, and any amounts borrowed under the JPM Revolver Facility will mature on June 10, 2027. The JPM Revolver Facility is priced at three-month Term SOFR, plus a spread calculated based upon the composition of loans in the collateral pool, which will not exceed 1.98% per annum. Interest is payable quarterly in arrears. The Company will be subject to a non-usage fee of 0.38% to the extent the commitments available under the JPM Revolver Facility have not been borrowed. The Company paid a structuring fee and incurred other customary costs and expenses in connection with the JPM Revolver Facility.

In connection with the JPM Revolver Facility, the Company has made certain customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. The JPM Revolver Facility contains customary events of default for similar financing transactions. Upon the occurrence and during the continuation of an event of default, JPMorgan Chase Bank, N.A. may declare the outstanding advances and all other obligations under the JPM Revolver Facility immediately due and payable.

Citi Credit Facility

On June 27, 2014, the Company, through a wholly-owned, special purpose financing subsidiary, CB Funding, entered into a credit facility (as amended from time to time, the “Citi Credit Facility”) with Citibank, N.A. ("Citi") as administrative agent and U.S. Bank as collateral agent, account bank, and collateral custodian. From January 1, 2020 to January 20, 2021 the Citi Credit Facility provided for borrowings in an aggregate principal amount of up to $400.0 million on a committed basis, with a reinvestment period ending on May 31, 2021 and maturity date of May 31, 2022. On January 20, 2021, SLF, the Company's joint venture with CCLF entered into an amendment to the Citi Credit Facility (the “Citi Credit Agreement”). The amendment, among other things, (i) replaces the Company with SLF as the collateral manager under the Citi Credit Agreement, (ii) extends the end of the reinvestment period from May 31, 2021 to May 31, 2023 and (iii) extends the final maturity date from May 31, 2022 to May 31, 2024. As a result of this amendment to the Citi Credit Facility, the Company incurred a realized loss on extinguishment of debt of $1.3 million. In connection with the Citi Credit Facility, CB Funding has made certain representations and warranties, is required to comply with various covenants, reporting requirements, and other customary requirements for similar facilities and is subject to certain customary events of default. Upon the occurrence and during the continuation of an event of default, Citi may declare the outstanding advances and all other obligations under the Citi Credit Facility immediately due and payable. During the continuation of an event of default, CB Funding must pay interest at a default rate.

The Citi Credit Facility contains customary default provisions for facilities of this type pursuant to which Citi may terminate the rights, obligations, power, and authority of the Company, in its capacity as servicer of the portfolio assets under the Citi Credit Facility, including, but not limited to, non-performance of Citi Credit Facility obligations, insolvency, defaults of certain financial covenants, and other events with respect to the Company that may be adverse to Citi and the secured parties under the Citi Credit Facility.

The Citi Credit Facility is priced at three-month LIBOR plus a spread of 1.60% per annum through and including the last day of the investment period and 2.00% per annum thereafter. Interest is payable quarterly in arrears. CB Funding is subject to a non-usage fee to the extent the aggregate principal amount available under the Citi Credit Facility has not been borrowed. The non-usage fee per annum is 0.50%. Any amounts borrowed under the Citi Credit Facility along with any accrued and unpaid interest thereunder will mature, and will be due and payable, in three years.

MassMutual Credit Facility

On July 7, 2020, the Company and a wholly-owned, special purpose financing subsidiary, BDCA Asset Financing, entered into a loan and servicing agreement (the “MassMutual Credit Facility”) with Massachusetts Mutual Life Insurance Company (“MassMutual”) as facility servicer and a lender and U.S. Bank National Association as collateral custodian, collateral administrator and administrative agent. The MassMutual Credit Facility provides for borrowings of up to $100.0 million on a committed basis, and, subject to satisfaction of certain conditions, contains an accordion feature whereby the Mass Mutual Credit Facility can be expanded to $150.0 million.

BDCA Asset Financing’s obligations under the MassMutual Credit Facility are secured by a first priority security interest in substantially all of the assets of BDCA Asset Financing, including its portfolio of investments and the Company’s equity interest in BDCA Asset Financing. The obligations of BDCA Asset Financing under the MassMutual Credit Facility are non-recourse to the Company.

The MassMutual Credit Facility provides for borrowings through December 31, 2021 and matures on December 31, 2025.

The MassMutual Credit Facility is priced at three-month LIBOR, with a LIBOR floor of 0.75%, plus a spread of 5.0% per annum. Interest is payable quarterly in arrears. BDCA Asset Financing will be subject to a non-usage fee of 0.50% to the extent the aggregate principal amount available under the MassMutual Credit Facility has not been borrowed. BDCA Asset Financing paid a structuring fee and incurred other customary costs and expenses in connection with the MassMutual Credit Facility.

In connection with the MassMutual Credit Facility, the Company and BDCA Asset Financing have made certain representations and warranties and are required to comply with various covenants and other customary requirements. The MassMutual Credit Facility contains customary default provisions pursuant to which MassMutual may terminate the Company in its capacity as portfolio asset servicer of the portfolio assets under the MassMutual Credit Facility. Upon the occurrence of an event of default, MassMutual may declare the outstanding advances and all other obligations under the MassMutual Credit Facility immediately due and payable.

Effective February 18, 2022, the Company terminated the Mass Mutual Credit Facility. As a result of this termination, the Company incurred a realized loss on extinguishment of debt of $1.8 million.

2022 Notes

On December 14, 2017, the Company entered into a Purchase Agreement (the “2022 Notes Purchase Agreement”) with Sandler O'Neill & Partners, L.P. (the "Initial Purchaser") relating to the Company's sale of $150.0 million aggregate principal amount of its 4.75% fixed rate notes due 2022 (the “2022 Notes”) to the Initial Purchaser in a private placement in reliance on Section 4(a)(2) of the Securities Act and for initial resale by the Initial Purchaser to qualified institutional buyers pursuant to the exemption from registration provided by Rule 144A promulgated under the Securities Act and to institutional accredited investors under Rule 501(a)(1), (2), (3), or (7) under the Securities Act. The Company relied upon these exemptions from registration based in part on representations made by the Initial Purchaser. The 2022 Notes Purchase Agreement also includes customary representations, warranties, and covenants by the Company. Under the terms of the 2022 Notes Purchase Agreement, the Company has agreed to indemnify the Initial Purchaser against certain liabilities under the Securities Act. The 2022 Notes have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration. The net proceeds from the sale of the 2022 Notes was approximately $147.0 million, after deducting an offering price discount of approximately $0.8 million, as well as Initial Purchaser’s discounts and commissions of approximately $1.7 million and offering expenses of approximately $0.6 million, each payable by the Company. The Company used the net proceeds to repay outstanding indebtedness, to make investments in portfolio companies in accordance with its investment objectives, and for general corporate purposes.

The 2022 Notes were issued pursuant to the Indenture dated as of December 19, 2017 (the “2017 Indenture”), between the Company and the Trustee, and a Supplemental Indenture, dated as of December 19, 2017 (the “Supplemental Indenture”), between the Company and the Trustee. The 2022 Notes will mature on December 30, 2022, unless repurchased or redeemed in accordance with their terms prior to such date. The 2022 Notes bear interest at a rate of 4.75% per year payable semi-annually on June 30 and December 30 of each year, commencing on June 30, 2018. The 2022 Notes will be general unsecured obligations of the Company that rank senior in right of payment to all of the Company's existing and future indebtedness that is expressly subordinated in right of payment to the 2022 Notes. The 2022 Notes will rank equally in right of payment with all of the Company's existing and future senior liabilities that are not so subordinated, effectively junior to any of the Company's secured indebtedness (including 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 incurred by the Company's subsidiaries, financing vehicles, or similar facilities, including credit facilities entered into by the Company's wholly owned, special purpose financing subsidiaries.

The 2017 Indenture contains certain covenants, including covenants requiring the Company to (i) comply with the asset coverage requirements of the 1940 Act, whether or not it is subject to those requirements, and (ii) provide financial information to the holders of the 2022 Notes and the Trustee if the Company is no longer subject to the reporting requirements under the Securities Exchange Act of 1934, as amended. These covenants are subject to important limitations and exceptions that are described in the 2017 Indenture.

In addition, if a change of control repurchase event, as defined in the 2017 Indenture, occurs prior to maturity, holders of the 2022 Notes will have the right, at their option, to require the Company to repurchase for cash some or all of the 2022 Notes at a repurchase price equal to 100% of the principal amount of the 2022 Notes being repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date.

On December 30, 2022, the Company paid off the 2022 Notes.

2023 Notes

On May 11, 2018, the Company entered into a Purchase Agreement (the "2023 Notes Purchase Agreement") with the Initial Purchaser relating to the Company's sale of $60.0 million aggregate principal amount of its 5.38% fixed rate notes due 2023 (the "2023 Notes") to the Initial Purchaser in a private placement in reliance on Section 4(a)(2) of the Securities Act of 1933, and for initial resale by the Initial Purchaser to qualified institutional buyers pursuant to the exemption from registration provided by Rule 144A promulgated under the Securities Act and to institutional accredited investors under Rule 501 (a)(1), (2), (3), or (7) under the Securities Act. The Company relied upon these exemptions from registration based in part on representations made by the Initial Purchaser. The 2023 Notes Purchase Agreement also includes customary representations, warranties, and covenants by the Company. Under the terms of the 2023 Notes Purchase Agreement, the Company has agreed to indemnify the Initial Purchaser against certain liabilities under the Securities Act. The 2023 Notes have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration. The net proceeds from the sale of the 2023 Notes were approximately $58.7 million, after deducting an offering price discount of approximately $0.3 million, as well as Initial Purchaser's discounts and commissions of approximately $0.6 million and estimated offering expenses of approximately $0.4 million, each payable by the Company. The Company used the net proceeds to repay outstanding indebtedness, to make investments in portfolio companies in accordance with its investment objectives, and for general corporate purposes. The 2023 Notes were issued pursuant to the 2017 Indenture between the Company and The Trustee, and a Second Supplemental Indenture, dated as of May 16, 2018, between the Company and the Trustee. The 2023 Notes will mature on May 30, 2023, unless repurchased or redeemed in accordance with their terms prior to such date. The 2023 Notes bear interest at a rate of 5.375% per year payable semi-annually on May 30 and November 30 of each year, commencing on November 30, 2018. The 2023 Notes will be general unsecured obligations of the Company that rank senior in right of payment to all of the Company's existing and future indebtedness that is expressly subordinated in right of payment to the 2023 Notes. The 2023 Notes will rank equally in right of payment with all of the Company's existing and future senior liabilities that are not so subordinated, effectively junior to any of the Company's secured indebtedness (including 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 incurred by the Company's subsidiaries, financing vehicles, or similar facilities, including credit facilities entered into by the Company's wholly owned, special purpose financing subsidiaries. The 2017 Indenture contains certain covenants, including covenants requiring the Company to (i) comply with the asset coverage requirements of the 1940 Act, whether or not it is subject to those requirements, and (ii) provide financial information to the holders of the 2023 Notes and the Trustee if the Company is no longer subject to the reporting requirements under the Securities Exchange Act of 1934, as amended. These covenants are subject to important limitations and exceptions that are described in the 2017 Indenture. In addition, if a change of control repurchase event, as defined in the 2017 Indenture, occurs prior to maturity, holders of the 2023 Notes will have the right, at their option, to require the Company to repurchase for cash some or all of the 2023 Notes at a repurchase price equal to 100% of the principal amount of the 2023 Notes being repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date.

2024 Notes

On December 3, 2019, the Company entered into a Purchase Agreement (the "2024 Notes Purchase Agreement") with the Initial Purchaser relating to the Company's sale of $100.0 million aggregate principal amount of its 4.85% fixed rate notes due 2024 (the "2024 Notes") to the Initial Purchaser in a private placement in reliance on Section 4(a)(2) of the Securities Act of 1933, and for initial resale by the Initial Purchaser to qualified institutional buyers pursuant to the exemption from registration provided by Rule 144A promulgated under the Securities Act and to institutional accredited investors under Rule 501 (a)(1), (2), (3), or (7) under the Securities Act. The Company relied upon these exemptions from registration based in part on representations made by the Initial Purchaser. The 2024 Notes Purchase Agreement also includes customary representations, warranties, and covenants by the Company. Under the terms of the 2024 Notes Purchase Agreement, the Company has agreed to indemnify the Initial Purchaser against certain liabilities under the Securities Act. The 2024 Notes have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration. The net proceeds from the sale of the 2024 Notes were approximately $98.4 million, after deducting the Initial Purchaser's discounts and commissions of approximately $1.2 million and estimated offering expenses of approximately $0.4 million, each payable by the Company. The Company used the net proceeds to repay outstanding indebtedness, to make investments in portfolio companies in accordance with its investment objectives, and for general corporate purposes. The 2024 Notes were issued pursuant to the 2017 Indenture between the Company and The Trustee, and a Third Supplemental Indenture, dated as of December 5, 2019, between the Company and the Trustee. The 2024 Notes will mature on December 15, 2024, unless repurchased or redeemed in accordance with their terms prior to such date. The 2024 Notes bear interest at a rate of 4.85% per year payable semi-annually on June 15 and December 15 of each year, commencing on June 15, 2020. The 2024 Notes will be general unsecured obligations of the Company that rank senior in right of payment to all of the Company's existing and future indebtedness that is expressly subordinated in right of payment to the 2024 Notes. The 2024 Notes will rank equally in right of payment with all of the Company's existing and future senior liabilities that are not so subordinated, effectively junior to any of the Company's secured indebtedness (including 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 incurred by the Company's subsidiaries, financing vehicles, or similar facilities, including credit facilities entered into by the Company's wholly owned, special purpose financing subsidiaries. The 2017 Indenture contains certain covenants, including covenants requiring the Company to (i) comply with the asset coverage requirements of the 1940 Act, whether or not it is subject to those requirements, and (ii) provide financial information to the holders of the 2024 Notes and the Trustee if the Company is no longer subject to the reporting requirements under the Securities Exchange Act of 1934, as amended. These covenants are subject to important limitations and exceptions that are described in the 2017 Indenture. In addition, if a change of control repurchase event, as defined in the 2017 Indenture, occurs prior to maturity, holders of the 2024 Notes will have the right, at their option, to require the Company to repurchase for cash some or all of the 2024 Notes at a repurchase price equal to 100% of the principal amount of the 2024 Notes being repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date.

2026 Notes

On March 24, 2021, the Company entered into a Purchase Agreement (the "2026 Notes Purchase Agreement") with the initial purchaser listed therein relating to the Company's sale of $300.0 million aggregate principal amount of its 3.25% fixed rate notes due 2026 (the "Restricted 2026 Notes") to the Initial Purchaser in a private placement in reliance on Section 4(a)(2) of the Securities Act of 1933, and for initial resale by the Initial Purchaser to qualified institutional buyers pursuant to the exemption from registration provided by Rule 144A promulgated under the Securities Act and to certain non-U.S. persons outside the United States pursuant to Regulation S under the Securities Act. The Company relied upon these exemptions from registration based in part on representations made by the Initial Purchaser. The 2026 Notes Purchase Agreement also includes customary representations, warranties, and covenants by the Company. Under the terms of the 2026 Notes Purchase Agreement, the Company has agreed to indemnify the Initial Purchaser against certain liabilities under the Securities Act. The Restricted 2026 Notes have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration. The net proceeds from the sale of the 2026 Notes were approximately $296.0 million, after deducting the Initial Purchaser's discounts and commissions and estimated offering expenses. The Company used the net proceeds to repay outstanding indebtedness, to make investments in portfolio companies in accordance with its investment objectives, and for general corporate purposes. The Restricted 2026 Notes were issued pursuant to the Indenture dated as of March 29, 2021 (the "2021 Indenture"), between the Company and the Trustee, and a Supplemental Indenture, dated as of March 29, 2021 (the "First Supplemental Indenture"), between the Company and the Trustee. The 2026 Notes (as defined below) will mature on March 30, 2026, unless repurchased or redeemed in accordance with their terms prior to such date. The 2026 Notes bear interest at a rate of 3.25% per year payable semi-annually on March 30 and September 30 of each year, commencing on September 30, 2021. The 2026 Notes will be general unsecured obligations of the Company that rank senior in right of payment to all of the Company's existing and future indebtedness that is expressly subordinated in right of payment to the 2026 Notes. The 2026 Notes will rank equally in right of payment with all of the Company's existing and future senior liabilities that are not so subordinated, effectively junior to any of the Company's secured indebtedness (including 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 incurred by the Company's subsidiaries, financing vehicles, or similar facilities, including credit facilities entered into by the Company's wholly owned, special purpose financing subsidiaries. The 2021 Indenture contains certain covenants, including covenants requiring the Company to (i) comply with the asset coverage requirements of the 1940 Act, whether or not it is subject to those requirements, and (ii) provide financial information to the holders of the 2026 Notes and the Trustee if the Company is no longer subject to the reporting requirements under the Securities Exchange Act of 1934, as amended. These covenants are subject to important limitations and exceptions that are described in the 2021 Indenture. In addition, if a change of control repurchase event, as defined in the 2021 Indenture, occurs prior to maturity, holders of the 2026 Notes will have the right, at their option, to require the Company to repurchase for cash some or all of the 2026 Notes at a repurchase price equal to 100% of the principal amount of the 2026 Notes being repurchased, plus accrued and unpaid interest to, but excluding, the repurchase date. Pursuant to a Registration Statement on Form N-14 (File No. 333-257321), on September 22, 2021, the Company closed an exchange offer in which holders of the Restricted 2026 Notes were offered the opportunity to exchange their Restricted 2026 Notes for new registered notes with substantially identical terms (the "Unrestricted 2026 Notes" and, together with the Restricted 2026 Notes, the 2026 Notes), through which holders representing 99.88% of the outstanding principal of the then Restricted 2026 Notes obtained Unrestricted 2026 Notes.

The weighted average annualized interest cost for all borrowings for the years ended December 31, 2022, 2021, and 2020 was 4.40%, 3.48%, and 3.65% respectively. The average daily debt outstanding for the years ended December 31, 2022, 2021, and 2020 was $1.2 billion, $1.1 billion, and $1.1 billion, respectively. The maximum debt outstanding for the years ended December 31, 2022, 2021, and 2020 was $1.4 billion, $1.3 billion, and $1.6 billion, respectively.

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

The following table represents borrowings as of December 31, 2022:

	Maturity Date	Total Aggregate Borrowing Capacity	Total Principal Outstanding	Less Deferred Financing Costs	Amount per Consolidated Statements of Assets and Liabilities
Wells Fargo Credit Facility	8/28/2025	$ 300,000	$ 225,000	$ (4,051)	$ 220,949
JPM Credit Facility	8/28/2024	400,000	320,000	(1,289)	318,711
JPM Revolver Facility	6/10/2027	495,000	231,876	(3,823)	228,053
2026 Notes	3/30/2026	300,000	297,469	(353)	297,116
2024 Notes	12/15/2024	100,000	99,534	(72)	99,462
2023 Notes	5/30/2023	60,000	59,973	(77)	59,896
Totals		$ 1,655,000	$ 1,233,852	$ (9,665)	$ 1,224,187

The following table represents borrowings as of December 31, 2021:

	Maturity Date	Total Aggregate Borrowing Capacity	Total Principal Outstanding	Less Deferred Financing Costs	Amount per Consolidated Statements of Assets and Liabilities
Wells Fargo Credit Facility	8/28/2025	$ 300,000	$ 285,000	$ (5,575)	$ 279,425
JPM Credit Facility	8/28/2023	400,000	391,100	(734)	390,366
MassMutual Credit Facility	12/31/2025	100,000	—	(1,807)	(1,807)
2026 Notes	3/30/2026	300,000	296,688	(607)	296,081
2024 Notes	12/15/2024	100,000	99,295	(110)	99,185
2023 Notes	5/30/2023	60,000	59,908	(266)	59,642
2022 Notes	12/30/2022	150,000	149,836	(454)	149,382
Totals		$ 1,410,000	$ 1,281,827	$ (9,553)	$ 1,272,274

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

The following table represents interest and debt fees for the year ended December 31, 2022:

	Year ended December 31, 2022				
	Interest Rate	Non-Usage Rate	Interest Expense	Deferred Financing Costs [7]	Other Fees [8]
Wells Fargo Credit Facility	[1]	[2]	$ 11,159	$ 1,524	$ 310
JPM Credit Facility	[3]	[4]	16,114	445	508
JPM Revolver Facility	[5]	0.38%	1,384	441	975
MassMutual Credit Facility [9]	[6]	0.50%	—	38	26
2026 Notes	3.25%	n/a	10,530	124	19
2024 Notes	4.85%	n/a	5,088	37	9
2023 Notes	5.38%	n/a	3,290	189	—
2022 Notes	4.75%	n/a	7,269	454	9
Totals			$ 54,834	$ 3,252	$ 1,856

[1] From April 6, 2021 through May 26, 2022, the Wells Fargo Credit Facility had an interest rate priced at three-month LIBOR, with a LIBOR floor of zero, plus a spread calculated based upon the composition of the loans in the collateral pool, which will not exceed 2.50% per annum. From May 27, 2022 through December 31, 2022, the Wells Fargo Credit Facility had an interest rate priced at Daily Simple SOFR, with a Daily Simple SOFR floor of zero, plus a spread calculated based upon the composition of the loans in the collateral pool, which will not exceed 2.60% per annum.

[2] The non-usage fee per annum is 0.50% for the first 25% of the unused balance and up to 2.0% for the remaining unused balance.

[3] From January 1, 2022 through December 8, 2022, interest rate was priced at three-month LIBOR, with a LIBOR floor of zero, plus a spread of 2.75% per annum. From December 9, 2022 through December 31, 2022, interest rate was priced at three-month Term SOFR, plus a spread of 3.00% per annum.

[4] The non-usage fee per annum is 0.75% for the first 20% of the unused balance and up to 2.75% for the remaining unused balance.

[5] Interest rate is priced at three-month Term SOFR, plus a spread calculated based upon the composition of the loans in the collateral pool,which will not exceed 1.98% per annum.

[6] Interest rate is priced at three-month LIBOR, with a LIBOR floor of 0.75%, plus a spread of 5.0% per annum.

[7] Amortization of deferred financing costs.

[8] Includes non-usage fees and custody fees.

[9] Amounts presented represent activity prior to termination on February 18, 2022.

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

The following table represents interest and debt fees for the year ended December 31, 2021:

	Year ended December 31, 2021				
	Interest Rate	Non-Usage Rate	Interest Expense	Deferred Financing Costs [6]	Other Fees [7]
Wells Fargo Credit Facility	[1]	[2]	$ 5,973	$ 1,524	$ 559
JPM Credit Facility	[3]	[4]	9,103	423	801
Citi Credit Facility [8]	L+1.60%	0.50%	277	49	48
MassMutual Credit Facility	[5]	0.50%	—	450	579
2026 Notes	3.25%	n/a	7,961	100	35
2024 Notes	4.85%	n/a	5,088	37	—
2023 Notes	5.38%	n/a	3,290	189	9
2022 Notes	4.75%	n/a	7,290	456	—
Totals			$ 38,982	$ 3,228	$ 2,031

[1] From August 28, 2020 until April 6, 2021, the Wells Fargo Credit Facility had an interest rate priced at three-month LIBOR, with a LIBOR floor of zero, plus a spread calculated based upon the composition of the loans in the collateral pool, which will not exceed 2.75% per annum. From April 6, 2021 through September 30, 2021, the Wells Fargo Credit Facility had an interest rate priced at three-month LIBOR, with a LIBOR floor of zero, plus a spread calculated based upon the composition of the loans in the collateral pool, which will not exceed 2.50% per annum.

[2] The non-usage fee per annum is 0.50% for the first 25% of the unused balance and up to 2.0% for the remaining unused balance.

[3] Interest rate is priced at three-month LIBOR, with a LIBOR floor of zero, plus a spread of 2.75% per annum.

[4] The non-usage fee per annum is 0.50% for the first 20% of the unused balance and up to 2.75% for the remaining unused balance until August 28, 2021, when the non-usage fee per annum is 0.75% for the first 20% of the unused balance and up to 2.75% for the remaining unused balance.

[5] Interest rate is priced at three-month LIBOR, with a LIBOR floor of 0.75%, plus a spread of 5.0% per annum.

[6] Amortization of deferred financing costs.

[7] Includes non-usage fees and custody fees.

[8] Amounts presented represent activity prior to the Citi Credit Agreement on January 20, 2021.

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

The following table represents interest and debt fees for the year ended December 31, 2020:

	Year ended December 31, 2020				
	Interest Rate	Non-Usage Rate	Interest Expense	Deferred Financing Costs [6]	Other Fees [7]
Wells Fargo Credit Facility	[1]	[2]	$ 12,580	$ 2,018	$ 494
JPM Credit Facility	[3]	[4]	2,659	112	79
Citi Credit Facility	L+1.60%	0.50%	6,230	938	955
MassMutual Credit Facility	[5]	0.50%	—	214	299
2024 Notes	4.85%	n/a	5,089	37	34
2023 Notes	5.38%	n/a	3,290	189	10
2022 Notes	4.75%	n/a	7,291	458	8
2020 Notes	6.00%	n/a	3,895	84	8
Totals			$ 41,034	$ 4,050	$ 1,887

[1] Prior to an amendment on July 7, 2020, the Wells Fargo Credit Facility had an interest rate priced at one-month LIBOR, with no LIBOR floor, plus a spread ranging between 1.65% and 2.50% per annum, depending on the composition of the portfolio of loans owned. From July 7, 2020 until August 28, 2020, the Wells Fargo Credit Facility had an interest rate priced at one-month LIBOR, with no LIBOR floor, plus a spread of 2.75% per annum. From August 28, 2020 through December 31, 2020, the Wells Fargo Credit Facility had an interest rate priced at three-month LIBOR, with a LIBOR floor of zero, plus a spread calculated based upon the composition of the loans in the collateral pool, which will not exceed 2.75% per annum.

[2] The non-usage fee per annum is 0.50% for the first 25% of the unused balance and 2.0% for the portion of the unused balance that exceeds 25%.

[3] Interest rate is priced at three-month LIBOR, with a LIBOR floor of zero, plus a spread of 2.75% per annum.

[4] The non-usage fee per annum is 0.50% until August 28, 2021, where the non-usage fee per annum will be 0.75% on any principal amount unused.

[5] Interest rate is priced at three-month LIBOR, with a LIBOR floor of 0.75%, plus a spread of 5.0% per annum.

[6] Amortization of deferred financing costs.

[7] Includes non-usage fees and custody fees.

The Company is required to disclose the fair value of financial instruments for which it is practicable to estimate fair value. The fair value of short-term financial instruments such as cash and cash equivalents, due to affiliates, and accounts payable approximate their carrying value on the accompanying consolidated statements of assets and liabilities due to their short-term nature. The fair value of the Company's 2022 Notes, 2023 Notes, 2024 Notes, and 2026 Notes are derived from market indications provided by Bloomberg Finance L.P. at December 31, 2022 and December 31, 2021.

At December 31, 2022 and December 31, 2021, the carrying amount of the Company's secured borrowings approximated their fair value. The fair values of the Company's debt obligations are determined in accordance with ASC 820, which defines fair value in terms of the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value of the Company's borrowings is estimated based upon market interest rates for the Company's own borrowings or entities with similar credit risk, adjusted for nonperformance risk, if any. As of December 31, 2022 and December 31, 2021, the Company's borrowings would be deemed to be Level 3, as defined in Note 3 - Fair Value of Financial Instruments.

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

The fair values of the Company's remaining financial instruments that are not reported at fair value on the accompanying consolidated statements of assets and liabilities are reported below:

	Level	Carrying Amount at December 31, 2022	Fair Value at December 31, 2022
Wells Fargo Credit Facility	3	$ 225,000	$ 225,000
JPM Credit Facility	3	320,000	320,000
JPM Revolver Facility	3	231,876	231,876
2026 Notes	3	297,469	264,438
2024 Notes	3	99,534	93,706
2023 Notes	3	59,973	59,399
		$ 1,233,852	$ 1,194,419

	Level	Carrying Amount at December 31, 2021	Fair Value at December 31, 2021
Wells Fargo Credit Facility	3	$ 285,000	$ 285,000
JPM Credit Facility	3	391,100	391,100
MassMutual Credit Facility	3	—	—
2026 Notes	3	296,688	300,243
2024 Notes	3	99,295	105,163
2023 Notes	3	59,908	62,113
2022 Notes	3	149,836	153,732
		$ 1,281,827	$ 1,297,351

Note 6 — Derivatives

Foreign Currency

The Company may enter into forward foreign currency contracts from time to time to facilitate settlement of purchases and sales of investments denominated in foreign currencies or 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. A forward foreign currency contract is a commitment to purchase or sell a foreign currency at a future date (usually the security transaction settlement date) at a negotiated forward rate. These contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. Realized gains or losses are recognized when contracts are settled. The Company's forward foreign currency contracts generally have terms of approximately three months. The volume of open contracts at the end of each reporting period is reflective of the typical volume of transactions during each calendar quarter. Risks may arise as a result of the potential inability of the counterparties to meet the terms of their contracts. The Company attempts to limit this risk by dealing with creditworthy counterparties.

At December 31, 2022, the Company did not hold any forward foreign currency contracts. At December 31, 2021, the forward foreign currency contracts held were classified within Level 2 of the fair value hierarchy and were subject to ISDA Master Agreements or similar agreements.

The Company is operated by a person who has claimed an exclusion from the definition of the "commodity pool operator" under the Commodity Exchange Act, and, therefore, who is not subject to registration or regulation as a pool operator under such Act.

Note 7 — Commitments and Contingencies

Commitments

In the ordinary course of business, the Company may enter into future funding commitments. As of December 31, 2022, the Company had unfunded commitments on delayed draw term loans of $128.8 million, unfunded commitments on revolver term loans of $121.4 million, unfunded equity capital discretionary commitments of $11.1 million, and unfunded commitments on term loans of $0.4 million. As of December 31, 2021, the Company had unfunded commitments on delayed draw term loans of $163.6 million, unfunded commitments on revolver term loans of $102.9 million, unfunded equity capital discretionary commitments of $11.1 million, and unfunded commitments on term loans of $0.8 million. The Company maintains sufficient cash on hand and available borrowing capacity to fund such unfunded commitments.

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

As of December 31, 2022, the Company's unfunded commitments consisted of the following:

December 31, 2022

Portfolio Company Name	Investment Type	Commitment Type	Total Commitment	Remaining Commitment
ADCS Clinics Intermediate Holdings, LLC	Senior Secured First Lien Debt	Delayed draw term loan	$ 3,583	$ 789
ADCS Clinics Intermediate Holdings, LLC	Senior Secured First Lien Debt	Delayed draw term loan	2,951	2,951
ADCS Clinics Intermediate Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	1,264	1,264
Alera Group Intermediate Holdings, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	11,795	5,197
Arch Global Precision, LLC	Senior Secured First Lien Debt	Revolver term loan	1,008	1,008
Arctic Holdco, LLC	Senior Secured First Lien Debt	Revolver term loan	4,574	2,135
Armada Parent, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	4,512	2,259
Armada Parent, Inc.	Senior Secured First Lien Debt	Revolver term loan	5,420	5,420
Avalara, Inc.	Senior Secured First Lien Debt	Revolver term loan	4,030	4,030
Aventine Holdings, LLC	Senior Secured First Lien Debt	Delayed draw term loan	10,389	805
BCPE Oceandrive Buyer, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	11,409	9,682
Capstone Logistics	Senior Secured First Lien Debt	Revolver term loan	1,804	1,804
Communication Technology Intermediate, LLC	Senior Secured First Lien Debt	Revolver term loan	2,363	2,158
CRS-SPV, Inc.	Senior Secured First Lien Debt	Revolver term loan	224	162
Dynagrid Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	2,262	2,262
Eliassen Group, LLC	Senior Secured First Lien Debt	Delayed draw term loan	2,932	2,493
Encina Equipment Finance, LLC	Subordinated Debt	Delayed draw term loan	24,000	8,914
Faraday Buyer, LLC	Senior Secured First Lien Debt	Delayed draw term loan	2,551	2,551
FGT Purchaser, LLC	Senior Secured First Lien Debt	Revolver term loan	2,144	1,329
Galway Borrower, LLC	Senior Secured First Lien Debt	Delayed draw term loan	275	275
Galway Borrower, LLC	Senior Secured First Lien Debt	Revolver term loan	1,894	1,894
Geosyntec Consultants, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	13,005	13,005
Geosyntec Consultants, Inc.	Senior Secured First Lien Debt	Revolver term loan	4,769	4,769
Gogo Intermediate Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	1,053	1,053
Higginbotham Insurance Agency, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	6,847	3,937
Hospice Care Buyer, Inc.	Senior Secured First Lien Debt	Revolver term loan	2,775	872
ICR Operations, LLC	Senior Secured First Lien Debt	Revolver term loan	6,178	4,633
Ideal Tridon Holdings, Inc.	Senior Secured First Lien Debt	Revolver term loan	2,810	1,244
IG Investments Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	1,390	834
Indigo Buyer, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	9,078	9,078
Indigo Buyer, Inc.	Senior Secured First Lien Debt	Revolver term loan	3,630	3,025
Integrated Efficiency Solutions, Inc.	Senior Secured First Lien Debt	Revolver term loan	600	600
Integrated Global Services, Inc.	Senior Secured First Lien Debt	Revolver term loan	2,028	2,028
IQN Holding Corp.	Senior Secured First Lien Debt	Delayed draw term loan	2,540	2,349
IQN Holding Corp.	Senior Secured First Lien Debt	Revolver term loan	1,017	1,017
Knowledge Pro Buyer, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	5,055	2,733
Knowledge Pro Buyer, Inc.	Senior Secured First Lien Debt	Revolver term loan	2,531	2,531
Manna Pro Products, LLC	Senior Secured First Lien Debt	Revolver term loan	2,706	744
McDonald Worley, P.C.	Senior Secured First Lien Debt	Term loan	15,491	414
Medical Management Resource Group, LLC	Senior Secured First Lien Debt	Revolver term loan	1,326	1,326
Midwest Can Company, LLC	Senior Secured First Lien Debt	Revolver term loan	2,019	2,019
Miller Environmental Group, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	1,131	1,131
Miller Environmental Group, Inc.	Senior Secured First Lien Debt	Revolver term loan	1,324	1,324
Mirra-Primeaccess Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	7,827	4,892
Monumental RSN, LLC	Senior Secured First Lien Debt	Revolver term loan	3,238	3,238
Muth Mirror Systems, LLC	Senior Secured First Lien Debt	Revolver term loan	1,300	650
Norvax, LLC	Senior Secured First Lien Debt	Revolver term loan	1,152	1,152
Odessa Technologies, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	2,676	2,676

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

Portfolio Company Name	Investment Type	Commitment Type	Total Commitment	Remaining Commitment
Odessa Technologies, Inc.	Senior Secured First Lien Debt	Revolver term loan	$ 3,747	$ 3,747
ORG GC Holdings, LLC	Senior Secured First Lien Debt	Delayed draw term loan	584	584
Pie Buyer, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	7,213	7,213
Pie Buyer, Inc.	Senior Secured First Lien Debt	Revolver term loan	1,840	1,380
Pluralsight, LLC	Senior Secured First Lien Debt	Revolver term loan	1,602	801
Point Broadband Acquisition, LLC	Senior Secured First Lien Debt	Delayed draw term loan	8,054	4,244
Premier Global Services, Inc.	Senior Secured First Lien Debt	Revolver term loan	1,042	73
Questex, Inc.	Senior Secured First Lien Debt	Revolver term loan	2,584	2,584
Reddy Ice Corp.	Senior Secured First Lien Debt	Revolver term loan	1,762	1,762
Relativity Oda, LLC	Senior Secured First Lien Debt	Revolver term loan	464	464
REP TEC Intermediate Holdings, Inc.	Senior Secured First Lien Debt	Revolver term loan	1,354	835
Roadsafe Holdings, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	10,140	3,343
RSC Acquisition, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	5,069	3,585
Saturn SHC Buyer Holdings, Inc.	Senior Secured First Lien Debt	Revolver term loan	8,886	8,886
SCIH Salt Holdings, Inc.	Senior Secured First Lien Debt	Revolver term loan	3,746	2,623
Sherlock Buyer Corp.	Senior Secured First Lien Debt	Delayed draw term loan	3,209	3,209
Sherlock Buyer Corp.	Senior Secured First Lien Debt	Revolver term loan	1,284	1,284
Simplifi Holdings, Inc.	Senior Secured First Lien Debt	Revolver term loan	3,782	3,782
St. Croix Hospice Acquisition Corp.	Senior Secured First Lien Debt	Revolver term loan	2,256	2,256
Subsea Global Solutions, LLC	Senior Secured First Lien Debt	Revolver term loan	963	58
SunMed Group Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	601	313
Tap Rock Resources, LLC [1]	Equity/Other	Equity	29,470	11,114
The NPD Group, LP	Senior Secured First Lien Debt	Revolver term loan	1,922	1,691
Trinity Air Consultants Holdings Corp.	Senior Secured First Lien Debt	Delayed draw term loan	6,974	3,138
Trinity Air Consultants Holdings Corp.	Senior Secured First Lien Debt	Revolver term loan	1,993	1,993
Triple Lift, Inc.	Senior Secured First Lien Debt	Revolver term loan	3,300	2,035
University of St. Augustine Acquisition Corp.	Senior Secured First Lien Debt	Revolver term loan	2,615	2,615
US Oral Surgery Management Holdco, LLC	Senior Secured First Lien Debt	Delayed draw term loan	4,202	4,202
US Oral Surgery Management Holdco, LLC	Senior Secured First Lien Debt	Delayed draw term loan	4,821	1,296
US Oral Surgery Management Holdco, LLC	Senior Secured First Lien Debt	Revolver term loan	1,167	1,167
US Salt Investors, LLC	Senior Secured First Lien Debt	Revolver term loan	2,169	2,169
Victors CCC Buyer, LLC	Senior Secured First Lien Debt	Delayed draw term loan	4,391	4,391
Victors CCC Buyer, LLC	Senior Secured First Lien Debt	Revolver term loan	3,179	3,179
West Coast Dental Services, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	3,396	3,396
West Coast Dental Services, Inc.	Senior Secured First Lien Debt	Revolver term loan	2,547	2,292
Westwood Professional Services, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	3,023	2,016
Westwood Professional Services, Inc.	Senior Secured First Lien Debt	Revolver term loan	378	378
WHCG Purchaser III, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	13,657	6,579
WHCG Purchaser III, Inc.	Senior Secured First Lien Debt	Revolver term loan	4,224	2,798
WIN Holdings III Corp.	Senior Secured First Lien Debt	Revolver term loan	4,448	4,448
Zendesk, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	10,700	10,700
Zendesk, Inc.	Senior Secured First Lien Debt	Revolver term loan	4,406	4,406
Total			$ 390,044	$ 261,685

[1] The commitment related to this investment is discretionary.

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

As of December 31, 2021, the Company's unfunded commitments consisted of the following:

December 31, 2021

Portfolio Company Name	Investment Type	Commitment Type	Total Commitment	Remaining Commitment
ADCS Clinics Intermediate Holdings, LLC	Senior Secured First Lien Debt	Delayed draw term loan	$ 3,604	$ 1,485
ADCS Clinics Intermediate Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	1,264	1,264
Arch Global Precision, LLC	Senior Secured First Lien Debt	Delayed draw term loan	2,380	164
Arch Global Precision, LLC	Senior Secured First Lien Debt	Revolver term loan	1,008	1,008
Arctic Holdco, LLC	Senior Secured First Lien Debt	Delayed draw term loan	10,632	3,694
Arctic Holdco, LLC	Senior Secured First Lien Debt	Revolver term loan	5,074	4,059
Armada Parent, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	4,517	4,517
Armada Parent, Inc.	Senior Secured First Lien Debt	Revolver term loan	5,420	4,968
Aventine Holdings, LLC	Senior Secured First Lien Debt	Delayed draw term loan	10,063	10,063
BCPE Oceandrive Buyer, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	11,417	11,417
BCPE Oceandrive Buyer, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	3,425	3,425
BCPE Oceandrive Buyer, Inc.	Senior Secured First Lien Debt	Revolver term loan	3,425	3,425
Capstone Logistics	Senior Secured First Lien Debt	Delayed draw term loan	2,945	1,818
Capstone Logistics	Senior Secured First Lien Debt	Revolver term loan	1,804	1,526
Chudy Group, LLC	Senior Secured First Lien Debt	Delayed draw term loan	3,442	3,442
Chudy Group, LLC	Senior Secured First Lien Debt	Revolver term loan	860	860
Cobblestone Intermediate Holdco, LLC	Senior Secured First Lien Debt	Delayed draw term loan	7,015	5,899
Communication Technology Intermediate, LLC	Senior Secured First Lien Debt	Revolver term loan	2,363	2,363
CRS-SPV, Inc.	Senior Secured First Lien Debt	Revolver term loan	224	162
Dynagrid Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	2,262	1,583
Encina Equipment Finance, LLC	Subordinated Debt	Delayed draw term loan	24,000	24,000
FGT Purchaser, LLC	Senior Secured First Lien Debt	Revolver term loan	2,144	1,501
Galway Borrower, LLC	Senior Secured First Lien Debt	Delayed draw term loan	3,977	3,977
Galway Borrower, LLC	Senior Secured First Lien Debt	Revolver term loan	1,894	1,894
Gogo Intermediate Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	1,053	1,053
Health Plan One, Inc.	Senior Secured First Lien Debt	Revolver term loan	1,458	1,458
Higginbotham Insurance Agency, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	10,113	6,022
Hospice Care Buyer, Inc.	Senior Secured First Lien Debt	Revolver term loan	2,775	1,070
ICR Operations, LLC	Senior Secured First Lien Debt	Revolver term loan	6,178	3,089
Ideal Tridon Holdings, Inc.	Senior Secured First Lien Debt	Revolver term loan	2,810	1,927
IG Investments Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	1,390	695
Integrated Efficiency Solutions, Inc.	Senior Secured First Lien Debt	Revolver term loan	600	469
Integrated Global Services, Inc.	Senior Secured First Lien Debt	Revolver term loan	2,028	406
Knowledge Pro Buyer, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	5,061	5,061
Knowledge Pro Buyer, Inc.	Senior Secured First Lien Debt	Revolver term loan	2,531	1,924
Lakeview Health Holdings, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	514	100
Manna Pro Products, LLC	Senior Secured First Lien Debt	Revolver term loan	2,706	1,962
McDonald Worley, P.C.	Senior Secured First Lien Debt	Term loan	12,887	807
Medical Management Resource Group, LLC	Senior Secured First Lien Debt	Delayed draw term loan	6,631	6,631
Medical Management Resource Group, LLC	Senior Secured First Lien Debt	Revolver term loan	1,326	1,326
Midwest Can Company, LLC	Senior Secured First Lien Debt	Revolver term loan	2,019	1,454
Miller Environmental Group, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	1,131	1,131
Miller Environmental Group, Inc.	Senior Secured First Lien Debt	Revolver term loan	1,324	1,324
Mintz Group, LLC	Senior Secured First Lien Debt	Delayed draw term loan	1,344	1,344

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

Portfolio Company Name	Investment Type	Commitment Type	Total Commitment	Remaining Commitment
Mintz Group, LLC	Senior Secured First Lien Debt	Revolver term loan	$ 630	$ 630
Mirra-Primeaccess Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	7,827	7,827
Muth Mirror Systems, LLC	Senior Secured First Lien Debt	Revolver term loan	1,299	1,299
Norvax, LLC	Senior Secured First Lien Debt	Revolver term loan	1,152	259
Odessa Technologies, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	2,676	2,676
Odessa Technologies, Inc.	Senior Secured First Lien Debt	Revolver term loan	3,747	3,747
Olaplex, Inc.	Senior Secured First Lien Debt	Revolver term loan	1,908	1,908
ORG GC Holdings, LLC	Senior Secured First Lien Debt	Delayed draw term loan	584	584
Pie Buyer, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	6,129	4,658
Pie Buyer, Inc.	Senior Secured First Lien Debt	Revolver term loan	1,840	1,840
Pluralsight, LLC	Senior Secured First Lien Debt	Revolver term loan	1,602	1,602
Point Broadband Acquisition, LLC	Senior Secured First Lien Debt	Delayed draw term loan	8,058	8,058
Premier Global Services, Inc.	Senior Secured First Lien Debt	Revolver term loan	1,042	73
Prototek, LLC	Senior Secured First Lien Debt	Delayed draw term loan	2,257	2,257
Prototek, LLC	Senior Secured First Lien Debt	Revolver term loan	1,693	451
PT Network, LLC	Senior Secured First Lien Debt	Revolver term loan	1,316	921
Questex, Inc.	Senior Secured First Lien Debt	Revolver term loan	2,584	1,034
Reddy Ice Corp.	Senior Secured First Lien Debt	Delayed draw term loan	4,863	19
Reddy Ice Corp.	Senior Secured First Lien Debt	Revolver term loan	1,762	1,762
Refresh Parent Holdings, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	3,120	85
Refresh Parent Holdings, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	1,859	1,859
Refresh Parent Holdings, Inc.	Senior Secured First Lien Debt	Revolver term loan	1,127	721
Relativity Oda, LLC	Senior Secured First Lien Debt	Revolver term loan	464	464
REP TEC Intermediate Holdings, Inc.	Senior Secured First Lien Debt	Revolver term loan	1,354	1,354
Roadsafe Holdings, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	4,433	1,554
RSC Acquisition, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	9,236	7,943
Saturn SHC Buyer Holdings, Inc.	Senior Secured First Lien Debt	Revolver term loan	8,886	5,554
SCIH Salt Holdings, Inc.	Senior Secured First Lien Debt	Revolver term loan	3,746	2,716
Sherlock Buyer Corp.	Senior Secured First Lien Debt	Delayed draw term loan	3,209	3,209
Sherlock Buyer Corp.	Senior Secured First Lien Debt	Revolver term loan	1,284	1,284
Simplifi Holdings, Inc.	Senior Secured First Lien Debt	Revolver term loan	3,782	3,782
St. Croix Hospice Acquisition Corp.	Senior Secured First Lien Debt	Delayed draw term loan	5,639	5,639
St. Croix Hospice Acquisition Corp.	Senior Secured First Lien Debt	Revolver term loan	2,256	2,256
SunMed Group Holdings, LLC	Senior Secured First Lien Debt	Revolver term loan	601	505
Tap Rock Resources, LLC [1]	Equity/Other	Equity	29,470	11,114
Therapy Brands Holdings, LLC	Senior Secured First Lien Debt	Delayed draw term loan	889	889
Therapy Brands Holdings, LLC	Senior Secured Second Lien Debt	Delayed draw term loan	1,379	1,379
Trinity Air Consultants Holdings Corp.	Senior Secured First Lien Debt	Delayed draw term loan	6,974	6,974
Trinity Air Consultants Holdings Corp.	Senior Secured First Lien Debt	Revolver term loan	1,993	399
Triple Lift, Inc.	Senior Secured First Lien Debt	Revolver term loan	3,300	3,300
University of St. Augustine Acquisition Corp.	Senior Secured First Lien Debt	Revolver term loan	2,615	2,615
US Oral Surgery Management Holdco, LLC	Senior Secured First Lien Debt	Delayed draw term loan	4,821	4,393
US Oral Surgery Management Holdco, LLC	Senior Secured First Lien Debt	Revolver term loan	1,167	1,167
US Salt Investors, LLC	Senior Secured First Lien Debt	Revolver term loan	2,169	2,169
Vensure Employer Services, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	2,384	2,384
Westwood Professional Services, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	3,023	2,016
Westwood Professional Services, Inc.	Senior Secured First Lien Debt	Revolver term loan	378	378

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

Portfolio Company Name	Investment Type	Commitment Type	Total Commitment		Remaining Commitment	
WHCG Purchaser III, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	$	13,728	$	12,809
WHCG Purchaser III, Inc.	Senior Secured First Lien Debt	Revolver term loan		4,224		4,224
WIN Holdings III Corp.	Senior Secured First Lien Debt	Revolver term loan		4,448		3,892
Total			$	367,965	$	278,399

[(1)] The commitment related to this investment is discretionary.

Litigation and Regulatory Matters

In the ordinary course of business, the Company may become subject to litigation, claims, and regulatory matters. The Company has no knowledge of material legal or regulatory proceedings pending or known to be contemplated against the Company at this time.

Indemnifications

In the ordinary course of its business, the Company may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on its history and experience, management feels that the likelihood of such an event is remote.

Note 8 — Economic Dependency

Under various agreements, the Company has engaged or will engage the Adviser and its affiliates to provide certain services that are essential to the Company, including asset management services, asset acquisition and disposition decisions, the sale of shares of the Company’s common stock available for issuance, as well as other administrative responsibilities for the Company including accounting services and investor relations.

As a result of these relationships, the Company is dependent upon the Adviser and its affiliates. In the event that these companies were unable to provide the Company with the respective services, the Company would be required to find alternative providers of these services.

Note 9 — Common Stock

On August 25, 2011, the Company had raised sufficient funds to break escrow on its IPO. On July 1, 2014, the Company's registration statement on Form N-2 (File No. 333-193241) for its Follow-on was declared effective by the SEC. Simultaneously with the effectiveness of the registration statement of the Follow-on, the Company's IPO terminated. Through December 31, 2022, the Company issued 262.6 million shares of common stock for gross proceeds of $2.6 billion, including the shares purchased by an affiliate of BSP and shares issued under the Company's DRIP. Following the time the Company's updated registration statement was declared effective on June 30, 2015, the Company issued shares for subscription agreements that had been accepted through that date. The Company suspended the DRIP from March 29, 2020 through June 26, 2020. While the DRIP was suspended, participants and all other holders of the Company's common stock received distributions paid by the Company in cash. From inception of the Company's DRIP plan to December 31, 2022, the Company had repurchased 34.0 million shares of common stock through its share repurchase program for payments of $282.8 million. As of December 31, 2021, the Company had repurchased 30.8 million shares of common stock for payments of $259.2 million. Amounts include additional shares tendered for death and disability as permitted.

On April 1, 2022, April 12, 2022 and May 13, 2022, the Company entered into stock purchase agreements with certain investors (collectively, the “Purchase Agreements”) and associated subscription agreements (collectively, the “Subscription Agreements”), totaling $234.8 million, for the sale of the Company’s common stock at the net asset value of each drawdown date. Investors are required to make capital contributions to purchase the Company’s common stock each time the Company delivers a drawdown notice in an aggregate amount not to exceed their respective capital commitments. All purchases will generally be made subject to the terms and conditions set forth in the Purchase Agreements and Subscription Agreements, at a per-share price as determined by the Company’s Board, which price will be determined prior to the issuance of the Company’s common stock and in accordance with the limitations under Section 23 of the 1940 Act. As of December 31, 2022, the Company has called $198.4 million of capital commitments.

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

In connection with the Purchase Agreements, the Adviser has sold and will sell additional shares of the Company to such investors at a discounted price or contribute other consideration in connection with each drawdown. The Company is not obligated to reimburse the Adviser for the shares that were sold at a discounted price or the other consideration that was provided by the Adviser.

The following table reflects the common stock activity for the year ended December 31, 2022:

	Shares	Value
Shares Sold	26,534,730	$ 198,441
Shares Issued through DRIP	3,672,541	27,359
Share Repurchases	(3,159,305)	(23,571)
	27,047,966	$ 202,229

The following table reflects the common stock activity for the year ended December 31, 2021:

	Shares	Value
Shares Sold	—	$ —
Shares Issued through DRIP	3,130,965	22,822
Share Repurchases	(2,910,936)	(19,532)
	220,029	$ 3,290

The following table reflects the common stock activity for the year ended December 31, 2020:

	Shares	Value
Shares Sold	10,225,302	$ 59,000
Shares Issued through DRIP	3,213,102	22,332
Share Repurchases	(2,255,193)	(17,477)
	11,183,211	$ 63,855

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

The following table reflects the stockholders' equity activity for the years ended December 31, 2022, 2021, and 2020:

	Common stock - shares	Common stock - par	Additional paid in capital	Total distributable earnings (loss)	Total Stockholders' Equity
Balance as of December 31, 2019	190,207,517	$ 190	$ 1,847,312	$ (384,819)	$ 1,462,683
Net investment income	—	—	—	91,200	91,200
Net realized loss from investment transactions	—	—	—	(132,149)	(132,149)
Net change in unrealized appreciation on investments and foreign exchange currency contracts, net of change in deferred taxes	—	—	—	5,147	5,147
Issuance of common stock, net of issuance costs	10,225,302	10	58,990	—	59,000
Repurchases	(2,255,193)	(2)	(17,475)	—	(17,477)
Distributions to stockholders	—	—	—	(90,981)	(90,981)
Reinvested dividends	3,213,102	3	22,329	—	22,332
Tax adjustment	—	—	(3,040)	3,040	—
Balance as of December 31, 2020	201,390,728	$ 201	$ 1,908,116	$ (508,562)	$ 1,399,755
Net investment income	—	—	—	107,647	107,647
Net realized gain from investment transactions	—	—	—	16,038	16,038
Net change in unrealized appreciation on investments and foreign exchange currency contracts, net of change in deferred taxes	—	—	—	82,499	82,499
Repurchases	(2,910,936)	(3)	(19,529)	—	(19,532)
Distributions to stockholders	—	—	—	(99,737)	(99,737)
Reinvested dividends	3,130,965	4	22,818	—	22,822
Tax adjustment	—	—	1,960	(1,960)	—
Balance as of December 31, 2021	201,610,757	$ 202	$ 1,913,365	$ (404,075)	$ 1,509,492
Net investment income	—	—	—	125,096	125,096
Net realized gain from investment transactions	—	—	—	6,142	6,142
Net change in unrealized depreciation on investments and foreign exchange currency contracts, net of change in deferred taxes	—	—	—	(49,256)	(49,256)
Issuance of common stock, net of issuance costs	26,534,730	27	198,414	—	198,441
Repurchases	(3,159,305)	(4)	(23,567)	—	(23,571)
Distributions to stockholders	—	—	—	(128,246)	(128,246)
Reinvested dividends	3,672,541	4	27,355	—	27,359
Tax Adjustment	—	—	8,697	(8,697)	—
Balance as of December 31, 2022	228,658,723	$ 229	$ 2,124,264	$ (459,036)	$ 1,665,457

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

Note 10 — Capital

Investor Commitments

As of December 31, 2022, the Company had $234.8 million in total capital commitments, of which $36.3 million was unfunded, in connection with the Purchase Agreements and Subscription Agreements (as defined in Note 9). As of December 31, 2021, the Company did not have any capital commitments in connection with the Purchase Agreements and Subscription Agreements.

Capital Drawdowns

The following table summarizes the total shares issued and proceeds received, net of issuance costs, related to capital drawdowns of Common Stock in connection with the Purchase Agreements and Subscription Agreements for the year ended December 31, 2022:

Share Issue Date	Shares Issued	Net Proceeds Received
For the year ended December 31, 2022		
April 14, 2022	5,548,128	$ 41,500
June 3, 2022	4,992,260	37,941
July 26, 2022	8,032,128	60,000
October 28, 2022	7,962,214	59,000
Total Capital Drawdowns	26,534,730	$ 198,441

There were no shares issued or proceeds received related to capital drawdowns of Common Stock in connection with the Purchase Agreements and Subscription Agreements for the year ended December 31, 2021.

The issuances of Common Stock described above were exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(a)(2) thereof and Regulation D thereunder. The Company relied, in part, upon representations from investors in the relevant Subscription Agreements that each investor is an "accredited investor," as defined in Regulation D under the Securities Act.

Note 11 — Share Repurchase Program

The Company intends to conduct annual tender offers pursuant to its share repurchase program (“SRP”). The Company’s Board of Directors considers the following factors in making its determination regarding whether to cause the Company to offer to repurchase shares and under what terms:

- the effect of such repurchases on the Company's qualification as a RIC (including the consequences of any necessary asset sales);
- the liquidity of the Company's assets (including fees and costs associated with disposing of assets);
- the Company's investment plans and working capital requirements;
- the relative economies of scale with respect to the Company's size;
- the Company's history in repurchasing shares or portions thereof;
- the condition of the securities markets.

On June 26, 2020, the Company's Board of Directors amended the Company's SRP. The Company intends to conduct tender offers on an annual basis, instead of on a semi-annual basis as was done previously. The Company intends to continue to limit the number of shares to be repurchased in any calendar year to the lesser of (i) 10% of the weighted average number of shares outstanding in the prior calendar year or (ii) the number of shares of common stock the Company is able to repurchase with the proceeds received from the sale of shares of common stock under the DRIP during the relevant redemption period. In addition, in the event of a stockholder’s death or disability, the Company may, in its sole discretion, accept up to the full amount tendered by such stockholder of the current net asset value per share. Any repurchases of shares made in connection with a stockholder’s death or disability may be included within the overall limitation imposed on tender offers during the relevant redemption period, which provides that the Company may limit the number of shares to be repurchased during any redemption period to the number of shares of common stock the Company is able to repurchase with the proceeds received from the sale of shares of common stock under the DRIP during such redemption period. The Company's ten most recent tender offers were oversubscribed.

Offer Date	Repurchase Date	Shares Tendered	Shares Repurchased	Repurchase Price Per Share	Aggregate Consideration for Repurchased Shares (in thousands)
December 15, 2020	January 26, 2021	39,794,155	2,776,140	$ 6.71	$ 18,627.86
December 14, 2021	February 24, 2022	45,067,174	2,927,837	$ 7.46	$ 21,841.64

Share amounts in the table above represent amounts filed in the tender offer.

Note 12 — Earnings Per Share

Basic earnings per share is computed by dividing earnings available to common stockholders by the weighted average number of shares outstanding during the period. Other potentially dilutive shares, and the related impact to earnings, are considered when calculating earnings per share on a diluted basis. The Company had no potentially dilutive securities for the years ended December 31, 2022, 2021, and 2020.

The following information sets forth the computation of the weighted average basic and diluted net increase in net assets per share resulting from operations for the years ended December 31, 2022, 2021, and 2020.

	For the years ended December 31,		
	2022	2021	2020
Basic and diluted			
Net increase (decrease) in net assets resulting from operations	$ 81,982	$ 206,184	$ (35,802)
Weighted average shares outstanding	212,061,882	200,070,608	197,482,855
Net increase (decrease) in net assets resulting from operations per share	$ 0.39	$ 1.03	$ (0.18)

Note 13 — Distributions

The following table reflects the distributions declared on shares of the Company’s Common Stock for the year ended December 31, 2022:

Date Declared	Record Date	Payment Date	Amount Per Share
For the Year Ended December 31, 2022			
March 10, 2022	March 31, 2022	April 1, 2022	$ 0.13
March 10, 2022 (special)	March 31, 2022	April 1, 2022	$ 0.02
May 11, 2022	June 30, 2022	July 1, 2022	$ 0.13
May 11, 2022 (special)	June 30, 2022	July 1, 2022	$ 0.02
August 10, 2022	September 30, 2022	October 3, 2022	$ 0.13
August 10, 2022 (special)	September 30, 2022	October 3, 2022	$ 0.02
November 10, 2022	December 30, 2022	January 3, 2023	$ 0.13
November 10, 2022 (special)	December 30, 2022	January 3, 2023	$ 0.02

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

The following table reflects the distributions declared on shares of the Company's Common Stock for the year ended December 31, 2021:

Date Declared	Record Date	Payment Date	Amount Per Share	
For the Year Ended December 31, 2021				
March 11, 2021	March 31, 2021	April 1, 2021	$	0.10
May 7, 2021	June 30, 2021	July 1, 2021	$	0.10
September 28, 2021	September 30, 2021	October 1, 2021	$	0.13
September 28, 2021 (special)	September 30, 2021	October 1, 2021	$	0.02
November 9, 2021	December 31, 2021	January 3, 2022	$	0.13
November 9, 2021 (special)	December 31, 2021	January 3, 2022	$	0.02

The amount of each such distribution is subject to the discretion of the Board of Directors and applicable legal restrictions related to the payment of distributions. The Company calculates each stockholder's specific distribution amount for the quarter using record and declaration dates. The distributions are payable by the fifth day following each record date.

As of December 31, 2022 and December 31, 2021, the Company had accrued $27.3 million and $23.3 million, respectively, in stockholder distributions that were unpaid.

Note 14 — Income Tax Information and Distributions to Stockholders

The Company has elected to be treated for federal income tax purposes as a RIC under the Code. Generally, a RIC is exempt from federal income taxes if it meets, certain quarterly asset diversification requirements, annual income tests, and distributes to stockholders its ‘‘investment company taxable income,’’ as defined in the Code, each taxable year. Distributions declared prior to the filing of the previous year's tax return and paid up to one year after the previous tax year can be carried back to the prior tax year for determining the distributions paid in such tax year. The Company intends to make sufficient distributions to maintain its RIC status each year. The Company may also be subject to federal excise taxes of 4%.

A RIC is limited in its ability to deduct expenses in excess of its “investment company taxable income” (which is, generally, ordinary income plus net realized short-term capital gains in excess of net realized long-term capital losses). If the Company's expenses in a given taxable year exceed gross taxable income (e.g., as the result of large amounts of equity-based compensation), it would incur a net operating loss for that year. However, a RIC is not permitted to carry forward net operating losses to subsequent taxable years and such net operating losses do not pass through to the RIC’s stockholders. In addition, deductible expenses can be used only to offset investment company taxable income, not net capital gain. A RIC may not use any net capital losses (that is, realized capital losses in excess of realized capital gains) to offset the RIC’s investment company taxable income, but may carry forward such net capital losses, and use them to offset capital gains indefinitely. Due to these limits on the deductibility of expenses and net capital losses, the Company may for tax purposes have aggregate taxable income for several taxable years that it is required to distribute and that is taxable to stockholders even if such taxable income is greater than the aggregate net income the Company actually earned during those taxable years. Such required distributions may be made from the Company cash assets or by liquidation of investments, if necessary. The Company may realize gains or losses from such liquidations. In the event the Company realizes net capital gains from such transactions, the Company may make a larger capital gain distribution than it would have made in the absence of such transactions.

The tax character of distributions for the fiscal years ended December 31, 2022, 2021 and 2020 were as follows (dollars in thousands):

	For the years ended December 31,					
	2022		2021		2020	
Ordinary income distributions	$ 128,246	100.0 %	$ 99,737	100.0 %	$ 90,981	100.0 %
Capital gains distributions	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
Total distributions	$ 128,246	100.0 %	$ 99,737	100.0 %	$ 90,981	100.0 %

For the years ended December 31, 2022, 2021 and 2020, the reconciliation of net increase in net assets resulting from operations to taxable income is as follows (dollars in thousands):

	For the years ended December 31,		
	2022	2021	2020
Book income (loss) from operating activities	$ 81,982	$ 206,184	$ (35,802)
Net unrealized (gain) loss on investments	645	(873)	(295)
Nondeductible expenses	6,189	3,311	2,566
Temporary differences	23,523	(103,076)	139,652
Taxable income before deductions for distributions paid	$ 112,339	$ 105,546	$ 106,121

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

For the years ended December 31, 2022, 2021 and 2020, the components of accumulated gain and losses on a tax basis were as follows:

	For the years ended December 31,		
	2022	2021	2020
Undistributed ordinary income	$ 50,458	$ 57,736	$ 56,493
Undistributed capital loss carryforward	(334,726)	(328,995)	(329,587)
Total undistributed net loss carryforward	(284,268)	(271,259)	(273,094)
Net unrealized loss on investments	(84,204)	(59,643)	(231,926)
Total undistributed taxable income	$ (368,472)	$ (330,902)	$ (505,020)

As of December 31, 2022, the Company had short-term capital loss carryforwards of $16.3 million and long-term capital loss carryforwards of $318.5 million, with no expiration, available to offset future capital gains. As of December 31, 2021, the Company had short-term capital loss carryforwards of $13.1 million and long-term capital loss carryforwards of $315.9 million, with no expiration, available to offset future capital gains.

For the years ended December 31, 2022 and 2021, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

	December 31, 2022	December 31, 2021
Tax cost	$ 2,959,348	$ 2,838,871
Gross unrealized appreciation	157,022	158,637
Gross unrealized depreciation	(241,226)	(218,280)

For the years ended December 31, 2022 and 2021, as a result of permanent book-to-tax differences, the Company made reclassifications among components of net assets as follows:

	Total distributable loss	Paid in capital
2022	$ (8,697)	$ 8,697
2021	(1,960)	1,960

The differences for the years ended December 31, 2022 and 2021 were attributable to non-deductible expenses, investments in partnerships, controlled foreign corporations, certain debt investments and subsidiaries. Aggregate stockholders' equity was not affected by these reclassifications.

Tax information for the fiscal year ended December 31, 2022 is an estimate and will not be finally determined until the Company files its 2022 tax return.

The Company did not have any uncertain tax positions that met the recognition or measurement criteria of ASC 740-10-25, *Income Taxes* ("ASC Topic 740"), nor did the Company have any unrecognized tax benefits as of the periods presented herein. The Company's current tax year, 2021, 2020, and 2019 federal tax returns remain subject to examination by the Internal Revenue Service.

As of December 31, 2022, the Company's domestic subsidiary is expected to have a net operating loss and unrealized gain. As a result, the Company has a deferred tax asset of $4.6 million and a deferred tax liability of $(16.0) million. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that all or some portion of the deferred tax assets will not be realized. The future realization of the tax benefits of existing deductible temporary differences or carryforwards ultimately depend on the existence of sufficient taxable income in the carryback (if permitted under the tax law) and carryforward periods. The Company has concluded that future reversal of existing taxable temporary differences is sufficient to support a conclusion that a valuation allowance is not necessary as of December 31, 2022. For the year ended December 31, 2022, there was a change in the valuation allowance of $2.0 million. As a result, no valuation allowance for the deferred tax asset was necessary as of December 31, 2022.

As of December 31, 2021, the Company had a deferred tax asset of $2.0 million and a deferred tax liability of $(4.9) million. Given the losses generated by certain entities, deferred tax assets have been offset by valuation allowances of $2.0 million. As of December 31, 2020, the Company had a deferred tax asset of $5.0 million and a deferred tax liability of $(0.9) million. Given the losses generated by certain entities, deferred tax assets have been offset by valuation allowances of $5.0 million.

The deferred tax asset valuation allowance, if applicable, has been determined pursuant to the provisions of ASC Topic 740, including the Company's estimation of future taxable income, if necessary, and is adequate to reduce the total deferred tax asset to an amount that will more likely than not be realized.

As of December 31, 2022, the Company had differences between book basis and tax basis cost of investments of $120.3 million from investments classified as partnerships and certain debt investments and $(88.1) million from investments in a domestic subsidiary, amortization of market discount, and controlled foreign corporations for U.S. tax purposes. As of December 31, 2021, the Company had differences between book basis and tax basis cost of investments of $120.1 million from investments classified as partnerships, certain debt investments, and controlled foreign corporations for U.S. tax purposes and $(64.9) million from investment in a domestic subsidiary and amortization of market discount. As of December 31, 2020, the Company had differences between book basis and tax basis cost of investments of $139.3 million from investments classified as partnerships, certain debt investments, or and controlled foreign corporations for U.S. tax purposes and $(1.1) million from amortization of market discount and investments classified as partnerships.

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

Note 15 — Financial Highlights

The following is a schedule of financial highlights for the years ended December 31, 2022, 2021, 2020, 2019, and 2018:

	For the years ended December 31,				
	2022	2021	2020	2019	2018
Per share data:					
Net asset value, beginning of year	$ 7.49	$ 6.95	$ 7.69	$ 7.82	$ 8.30
Results of operations [1]					
Net investment income	0.59	0.54	0.46	0.57	0.57
Net realized and unrealized gain (loss), net of deferred taxes	(0.20)	0.49	(0.64)	(0.07)	(0.41)
Net change in unrealized (depreciation) attributable to non-controlling interests	—	—	—	(0.01)	—
Net increase (decrease) in net assets resulting from operations	0.39	1.03	(0.18)	0.49	0.16
Stockholder distributions [2]					
Distributions from net investment income	(0.60)	(0.50)	(0.46)	(0.65)	(0.65)
Net decrease in net assets resulting from stockholder distributions	(0.60)	(0.50)	(0.46)	(0.65)	(0.65)
Capital share transactions					
Issuance of common stock [3]	—	—	(0.06)	—	0.01
Acquisition of non-controlling interest	—	—	—	0.03	—
Net increase (decrease) in net assets resulting from capital share transactions	—	—	(0.06)	0.03	0.01
Other [7]	—	0.01	(0.04)	—	—
Net asset value, end of year	$ 7.28	$ 7.49	$ 6.95	$ 7.69	$ 7.82
Shares outstanding at end of year	228,658,723	201,610,757	201,390,728	190,207,517	190,324,059
Total return [4]	5.36 %	15.30 %	(3.44)%	6.60 %	1.96 %
Ratio/Supplemental data:					
Net assets attributable to FBLC, end of year	$ 1,665,457	$ 1,509,492	$ 1,399,755	$ 1,462,683	$ 1,489,033
Total net assets, end of year	$ 1,665,457	$ 1,509,492	$ 1,399,755	$ 1,462,683	$ 1,492,719
Ratio of net investment income to average net assets	7.96 %	7.35 %	6.71 %	7.26 %	6.92 %
Ratio of total expenses to average net assets [6]	9.63 %	8.54 %	7.76 %	9.14 %	8.94 %
Ratio of incentive fees to average net assets	1.99 %	1.84 %	0.46 %	1.82 %	1.45 %
Ratio of debt related expenses to average net assets	3.81 %	3.02 %	3.45 %	3.71 %	3.70 %
Portfolio turnover rate [5]	14.24 %	74.47 %	37.22 %	32.24 %	45.58 %

(1) The per share data was derived by using the weighted average shares outstanding during the year.

(2) The per share data for distributions reflects the actual amount of distributions declared per share during the year.

(3) The issuance of common stock on a per share basis reflects the incremental net asset value changes as a result of the issuance of shares of common stock.

(4) Total return is calculated assuming a purchase of shares of common stock at the current net asset value on the first day and a sale at the current net asset value on the last day of the periods reported. Distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the DRIP.

(5) Portfolio turnover rate is calculated using the lesser of year-to-date purchases or sales over the average of the invested assets at fair value.

(6) Ratio of total expenses to average net assets is calculated using total operating expenses, including income tax expense over average net assets.

(7) Represents the impact of calculating certain per share amounts based on weighted average shares outstanding during the period and certain per share amounts based on shares outstanding as of year end.

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

Note 16 – Selected Quarterly Data (Unaudited)

The following are the quarterly results of operations for the years ended December 31, 2022 and 2021. The operating results for any quarter are not necessarily indicative of results for any future period:

Quarter Ended	Total Investment Income	Net Investment Income	Net Realized and Unrealized Gain (Loss)	Net Increase (Decrease) In Net Assets Resulting from Operations	Net Investment Income per Share	Net Increase (Decrease) in Net Assets Resulting from Operations per Share	Net Asset Value per Common Share at End of Quarter
December 31, 2022	$ 79,269	$ 36,630	$ (24,307)	$ 12,323	$ 0.16	$ 0.05	$ 7.28
September 30, 2022	69,949	30,944	(8,259)	22,685	0.14	0.10	7.38
June 30, 2022	63,417	28,496	(16,449)	12,047	0.14	0.06	7.42
March 31, 2022	63,776	29,026	5,901	34,927	0.15	0.17	7.51
December 31, 2021	59,569	26,796	8,255	35,051	0.13	0.17	7.49
September 30, 2021	58,532	26,726	10,707	37,433	0.13	0.19	7.46
June 30, 2021	58,251	27,507	39,214	66,721	0.14	0.33	7.43
March 31, 2021	56,434	26,618	40,361	66,979	0.13	0.33	7.19

Note 17 – Senior Securities

Information about our senior securities (including debt securities and other indebtedness) is shown in the following tables as of December 31, 2022, 2021, 2020, 2019, and 2018.

The following is a summary of the senior securities as of December 31, 2022:

	Total Amount Outstanding Exclusive of Treasury Securities	Asset Coverage Ratio Per Unit (1)	Involuntary Liquidation Preference Per Unit (2)	Asset Market Value Per Unit (3)
Wells Fargo Credit Facility	$ 225,000	$ —	$ —	N/A
JPM Credit Facilty	320,000	—	—	N/A
JPM Revolver Facility	231,876	—	—	N/A
2026 Notes	297,469	—	—	N/A
2024 Notes	99,534	—	—	N/A
2023 Notes	59,973	—	—	N/A
	$ 1,233,852	$ 2,350	$ —	N/A

The following is a summary of the senior securities as of December 31, 2021:

	Total Amount Outstanding Exclusive of Treasury Securities	Asset Coverage Ratio Per Unit (1)	Involuntary Liquidation Preference Per Unit (2)	Asset Market Value Per Unit (3)
Wells Fargo Credit Facility	$ 285,000	$ —	$ —	N/A
JPM Credit Facility	391,100	—	—	N/A
MassMutual Credit Facility	—	—	—	N/A
2026 Notes	296,688	—	—	N/A
2024 Notes	99,295	—	—	N/A
2023 Notes	59,908	—	—	N/A
2022 Notes	149,836	—	—	N/A
	$ 1,281,827	$ 2,178	$ —	N/A

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

The following is a summary of the senior securities as of December 31, 2020:

	Total Amount Outstanding Exclusive of Treasury Securities	Asset Coverage Ratio Per Unit (1)	Involuntary Liquidation Preference Per Unit (2)	Asset Market Value Per Unit (3)
Wells Fargo Credit Facility	$ 253,000	$ —	$ —	N/A
JPM Credit Facility	289,000	—	—	N/A
Citi Credit Facility	267,250	—	—	N/A
MassMutual Credit Facility	—	—	—	N/A
2024 Notes	99,057	—	—	N/A
2023 Notes	59,843	—	—	N/A
2022 Notes	149,671	—	—	N/A
	$ 1,117,821	$ 2,252	$ —	N/A

The following is a summary of the senior securities as of December 31, 2019:

	Total Amount Outstanding Exclusive of Treasury Securities	Asset Coverage Ratio Per Unit (1)	Involuntary Liquidation Preference Per Unit (2)	Asset Market Value Per Unit (3)
Wells Fargo Credit Facility	$ 436,652	$ —	$ —	N/A
Citi Credit Facility	250,500	—	—	N/A
2024 Notes	98,818			N/A
2023 Notes	59,778	—	—	N/A
2022 Notes	149,505	—	—	N/A
2020 Notes	99,789	—	—	N/A
	$ 1,095,042	$ 2,336	$ —	N/A

The following is a summary of the senior securities as of December 31, 2018:

	Total Amount Outstanding Exclusive of Treasury Securities	Asset Coverage Ratio Per Unit (1)	Involuntary Liquidation Preference Per Unit (2)	Asset Market Value Per Unit (3)
Wells Fargo Credit Facility	$ 294,651	$ —	$ —	N/A
Citi Credit Facility	293,500	—	—	N/A
2023 Notes	59,713	—	—	N/A
2022 Notes	149,340	—	—	N/A
2020 Notes	99,474	—	—	N/A
	$ 896,678	$ 2,688	$ —	N/A

(1) Asset coverage per unit is the ratio of the carrying value of the Company's total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per $1,000 of indebtedness.

(2) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it. The "—" in this column indicates that the SEC expressly does not require this information to be disclosed for certain types of senior securities.

(3) Not applicable because senior securities are not registered for public trading.

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

Note 18 – Schedules of Investments and Advances to Affiliates

An affiliated company is generally a portfolio company in which FBLC owns 5% or more of its voting securities. A controlled affiliated company is generally a portfolio company in which FBLC owns more than 25% of its voting securities or has the power to exercise control over its management or policies (including through a management agreement.) Transactions related to investments in affiliated and controlled affiliated companies for the year ended December 31, 2022 were as follows:

Portfolio Company (1)	Type of Asset	Amount of dividends and interest included in income	Beginning Fair Value at December 31, 2021	Gross additions*	Gross reductions**	Realized Gain/(Loss)	Change in Unrealized Gain (Loss) (7)	Fair Value at December 31, 2022
Control Investments								
CRS-SPV, Inc. (2) (3) (6)	Equity/Other	$ —	$ 1,266	$ —	$ —	$ —	$ 293	$ 1,559
CRS-SPV, Inc. (2) (6)	Senior Secured First Lien Debt	4	62	—	—	—	—	62
Danish CRJ, Ltd. (2) (3) (6)	Equity/Other	—	—	—	—	—	—	—
Encina Equipment Finance, LLC (2) (6)	Subordinated Debt	894	—	15,086	—	—	—	15,086
Encina Equipment Finance, LLC (2)(4)(6)	Equity/Other	7,159	81,693	—	94	—	(95)	81,692
Encina Equipment Finance, LLC (2) (6)	Subordinated Debt	3,882	37,964	19	—	—	117	38,100
FBLC Senior Loan Fund, LLC (2) (4) (6) (8)	Equity/Other	25,163	304,934	—	—	—	—	304,934
Integrated Efficiency Solutions, Inc. (2) (5)(6)	Senior Secured First Lien Debt	12	131	240	(371)	—	—	—
Integrated Efficiency Solutions, Inc. (2) (6)	Senior Secured First Lien Debt	109	1,436	—	(15)	—	—	1,421
Integrated Efficiency Solutions, Inc. (2) (6)	Senior Secured Second Lien Debt	282	780	282	—	—	(302)	760
Integrated Efficiency Solutions, Inc. (2) (3) (6)	Equity/Other	—	—	—	—	—	—	—
Integrated Efficiency Solutions, Inc. (2) (3) (6)	Equity/Other	—	—	—	—	—	—	—
Internap Corp (2) (3) (6)	Equity/Other	—	—	1,552	—	—	(957)	595
Internap Corp. (2) (6)	Senior Secured First Lien Debt	514	—	5,813	(1,441)	—	430	4,802
Kahala Ireland OpCo Designated Activity Company (2) (6)	Equity/Other	17,904	23,732	—	—	—	(18,705)	5,027
Kahala Ireland OpCo Designated Activity Company (2) (3) (6)	Equity/Other	—	3,250	—	—	—	—	3,250
Kahala US OpCo, LLC (2) (3) (6)	Equity/Other	—	—	—	—	—	—	—
Lakeview Health Holdings, Inc. (2) (6)	Senior Secured First Lien Debt	66	414	165	—	—	—	579
Lakeview Health Holdings, Inc. (2) (6)	Senior Secured First Lien Debt	7	—	227	—	—	—	227
Lakeview Health Holdings, Inc. (2) (6)	Senior Secured First Lien Debt	64	584	64	—	—	(102)	546
Lakeview Health Holdings, Inc. (2) (3) (6)	Equity/Other	—	—	—	—	—	—	—
MGTF Holdco, LLC (2) (3) (6)	Equity/Other	—	—	—	—	—	—	—
MGTF Radio Company, LLC (2) (6)	Senior Secured First Lien Debt	4,006	42,567	29	(4,324)	4	1,739	40,015
ORG GC Holdings, LLC (2) (6)	Senior Secured First Lien Debt	743	8,343	739	—	—	—	9,082
ORG GC Holdings, LLC (2) (6)	Senior Secured Second Lien Debt	672	3,439	670	—	—	(241)	3,868
ORG GC Holdings, LLC (2) (3) (6)	Equity/Other	—	212	—	—	—	(212)	—
ORG GC Holdings, LLC (2) (3) (6)	Equity/Other	—	—	—	—	—	—	—
Park Ave RE Holdings, LLC (2) (5) (6)	Equity/Other	—	4,461	—	(8,461)	6,838	(2,838)	—
Park Ave RE Holdings, LLC (2) (5) (6)	Subordinated Debt	31	1,537	—	(1,537)	—	—	—
Siena Capital Finance, LLC (2) (6) (8)	Subordinated Debt	8,906	75,000	16,000	(14,000)	—	—	77,000
Siena Capital Finance, LLC (2) (6) (8)	Equity/Other	9,988	65,609	—	—	—	11,701	77,310
WPNT, LLC (2) (3) (6)	Equity/Other	—	—	—	—	—	—	—
Total Control Investments		$ 80,406	$ 657,414	$ 40,886	$ (30,055)	$ 6,842	$ (9,172)	$ 665,915
Affiliate Investments								
Answers Corp. (3) (5) (6)	Equity/Other	$ —	$ 145	$ —	$ (499)	$ (10,144)	$ 10,498	$ —
CDS U.S. Intermediate Holdings, Inc. (5)	Senior Secured First Lien Debt	412	5,565	13	(5,543)	16	(51)	—

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

Portfolio Company [1]	Type of Asset	Amount of dividends and interest included in income	Beginning Fair Value at December 31, 2021	Gross additions*	Gross reductions**	Realized Gain/(Loss)	Change in Unrealized Gain (Loss) [7]	Fair Value at December 31, 2022
CDS U.S. Intermediate Holdings, Inc. [5]	Senior Secured Second Lien Debt	$ 1,004	$ 10,262	$ 568	$ (10,555)	$ (284)	$ 9	$ —
CDS U.S. Intermediate Holdings, Inc. [3]	Equity/Other	—	5,442	—	—	—	(721)	4,721
CDS U.S. Intermediate Holdings, Inc. [3]	Equity/Other	—	2,884	—	—	—	(1,573)	1,311
First Eagle Greenway Fund II, LLC [3]	Equity/Other	—	464	—	(72)	—	(32)	360
Foresight Energy Operating, LLC [3] [6]	Equity/Other	—	3,965	—	—	—	(446)	3,519
Foresight Energy Operating, LLC [6]	Senior Secured First Lien Debt	113	1,102	—	(14)	—	(11)	1,077
Internap Corp [3] [6]	Equity/Other	—	1,552	—	(1,552)	—	—	—
Internap Corp. [6]	Senior Secured First Lien Debt	—	5,475	—	(5,475)	—	—	—
Jakks Pacific, Inc. [3] [5]	Equity/Other	(6)	2,412	—	(5,423)	3,037	(26)	—
Jakks Pacific, Inc. [6]	Equity/Other	—	785	28	(813)	—	—	—
MCS Acquisition Corp. [3] [6]	Equity/Other	—	—	357	—	—	—	357
MCS Acquisition Corp. [3] [6]	Equity/Other	—	—	2,431	—	—	(1,684)	747
MCS Acquisition Corp. [6]	Senior Secured First Lien Debt	63	—	780	(8)	—	—	772
NewStar Arlington Senior Loan Program, LLC 14-1A FR [6]	Collateralized Securities	638	4,575	17	—	—	(427)	4,165
NewStar Arlington Senior Loan Program, LLC 14-1A SUB [6]	Collateralized Securities	2,826	17,114	—	(3,508)	—	(3,328)	10,278
Newstar Fairfield Fund CLO, Ltd. 2015-1RA F [6]	Collateralized Securities	1,089	8,237	319	—	—	293	8,849
Newstar Fairfield Fund CLO, Ltd. 2015-1RA SUB [6]	Collateralized Securities	—	—	—	—	—	—	—
PennantPark Credit Opportunities Fund II, LP [3]	Equity/Other	—	4,953	—	(3,110)	—	(681)	1,162
Tap Rock Resources, LLC [6]	Equity/Other	557	8,742	—	(8,641)	2,152	(1,657)	596
Tax Defense Network, LLC [6]	Senior Secured First Lien Debt	—	464	—	—	—	(278)	186
Tax Defense Network, LLC [6]	Senior Secured First Lien Debt	—	3,678	—	—	—	586	4,264
Tax Defense Network, LLC [6]	Senior Secured First Lien Debt	—	2,616	—	—	—	(1,568)	1,048
Tax Defense Network, LLC [3] [6]	Equity/Other	—	—	—	—	—	—	—
Tax Defense Network, LLC [3] [6]	Equity/Other	—	—	—	—	—	—	—
Team Waste, LLC [5] [6]	Equity/Other	—	3,073	—	(3,073)	504	(504)	—
Tennenbaum Waterman Fund, LP	Equity/Other	611	9,764	—	—	—	(1,065)	8,699
Vantage Mobility International, LLC [6]	Senior Secured First Lien Debt	9	251	—	—	—	(251)	—
Vantage Mobility International, LLC [6]	Senior Secured First Lien Debt	3	244	—	—	—	(244)	—
Vantage Mobility International, LLC [6]	Senior Secured Second Lien Debt	5	17	—	—	—	(17)	—
Vantage Mobility International, LLC [6]	Senior Secured Second Lien Debt	—	—	—	—	—	—	—
Vantage Mobility International, LLC [3] [6]	Equity/Other	—	—	—	—	—	—	—
Vantage Mobility International, LLC [3] [6]	Equity/Other	—	—	—	—	—	—	—
Vantage Mobility International, LLC [3] [6]	Equity/Other	—	—	—	—	—	—	—
Whitehorse, Ltd. 2014-1A E [6]	Collateralized Securities	568	7,171	176	—	—	(351)	6,996
Whitehorse, Ltd. 2014-1A Side Letter [6]	Collateralized Securities	—	—	—	—	—	—	—
Whitehorse, Ltd. 2014-1A SUB [6]	Collateralized Securities	—	—	—	—	—	—	—
Total Affiliate Investments		$ 7,892	$ 110,952	$ 4,689	$ (48,286)	$ (4,719)	$ (3,529)	$ 59,107
Total Control & Affiliate Investments		$ 88,298	$ 768,366	$ 45,575	$ (78,341)	$ 2,123	$ (12,701)	$ 725,022

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

* Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities, and the movement of an existing portfolio company into this category from a different category.

** Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities, and the movement of an existing portfolio company out of this category into a different category.

(1) The principal amount and ownership detail are shown in the Consolidated Schedules of Investments.

(2) This investment was not deemed significant under Regulation S-X as of December 31, 2022.

(3) Investment is non-income producing at December 31, 2022.

(4) FBLC and CCLF are the members of SLF, a joint venture formed as a Delaware limited liability company that is not consolidated by either member for financial reporting purposes. The members make investments in SLF in the form of LLC equity interests as SLF makes investments, and all portfolio and other material decisions regarding SLF must be submitted to SLF's board of directors which is comprised of an equal number of members appointed by each of FBLC and CCLF. Because management of SLF is shared equally between us and CCLF, we do not believe we control SLF for purposes of the 1940 Act or otherwise.

(5) Investment no longer held as of December 31, 2022.

(6) The fair value of investments with respect to securities for which market quotations are not readily available is determined in good faith by the Company's Board of Directors as required by the 1940 Act. Such investments are valued using significant unobservable inputs (See Note 3 to the consolidated financial statements).

(7) Gross of net change in deferred taxes in the amount of $(1.7) million.

(8) The Company's investment falls under the definition of a significant subsidiary, as it exceeded the threshold of at least one of the tests under Rule 3-09. Audited financial statements, as required under Rule 3-09, are attached to this annual report.

Dividends and interest for the year ended December 31, 2022 attributable to Controlled and Affiliated investments no longer held as of December 31, 2022 were $1.5 million.

Realized loss for the year ended December 31, 2022 attributable to Controlled and Affiliated investments no longer held as of December 31, 2022 was $0.0 million.

Change in unrealized gain for the year ended December 31, 2022 attributable to Controlled and Affiliated investments no longer held as of December 31, 2022 was $7.1 million.

The following table presents the Schedule of Investments and Advances to Affiliates as of December 31, 2021:

Portfolio Company (1)	Type of Asset	Amount of dividends and interest included in income	Beginning Fair Value at December 31, 2020	Gross additions*	Gross reductions**	Realized Gain/(Loss)	Change in Unrealized Gain (Loss) (7)	Fair Value at December 31, 2021
Control Investments								
CRD Holdings, LLC (2) (5) (6)	Equity/Other	$ —	$ 14,557	$ —	$ (13,174)	$ (597)	$ (786)	$ —
CRS-SPV, Inc. (2) (6)	Senior Secured First Lien Debt	3	62	—	—	—	—	62
CRS-SPV, Inc. (2) (3) (6)	Equity/Other	—	1,393	—	—	—	(127)	1,266
Danish CRJ, Ltd. (2) (3) (6)	Equity/Other	—	—	—	—	—	—	—
Encina Equipment Finance, LLC (2) (6)	Subordinated Debt	19	—	37,964	—	—	—	37,964
Encina Equipment Finance, LLC (2) (3) (6)	Equity/Other	—	—	81,693	—	—	—	81,693
FBLC Senior Loan Fund, LLC (2) (4) (6)	Equity/Other	24,066	—	304,934	—	—	—	304,934
Integrated Efficiency Solutions, Inc. (2) (6)	Senior Secured First Lien Debt	—	—	131	—	—	—	131
Integrated Efficiency Solutions, Inc. (2) (6)	Senior Secured First Lien Debt	—	—	1,436	—	—	—	1,436
Integrated Efficiency Solutions, Inc. (2) (6)	Senior Secured Second Lien Debt	1	—	780	—	—	—	780

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

Portfolio Company [1]	Type of Asset	Amount of dividends and interest included in income	Beginning Fair Value at December 31, 2020	Gross additions*	Gross reductions**	Realized Gain/(Loss)	Change in Unrealized Gain (Loss) [7]	Fair Value at December 31, 2021
Kahala Ireland OpCo Designated Activity Company [2] [5] [6]	Senior Secured First Lien Debt	$ 950	$ 18,549	$ —	$ (18,549)	$ —	$ —	$ —
Kahala Ireland OpCo Designated Activity Company [2] [6]	Equity/Other	25,513	42,952	—	—	—	(19,220)	23,732
Kahala Ireland OpCo Designated Activity Company [2] [3] [6]	Equity/Other	—	3,250	—	—	—	—	3,250
Kahala US OpCo, LLC [2] [3] [6]	Equity/Other	—	—	—	—	—	—	—
KMTEX, LLC [2] [5] [6]	Senior Secured First Lien Debt	16	218	468	(686)	—	—	—
KMTEX, LLC [2] [5] [6]	Senior Secured First Lien Debt	92	3,230	102	(1,060)	(2,272)	—	—
KMTEX, LLC [2] [5] [6]	Senior Secured First Lien Debt	26	829	26	(272)	(583)	—	—
KMTEX, LLC [2] [3] [5] [6]	Equity/Other	—	—	—	—	—	—	—
KMTEX, LLC [2] [3] [5] [6]	Equity/Other	—	2,289	—	—	(2,793)	504	—
Lakeview Health Holdings, Inc. [2] [6]	Senior Secured First Lien Debt	26	—	600	—	—	(16)	584
Lakeview Health Holdings, Inc. [2] [6]	Senior Secured First Lien Debt	28	—	414	—	—	—	414
MGTF Holdco, LLC [2] [3] [6]	Equity/Other	—	—	—	—	—	—	—
MGTF Radio Company, LLC [2] [6]	Senior Secured First Lien Debt	3,854	43,400	32	(3,551)	6	2,680	42,567
NMFC Senior Loan Program I, LLC [2] [3] [5] [6]	Equity/Other	496	—	—	—	—	—	—
ORG GC Holdings, LLC [2] [6]	Senior Secured First Lien Debt	57	—	8,343	—	—	—	8,343
ORG GC Holdings, LLC [2] [6]	Senior Secured Second Lien Debt	56	—	3,439	—	—	—	3,439
ORG GC Holdings, LLC [2] [3] [6]	Equity/Other	—	—	212	—	—	—	212
ORG GC Holdings, LLC [2] [3] [6]	Equity/Other	—	—	—	—	—	—	—
Park Ave RE Holdings, LLC [2] [6]	Subordinated Debt	1,784	37,237	—	(35,700)	—	—	1,537
Park Ave RE Holdings, LLC [2] [3] [6]	Equity/Other	—	3,300	—	(792)	—	1,953	4,461
Siena Capital Finance, LLC [2] [6]	Subordinated Debt	5,340	25,500	74,502	(25,000)	—	(2)	75,000
Siena Capital Finance, LLC [2] [6]	Equity/Other	5,959	35,839	5,950	—	—	23,820	65,609
WPNT, LLC [2] [3] [6]	Equity/Other	—	—	—	—	—	—	—
Total Control Investments		$ 68,286	$ 232,605	$ 521,026	$ (98,784)	$ (6,239)	$ 8,806	$ 657,414
Affiliate Investments								
Answers Corp. [3] [6]	Equity/Other	$ —	$ 727	$ —	$ (718)	$ —	$ 136	$ 145
Capstone Nutrition Development, LLC [3] [5] [6]	Equity/Other	—	5,928	—	(28,103)	23,635	(1,460)	—
CDS U.S. Intermediate Holdings, Inc. [6]	Senior Secured First Lien Debt	330	1,940	3,944	(374)	3	52	5,565
CDS U.S. Intermediate Holdings, Inc.	Senior Secured Second Lien Debt	756	1,104	13,866	(4,977)	278	(9)	10,262
CDS U.S. Intermediate Holdings, Inc. [3] [6]	Equity/Other	—	1,224	—	—	—	4,218	5,442
CDS U.S. Intermediate Holdings, Inc. [3] [6]	Equity/Other	—	437	—	—	—	2,447	2,884
First Eagle Greenway Fund II, LLC	Equity/Other	170	1,759	—	(1,279)	—	(16)	464
Foresight Energy Operating, LLC [6]	Senior Secured First Lien Debt	119	1,354	—	(235)	—	(17)	1,102

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

Portfolio Company [1]	Type of Asset	Amount of dividends and interest included in income	Beginning Fair Value at December 31, 2020	Gross additions*	Gross reductions**	Realized Gain/(Loss)	Change in Unrealized Gain (Loss) [7]	Fair Value at December 31, 2021
Foresight Energy Operating, LLC [3][6]	Equity/Other	$ —	$ 2,520	$ —	$ —	$ —	$ 1,445	$ 3,965
Internap Corp. [6]	Senior Secured First Lien Debt	466	5,181	338	—	—	(44)	5,475
Internap Corp [3][6]	Equity/Other	—	2,231	—	—	—	(679)	1,552
Jakks Pacific, Inc. [5][6]	Senior Secured First Lien Debt	1,217	17,104	1,552	(18,515)	866	(1,007)	—
Jakks Pacific, Inc. [5][6]	Subordinated Debt	80	—	1,495	(2,827)	1,332	—	—
Jakks Pacific, Inc. [3][6]	Equity/Other	81	402	83	—	—	300	785
Jakks Pacific, Inc. [3]	Equity/Other	—	49	2,345	—	—	18	2,412
LendingHome Corp. [5][6]	Equity/Other	—	59,823	—	(59,477)	(346)	—	—
MidOcean Credit CLO 2013-2A INC [5][6]	Collateralized Securities	—	6,313	—	(10,152)	(5,677)	9,516	—
Mood Media - Common Equity [5][6]	Equity/Other	—	—	—	645	(645)	—	—
NewStar Arlington Senior Loan Program, LLC 14-1A FR [6]	Collateralized Securities	555	3,632	19	—	—	924	4,575
NewStar Arlington Senior Loan Program, LLC 14-1A SUB [6]	Collateralized Securities	3,906	15,631	—	(3,821)	—	5,304	17,114
Newstar Fairfield Fund CLO, Ltd. 2015-1RA F [6]	Collateralized Securities	2,060	5,459	318	—	—	2,460	8,237
Newstar Fairfield Fund CLO, Ltd. 2015-1RA SUB [6]	Collateralized Securities	—	—	—	—	—	—	—
PCX Aerostructures, LLC [5][6]	Subordinated Debt	2,829	9,859	645	(7,995)	634	(3,143)	—
PCX Aerostructures, LLC [5][6]	Equity/Other	—	76	—	(2,263)	2,263	(76)	—
PCX Aerostructures, LLC [5][6]	Equity/Other	—	535	—	(609)	609	(535)	—
PCX Aerostructures, LLC [5][6]	Equity/Other	—	—	—	(168)	168	—	—
PennantPark Credit Opportunities Fund II, LP	Equity/Other	726	9,274	—	(4,197)	—	(124)	4,953
Tap Rock Resources, LLC [6]	Equity/Other	1,398	11,405	—	(3,484)	—	821	8,742
Tax Defense Network, LLC [6]	Senior Secured First Lien Debt	—	3,311	—	—	—	367	3,678
Tax Defense Network, LLC [6]	Senior Secured First Lien Debt	—	420	—	—	—	44	464
Tax Defense Network, LLC [6]	Senior Secured First Lien Debt	—	2,368	—	—	—	248	2,616
Tax Defense Network, LLC [3][6]	Equity/Other	—	—	—	—	—	—	—
Tax Defense Network, LLC [3][6]	Equity/Other	—	—	—	—	—	—	—
Team Waste, LLC [3][6]	Equity/Other	—	2,570	—	—	—	503	3,073
Tennenbaum Waterman Fund, LP	Equity/Other	1,062	10,087	—	—	—	(323)	9,764
TwentyEighty, Inc. [3][5][6]	Equity/Other	—	—	—	(35)	35	—	—
Vantage Mobility International, LLC [6]	Senior Secured First Lien Debt	8	—	251	—	—	—	251
Vantage Mobility International, LLC [6]	Senior Secured First Lien Debt	2	—	244	—	—	—	244
Vantage Mobility International, LLC [6]	Senior Secured Second Lien Debt	—	—	17	—	—	—	17
Vantage Mobility International, LLC [6]	Senior Secured Second Lien Debt	—	944	—	—	—	(944)	—
Vantage Mobility International, LLC [3][6]	Equity/Other	—	—	—	—	—	—	—
Vantage Mobility International, LLC [3][6]	Equity/Other	—	—	—	—	—	—	—
Vantage Mobility International, LLC [3][6]	Equity/Other	—	—	—	—	—	—	—
Whitehorse, Ltd. 2014-1A E [6]	Collateralized Securities	426	5,592	45	—	—	1,534	7,171

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

Portfolio Company [1]	Type of Asset	Amount of dividends and interest included in income	Beginning Fair Value at December 31, 2020	Gross additions*	Gross reductions**	Realized Gain/(Loss)	Change in Unrealized Gain (Loss) [7]	Fair Value at December 31, 2021
Whitehorse, Ltd. 2014-1A Side Letter [6]	Collateralized Securities	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Whitehorse, Ltd. 2014-1A SUB [6]	Collateralized Securities	—	—	—	—	—	—	—
Total Affiliate Investments		$ 16,191	$ 189,259	$ 25,162	$ (148,584)	$ 23,155	$ 21,960	$ 110,952
Total Control & Affiliate Investments		$ 84,477	$ 421,864	$ 546,188	$ (247,368)	$ 16,916	$ 30,766	$ 768,366

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* Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of unearned income, the exchange of one or more existing securities for one or more new securities, and the movement of an existing portfolio company into this category from a different category.

** Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, the exchange of one or more existing securities for one or more new securities, and the movement of an existing portfolio company out of this category into a different category.

(1) The principal amount and ownership detail are shown in the Consolidated Schedules of Investments.

(2) This investment was not deemed significant under Regulation S-X as of December 31, 2021.

(3) Investment is non-income producing at December 31, 2021.

(4) FBLC and CCLF are the members of SLF, a joint venture formed as a Delaware limited liability company that is not consolidated by either member for financial reporting purposes. The members make investments in SLF in the form of LLC equity interests as SLF makes investments, and all portfolio and other material decisions regarding SLF must be submitted to SLF's board of directors which is comprised of an equal number of members appointed by each of FBLC and CCLF. Because management of SLF is shared equally between us and CCLF, we do not believe we control SLF for purposes of the 1940 Act or otherwise.

(5) Investment no longer held as of December 31, 2021.

(6) The fair value of investments with respect to securities for which market quotations are not readily available is determined in good faith by the Company's Board of Directors as required by the 1940 Act. Such investments are valued using significant unobservable inputs (See Note 3 to the consolidated financial statements).

(7) Gross of net change in deferred taxes in the amount of $(4.1) million.

Dividends and interest For the year ended December 31, 2021 attributable to Controlled and Affiliated investments no longer held as of December 31, 2021 were $5.7 million.

Realized loss For the year ended December 31, 2021 attributable to Controlled and Affiliated investments no longer held as of December 31, 2021 was $16.6 million.

Change in unrealized gain For the year ended December 31, 2021 attributable to Controlled and Affiliated investments no longer held as of December 31, 2021 was $3.0 million.

Note 19 – Subsequent Events

Unregistered Sales of Equity Securities

On February 7, 2023, pursuant to a drawdown notice previously delivered to investors, the Company issued and sold approximately 4.9 million shares of the Company's common stock for an aggregate offering price of approximately $36.3 million.

Share Repurchase Program

On December 14, 2022, the Company offered to purchase up to approximately 4,602,000 shares of its common stock pursuant to its SRP at a price equal to $7.38 per share. The offer expired on January 25, 2023 (the "Expiration Date"). On February 24, 2023, the Company purchased 3,472,698 shares of its common stock for aggregate consideration of $25.6 million pursuant to the limitations of the SRP as detailed in Note 10.

Subsidiaries of Franklin BSP Lending Corporation

Name	Domicile
FBLC Funding I, LLC	Delaware
54th Street Equity Holdings, Inc.	Delaware
Kahala Aviation Holdings, LLC	Delaware
Kahala Aviation US, Inc.	Delaware
FBLC 57th Street Funding, LLC	Delaware
Siena Capital Finance, LLC	Delaware
Opps X EEF CTB, LLC	Delaware
FBLC Senior Loan Fund, LLC	Delaware

Exhibit 31.1

I, Richard J. Byrne, certify that:

1. I have reviewed this Annual Report on Form 10-K for the annual period ended December 31, 2022 of Franklin BSP 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(s) 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(s) 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.

Date: March 15, 2023

/s/ Richard J. Byrne

Richard J. Byrne
Chief Executive Officer, President, and
Chairman of the Board of Directors
(Principal Executive Officer)

Exhibit 31.2

I, Nina Kang Baryski, certify that:

1. I have reviewed this Annual Report on Form 10-K for the annual period ended December 31, 2022 of Franklin BSP 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(s) 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(s) 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.

Date: March 15, 2023

/s/ Nina Kang Baryski

Nina Kang Baryski
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Exhibit 32

SECTION 1350 CERTIFICATIONS

This Certificate is being delivered pursuant to the requirements of Section 1350 of Chapter 63 (Mail Fraud) of Title 18 (Crimes and Criminal Procedures) of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed for purposes of Section 18 of the Securities Act of 1934, as amended.

The undersigned, who are the Principal Executive Officer and Principal Financial Officer of Franklin BSP Lending Corporation (the "Company"), each hereby certify as follows:

To the best of their knowledge, the Annual Report on Form 10-K of the Company, which accompanies this Certificate, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and all information contained in this annual report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated this 15th day of March 2023

/s/ Richard J. Byrne

Richard J. Byrne
Chief Executive Officer, President, and Chairman of the Board of Directors
(Principal Executive Officer)

/s/ Nina Kang Baryski

Nina Kang Baryski
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

SIENA CAPITAL FINANCE LLC

Consolidated Financial Statements and Independent Auditor's Report

December 31, 2022

SIENA CAPITAL FINANCE LLC

Index

Independent Auditor's Report

To the Board of Directors
Siena Capital Finance LLC

Opinion

We have audited the consolidated financial statements of Siena Capital Finance LLC and Subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2022, and the related consolidated statements of income, changes in members' capital and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

/s/ CohnReznick LLP

Hartford, Connecticut
March 10, 2023

SIENA CAPITAL FINANCE LLC
Consolidated Balance Sheet
December 31, 2022

Assets		**2022**
Cash	$	7,494,707
Loans receivable, net of deferred fees and costs		581,338,112
Allowance for loan losses		(5,394,487)
Loans receivable, net		575,943,625
Fixed assets		478,073
Accumulated depreciation		(268,380)
Total fixed assets, net		209,693
Goodwill		26,333,907
Operating lease assets		3,255,066
Other receivables		3,174,848
Internal software, net		1,490,768
Other assets		85,508
Prepaid expenses		78,864
Total assets	$	618,066,986
Liabilities and Members' Capital		
Note payable, net of deferred financing costs	$	457,592,584
Subordinated debt, net of deferred financing costs		76,369,786
Operating Lease Liability		3,240,933
Members' distribution payable		3,250,000
Accrued expenses and accounts payable		7,111,153
Accrued interest and fees payable		5,682,466
Due diligence deposits		1,909,506
Total liabilities		555,156,428
Members' capital:		
Class A Units (49,164,000 authorized, issued and outstanding)		49,263,219
Retained earnings		13,647,339
Total members' capital		62,910,558
Total liabilities and members' capital	$	618,066,986

See accompanying notes to consolidated financial statements.

SIENA CAPITAL FINANCE LLC
Consolidated Statement of Income
Year Ended December 31, 2022

		2022
Revenue:		
Interest income	$	48,596,077
Less interest expense and finance charges		(26,139,848)
Net interest income		22,456,229
Less provision for loan losses		1,277,184
Net interest income after provision for loan losses		21,179,045
Loan fee and other income		
Loan fee income		10,236,858
Other income		5,806,638
Total revenue, net of provision for loan losses		37,222,541
Expenses:		
Compensation and benefits		15,183,391
Professional fees		804,396
Occupancy and equipment		548,004
Bank charges		404,111
Other expenses		1,938,360
Net income	$	18,344,279

See accompanying notes to consolidated financial statements.

SIENA CAPITAL FINANCE LLC
Consolidated Statement of Changes in Members' Capital
Year Ended December 31, 2022

		Members' contributions Class A Units		Retained earnings		Total Members' capital
Balance, December 31, 2021	$	49,263,219	$	7,053,060	$	56,316,279
Members' distribution		-		(11,750,000)		(11,750,000)
Net income		-		18,344,279		18,344,279
Balance, December 31, 2022	$	49,263,219	$	13,647,339	$	62,910,558

See accompanying notes to consolidated financial statements.

SIENA CAPITAL FINANCE LLC
Consolidated Statement of Cash Flows
Year Ended December 31, 2022

		2022
Cash flows from operating activities:		
Net income	$	18,344,279
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		91,701
Amortization of internal software		32,163
Amortization of deferred financing costs		1,121,042
Provision for loan losses		1,277,184
(Increase) in other receivables		(1,255,695)
(Increase) in other assets		(40,982)
Decrease in prepaid expenses		10,117
(Decrease) in accrued expenses and accounts payable		(2,165,941)
Increase in due diligence deposits		631,570
Increase in accrued interest and fees payable		2,508,596
Non-cash operating lease costs		(14,133)
Net cash provided by operating activities		20,539,901
Cash flows from investing activities:		
Net (increase) in loans receivable		(140,059,089)
Investment in internal software		(785,587)
Purchases of fixed assets		(115,628)
Net cash (used in) investing activities		(140,960,304)
Cash flows from financing activities:		
Proceeds from issuance of note payable		4,611,379,976
Repayment of note payable		(4,475,548,585)
Deferred financing costs		(2,777,911)
Proceeds from other borrowings		(747,500)
Distribution to members		(10,700,000)
Proceeds from subordinated debt issuance		16,000,000
Repayment of subordinated debt		(14,000,000)
Net cash provided by financing activities		123,605,980
Net increase in cash		3,185,577
Cash balance at beginning of period		4,309,130
Cash balance at end of period	$	7,494,707
Supplemental cash flow information:		
Cash paid for interest	$	22,968,537
Cash paid for taxes	$	760,529

See accompanying notes to consolidated financial statements.

(1) Organization

Siena Capital Finance LLC (Siena), and its wholly owned subsidiaries, Siena Lending Group LLC (Siena Lending) and Siena Lending Group Canada LLC (Siena Canada) (collectively, the Company) is a commercial finance company offering asset based loans to small and middle market businesses across the United States and Canada.

Siena, a Delaware limited liability company, was formed on February 14, 2012. Prior to January 1, 2013, the affairs of the Company were organizational in nature. The Company recorded its first loan in March, 2013. The core business of the Company is to provide asset based loans generally ranging from $10 to $100 million secured primarily by accounts receivable, inventory, equipment, and real estate.

At December 31, 2022, Siena was owned by Franklin BSP Lending Corporation, with 41,789,400 Class A Units and 85% ownership, Solaia Investment Partners I LLC, with 4,911,600 Class A Units and 9.99% ownership, and Solaia Capital Partners III LLC with 2,463,000 Class A Units and 5.01% ownership.

(2) Summary of Significant Accounting Policies

(a) Basis of Financial Statement Presentation

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(b) Consolidation

The consolidated financial statements include the accounts of Siena, Siena Lending, and Siena Canada. All intercompany accounts and transactions have been eliminated in consolidation.

(c) Revenue Recognition

Interest income is calculated based upon the average outstanding loan balance for the month and charged to the loan balance monthly in arrears. In an instance where the full collectability of principal, interest, and fees is in doubt, through identification in the risk rating process, the recognition of interest income will be suspended. Interest income also includes amortized closing fees, which are fees received for the origination of the loan together with the loan's respective underwriting fees that are accreted into interest income over the contractual life of the commitment period of the loan using the straight-line method, whether or not there is ever a draw down on the facility. Unaccreted amounts will be recognized as amortized closing fees at the time the loan is paid down in full, in the case of an early termination of the facility arrangement. Any fees received to extend the term of the loan will be added to the unamortized balance of the closing fee and accreted into amortized closing fee over the new contractual life of the loan using the straight-line method.

Loan fee income includes fees on loans such as monitoring fees, wire fees, and unused line fees. These fees are charged to the loan monthly in arrears.

Other income includes servicing fees, early termination fees, underwriting fees, field exam fees, and one-time fee income items such as waiver fees. Early termination fees include fees that are earned by the Company upon early termination of a facility. These fees are generally included in the payoff amount and earned at termination. Underwriting fees are earned by the Company from broken deals. Field exam fees are fees that are earned by the Company upon completion of on-site examination of client's collateral. These fees are charged to the loan when incurred.

(d) Cash

Cash consists of cash on hand and cash in banks. The Company maintains its cash balances at three financial institutions. Funds are held at creditworthy institutions but at various times during the year, the balances have exceeded the threshold for insurance provided by the Federal Deposit Insurance Corporation. Balances are kept in USD and CAD denominations.

(e) Loans Receivable, Net

The Company provides asset based loans primarily in the form of revolving credit facilities secured, in most cases, by all of the borrower's assets, including but not limited to, accounts receivable, inventory, equipment, and real estate. The term of the commitment period of the loan is generally two to three years. Loans receivable include both outstanding principal balances as well as any interest and fees that are charged to the loan. Loans receivable, net are stated at cost plus unamortized deferred origination costs, net of unamortized deferred closing fees and an allowance for loan losses.

Interest income on loans are recognized based upon the average amount outstanding on the loan on a monthly basis. The accrual of interest on loans, including impaired loans, is discontinued when management believes, after considering economic and business conditions and collection efforts, that the borrower's financial condition is such that the collection of principal or interest is uncertain, through identification in the risk rating process. Any accrued but unpaid interest is charged against current operations upon management's decision to place a specific loan into nonaccrual status. Loans are returned to an accrual status when factors indicating uncertain collectability on a timely basis no longer exists and all past due interest and principal are brought current. Cash receipts on nonaccrual and impaired loans are generally applied to principal when received. If the principal balance is deemed fully collectible, cash receipts are applied to interest when received.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Impaired loans are measured at the loan's observable market price, or the fair value of the collateral, as the loans are collateral dependent. Impairments, if any, are recognized through a charge to the allowance for loan losses. Such amounts are charged off when considered appropriate.

A loan loss provision is accrued monthly based upon the loans outstanding in the portfolio. This is a general provision based upon the Company's experience. The Company's loss experience is limited as there have been limited charge-offs to date; therefore, the Company uses historical loss experience in the industry for similar loan products to develop a general reserve using the appropriate loss look-back and loss emergence periods. The general reserve is evaluated on a periodic basis and adjusted based on the economic environment, volume and loan growth, any changes to the average credit grade of the portfolio or the number of watch list accounts in the portfolio as well as any changes to the average loan balance per client. If a specific loan is identified as nonperforming and a loss is probable, the loan will be on nonaccrual status and a specific reserve will be determined for that loan. Loan losses will be charged off in the period the loans, or portion thereof, are deemed uncollectible. To date one account for $42,290 has been charged off.

The Company can either enter into participation and servicing arrangements with another financial institution or the other financial institution can participate in a loan with the Company. In the case that another financial institution participates in a loan with the Company, the other institution assumes the risk related to the agreed upon participation percentage. The Company pays the participating financial institution a share of certain interest and fees that are agreed upon in the participation arrangement. The loans receivable on the consolidated balance sheet is adjusted by the participation of other financial institutions. In accordance with the accounting guidance for asset transfers, the Company considers any ongoing involvement with transferred assets in determining whether the assets can be derecognized from the consolidated balance sheet. For loans sold under participation agreements, the Company also considers the terms of the loan participation agreement and whether they meet the definition of a participating interest, and thus, qualify for derecognition. At December 31, 2022, participant loans that meet the requirement for derecognition in accordance with Accounting Standards Codification ("ASC") 860 "Transfers and Servicing", totaled $100,043,408.

(f) Fixed Assets

Fixed assets have been recorded at cost, net of accumulated depreciation. The straight-line method of depreciation has been used over the estimated life of the assets, generally three years for computer equipment, five years for furniture and fixtures, three years for website development and five to seven years for leasehold improvements.

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In performing a review for impairment, the Company compares the carrying value of the assets with their estimated future undiscounted cash flows. If the estimated future undiscounted cash flows from the use of an asset are less than the carrying value, an impairment would be recorded to reduce the related asset to its estimated fair value. There were no impairment losses during 2022.

(g) Internal Software

Internal software development costs consist primarily of fees associated with the perpetual license agreement in relation to the collateral monitoring system as well as consulting fees. Internal software has been recorded at cost, net of accumulated amortization. The Company amortized these costs on a straight-line basis over the estimated useful life of the asset which has been deemed to be five years, commencing with the execution of the perpetual license.

(h) Income Taxes

The Company was formed as a Limited Liability Company (LLC) and files as a partnership; therefore, for tax reporting purposes, the Company is considered a pass through entity. No provision has been made for income taxes, as these are the obligation of the members. The Company records distributions when they are declared to the members. For the fiscal year ended December 31, 2022, the Company will be in a taxable income position and has recorded a members' distribution payable of $3,250,000 to be paid to members during 2023 related to the fourth quarter of operations in 2022. Amounts totaling $10,700,000 have already been paid to members for the fourth quarter of operations 2021 and the first, second and third quarter of operations of 2022.

The Company evaluates the tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions will be sustained by the applicable tax authority. The Company has determined that there is no tax liability resulting from unrecognized tax benefits related to uncertain income tax positions taken or expected to be taken on the tax return for December 31, 2022. There are no tax returns that are currently under examination. Tax years that remain subject to examination are years 2019 and forward. The statute of limitations on the Company's state and local tax returns may remain open for an additional year depending on the jurisdiction.

(i) Debt Issuance Costs

Debt issuance costs related to a recognized debt liability are presented in the consolidated balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts, rather than a deferred asset. The costs are amortized over the life of the related debt using the straight-line method and are included in interest expense and finance charges on the accompanying consolidated statement of income. Accordingly, costs incurred in relation to the placement of the revolving credit facility (note 8) and subordinated debt (note 9) are presented as a direct deduction within note payable and subordinated debt in the consolidated balance sheet.

(j) New Accounting Pronouncement

The Company adopted Accounting Standards Update 2016-02 (as amended), Leases (Topic 842) on January 1, 2022. Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for most leases. The Company elected and applied the following transition practical expedients when initially adopting Topic 842:

> To apply the provisions of Topic 842 at the adoption date, instead of applying them to the earliest comparative period presented in the financial statements.
>
> The package of practical expedients permitting the Company to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

The Company recognized the following as of the adoption date in connection with transitioning to Topic 842:

	As of 1/1/2022
Operating lease right of use assets	$ 3,458,496
Operating lease liabilities	$ (3,458,496)

The Company's adoption of Topic 842 also resulted in a decrease of $115,864 in deferred rent and deferred lease incentives, which amount was reclassified to operating lease right of use assets at adoption. See Note 7 regarding the Company's right of use assets for operating leases and lease liabilities.

(3) Loans Receivable and Allowance for Loan Losses

Loans receivable at December 31, 2022 consisted of revolving lines of credit and term loans that typically range from one to three years which are secured by, in most cases all assets of the borrower, including but not limited to, accounts receivable, inventory, equipment, and real estate. Loans receivable, net at December 31, 2022 was \$575,943,625 which includes gross loans receivable of \$587,638,103, unamortized deferred origination costs of \$480,253, net of unamortized deferred closing fee income of \$6,780,244, net of an allowance for loan losses of \$5,394,487. Total commitments at December 31, 2022 was \$1,069,128,735.

The Company has implemented a review system that is designed to evaluate creditworthiness for each loan on the consolidated balance sheets. An internal risk rating is assigned to each borrower upon closing and is subsequently reviewed by management on at least an annual basis or as necessary. All loans are assigned a credit risk rating between one and ten. On a quarterly basis, a watch list report for borrowers with a risk rating of seven and above is created and reviewed by management.

Specific allowances, if applicable, may be established for loans that have a credit grade eight or higher, which are classified as substandard loans by the Company. If a specific allowance is established for a substandard loan then it will not be considered for the general allowance described below. The specific reserve will remain in the allowance for loan losses until management determines that the amounts have been deemed fully uncollectible, at which time they will be charged off.

The allowance for loan losses of \$5,394,487 at December 31, 2022, was based upon applying a historical loss percentage obtained from peers, competitors, and industry statistics to the outstanding balances of the loans at December 31, 2022. The loss experience of peers and competitors was used as a proxy as the Company has limited loss experience of its own. In addition, economic environment, volume and loan growth, any changes to the average credit grade of the portfolio or the number of watch list accounts in the portfolio as well as any changes to the average loan balance per client are also considered when evaluating the allowance for loan losses. The following is a rollforward of the allowance for loan losses at December 31, 2022:

	12/31/2022
Beginning Balance	\$ (4,117,303)
Provision for loan losses	(1,277,184)
Ending Balance	\$ (5,394,487)

A loan is considered impaired, in accordance with the impairment accounting guidance, when based on current information and events, it is probable that the Company will be unable to collect all amounts due from the borrower in accordance with the contractual terms of the loan.

There were no impaired loans as of December 31, 2022.

(4) Other Receivables

Other receivables include accrued interest and fees earned on outstanding loans. These amounts totaled $3,174,848 as of December 31, 2022.

(5) Fixed Assets, net

Fixed assets have been recorded at cost, net of accumulated depreciation. The straight-line method of depreciation has been used over the estimated life of the assets, generally three years for computer equipment, five years for furniture and fixtures and five to seven years for leasehold improvements. Total depreciation expense for the years ended December 31, 2022 was $91,701.

The following is a summary of fixed assets and the associated accumulated depreciation at December 31, 2022:

	2022
Equipment	$ 186,068
Furniture & Fixtures	158,948
Leasehold Improvements	133,057
Accumulated Depreciation	(268,380)
	$ 209,693

(6) Internal Software

Capitalization of internally developed software costs shall begin when the preliminary project stage is completed and when management implicitly or explicitly authorizes and commits funding and it is probable that the project will be completed and the software will be used to perform the function intended. From 2013 to 2020, the Company entered into multiple statements of work for a proprietary collateral monitoring system. Total amounts capitalized were $302,763 through December 31, 2020.

During the year ended December 31, 2020, the Company began developing software for an updated proprietary collateral monitoring system. Total amounts capitalized were $1,490,429 through December 31, 2022. These amounts are not being amortized as the system was not in use by the Company during the year ended December 31, 2022.

Total amortization expense for the year ended December 31, 2022 was $32,163. The following is a summary of internal software, license agreement and website development and associated accumulated amortization at December 31, 2022:

	2022
Internal Software	$ 1,793,192
Website Development	57,603
Accumulated Amortization	(360,027)
	$ 1,490,768

Amortization of internal software for each of the next five years is approximately $160,000 per year.

(7) Leases

The Company leases building space used in its operations. All contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Company recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for prepaid lease costs, initial direct costs and lease incentives. The Company has elected and applies the practical expedient available to lessees to combine non-lease components with their related lease components and account for them as a single combined lease component for all its leases. The Company remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such modification does not qualify to be accounted for as a separate contract.

The Company determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Company estimates its incremental borrowing rate as the discount rate. The Company's incremental borrowing rate, which is determined at either lease commencement or when a lease liability is remeasured, is an estimate of the interest rate it would pay on a collateralized borrowing, for an amount equal to the amount and currency of denomination of the lease payments, over a period commensurate with the lease term and in a similar economic environment.

For accounting purposes, the Company's leases commence on the earlier of (i) the date upon which the Company obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the Company's leases coincides with the contractual effective date. The Company's leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the Company and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts. Unless the Company determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or non-exercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum non-cancellable contractual term. When the exercise of a renewal option or non-exercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The Company includes variable rental payments based on a rate or an index such as the Consumer Price index (CPI) in its measurement of lease payments based on the rate or index in effect at lease commencement.

Lease Involving Real Estate

Lease of the Company's corporate headquarters has a lease terms of 10 years, which terms have been incorporated into our measurement of the related right of use assets and lease liabilities. Although the Company's real estate lease includes options to renew that can extend the contractual terms 5 years, this renewal options is exercisable solely at the Company's discretion and has been excluded from lease term measurements. The Company's real estate lease generally requires reimbursement of real estate taxes, common area maintenance, and insurance.

Rental payments on this leases typically provide for fixed minimum payments that increase over the lease term at predetermined amounts. Certain leases of real estate provide for rental increases based on the CPI, which are included in the Company's measurement of lease payments based on the rate or index in effect at lease commencement and are therefore included in the measurement of the lease liabilities. These variable rental payments are recognized as rent expense when incurred.

Financial Information

The component of rental cost for the year ended December 31, 2022 is as follows:

	Operating leases [1]
Rent Expense	$ 205,156

[1] The rental costs of operating leases are included in Occupancy and equipment in the Company's Consolidated Statement of Income.

Supplemental cash flow information related to the Company's leases for the year ended December 31, 2022:

	Operating Leases
Addition to right-to-use asset	$ 3,255,066

Weighted average remaining lease term and weighted average incremental borrowing rate for the Company's leases as of December 31, 2022:

	Operating Leases
Weighted average remaining term (in years)	9.5
Weighted average incremental borrowing rate	1.63%

The Company's lease matures in 2032. Future minimum operating lease payments and annual maturity analysis of the Company's lease liabilities as of December 31, 2022:

2023	$ 386,391
2024	380,608
2025	351,695
2026	351,695
2027	351,695
Thereafter	1,758,476
Total lease payments	3,580,560
Less interest	(339,627)
Total lease liability	$ 3,240,933

(8) Note Payable

Siena Lending has a $672.5 million revolving credit facility at a financial institution with a maturity date of April 21, 2025, with yearly extension options based upon meeting certain criteria. Borrowings are secured by Siena Lending and Siena Canada's assets. Interest on borrowings under this facility are calculated and added to the loan monthly in arrears and is based upon the one-month Secured Overnight Financing Rate (SOFR) plus 232.5 basis points or plus 207.5 basis points dependent on various requirements listed in the facility agreement. The Company is required to comply with various covenants and has maintained compliance with these various covenants since inception.

The note payable, net to the financial institution at December 31, 2022 was $457,592,584 which includes gross note payable of $460,380,325, net of unamortized deferred financing costs of $2,787,741. For the year ended December 31, 2022, $960,136 of deferred financing costs have been amortized and included in interest expense and finance charges.

(9) Subordinated Debt

The Company has a subordinated debt agreement with Franklin BSP Lending Corporation. The agreement is amended from time to time. The agreement allows for the Company to draw up to $120,000,000 of subordinated debt. The interest on the unpaid principal balance of the Principal Amount is at the per annum rate of 12.50% and is paid on a quarterly basis. The maturity date of this agreement is the later of October 21, 2025, or six months after the maturity of the Note Payable in note (8) above.

The subordinated debt, net to Business Development Corporation of America at December 31, 2022 was $76,369,786 which includes gross subordinated debt of $77,000,000, net of unamortized deferred financing costs of $630,214. For the year ended December 31, 2022, $160,906 of deferred financing costs, have been amortized and included in interest expense and finance charges. Total subordinated interest expense for the year ended December 31, 2022 was $8,592,361 and is included in interest expense and finance charges.

(10) Commitments and contingencies

Loan Facilities

The unused portion of the outstanding loan facilities was $477,654,676 at December 31, 2022. The availability of each borrower's facility is further limited by the amount of collateral available after an advance rate and certain reserves are calculated.

Employment Agreements

As of December 31, 2022, the Company has entered into employment agreements with forty-seven employees. Annual base compensation of $7,476,500 is due under these agreements. Employees have an option to defer a portion of their compensation into a 401(k) plan, however, the Company is not required to make contributions to the plan. The Company elected to make a discretionary contribution to the plan of $141,852 for the year then ended December 31, 2022.

The Company has formed long-term incentive plans for certain Executive employees. Under the terms of the plan, employees earn incentive awards based on Company performance, which vest over a period of time, generally between thirty-four to forty-eight months, as provided in the agreements. For the year ended

December 31, 2022, the long-term incentive compensation expense was $1,653,754 which is included in accrued expenses and accounts payable.

Operating Leases

The Company has a 120 month lease which expires on May 31, 2032 at the Company's headquarters at 9 W Broad Street in Stamford, CT with rent payments ranging from $26,765.92 to $31,987.75 per month depending on the rent year.

The Company also has a month-to-month lease in New York, NY that began on September 1, 2022 with rent payments of approximately $1,750 per month.

Net occupancy expense for the year ended December 31, 2022 was $366,212.

See note (7) above for additional details on future minimum operating lease payments of the Company.

(11) Related Party Transactions

In May 2019, the Company entered into a subordinated debt agreement Franklin BSP Lending Corporation. See note (9) above for additional details about this transaction.

(12) Subsequent Events

The Company has evaluated its subsequent events occurring after December 31, 2022 through March 10, 2023, which represents the date that the consolidated financial statements were available to be issued and has determined that no additional items require disclosure.

SIENA CAPITAL FINANCE LLC

Unaudited Consolidated Financial Statements

December 31, 2021 and 2020

Index

SIENA CAPITAL FINANCE LLC
Consolidated Balance Sheets
December 31, 2021 and 2020

Assets

		2021		2020
Cash	$	4,309,130	$	4,812,545
Loans receivable, net of deferred fees and costs		441,279,023		194,429,120
Allowance for loan losses		(4,117,303)		(2,239,162)
Loans receivable, net		437,161,720		192,189,958
Fixed assets		362,445		281,144
Accumulated depreciation		(176,678)		(105,996)
Total fixed assets, net		185,767		175,148
Goodwill		26,333,907		26,333,907
Other receivables		1,919,153		1,751,479
Internal software, net		737,369		258,758
Other assets		44,527		45,922
Prepaid expenses		88,981		77,051
Total assets	$	470,780,554	$	225,644,768
Liabilities and Members' Capital				
Note payable, net of deferred financing costs	$	323,578,996	$	145,757,781
Subordinated debt, net of deferred financing costs		74,208,880		25,382,736
Other borrowings		747,500		-
Members' distribution payable		2,200,000		1,550,000
Accrued expenses and accounts payable		9,277,093		5,196,233
Accrued interest and fees payable		3,173,870		1,376,040
Due diligence deposits		1,277,936		2,138,147
Total liabilities		414,464,275		181,400,937
Members' capital:				
Class A Units (49,164,000 authorized, issued and outstanding in 2021 and 42,164,000 authorized, issued and outstanding in 2020)		49,263,219		42,263,219
Retained earnings		7,053,060		1,980,612
Total members' capital		56,316,279		44,243,831
Total liabilities and members' capital	$	470,780,554	$	225,644,768

SIENA CAPITAL FINANCE LLC

Consolidated Statements of Income

Years Ended December 31, 2021 and 2020

	2021	2020
Revenue:		
Interest income	$ 27,805,790	$ 19,528,768
Less interest expense and finance charges	(11,440,014)	(8,101,838)
Net interest income	16,365,776	11,426,930
Less provision for loan losses	1,878,141	25,591
Net interest income after provision for loan losses	14,487,635	11,401,339
Loan fee and other income		
Loan fee income	9,188,367	6,700,693
Other income	5,776,184	3,407,055
Total revenue, net of provision for loan losses	29,452,186	21,509,087
Expenses:		
Compensation and benefits	14,269,914	11,418,352
Professional fees	601,722	910,474
Occupancy and equipment	691,000	624,246
Bank charges	434,038	380,255
Other expenses	1,373,064	851,986
Net income	$ 12,082,448	$ 7,323,774

SIENA CAPITAL FINANCE LLC
Consolidated Statements of Changes in Members' Capital
Years Ended December 31, 2020 and 2021

	Members' contributions Class A Units	Retained earnings	Total Members' capital
Balance, December 31, 2019	$ 42,263,219	$ 646,254	$ 42,909,473
Members' distribution	-	(5,989,416)	(5,989,416)
Net income	-	7,323,774	7,323,774
Balance, December 31, 2020	$ 42,263,219	$ 1,980,612	$ 44,243,831
Members' distribution	-	(7,010,000)	(7,010,000)
Class A Units Issued	7,000,000	-	7,000,000
Net income	-	12,082,448	12,082,448
Balance, December 31, 2021	$ 49,263,219	$ 7,053,060	$ 56,316,279

SIENA CAPITAL FINANCE LLC

Consolidated Statements of Cash Flows

Years Ended December 31, 2021 and 2020

		2021		2020
Cash flows from operating activities:				
Net income	$	12,082,448	$	7,323,774
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation		70,682		56,361
Amortization of internal software		119,191		119,257
Amortization of deferred financing costs		731,070		576,979
Provision for loan losses		1,878,141		25,591
(Increase) in other receivables		(167,674)		(661,077)
Decrease in other assets		1,395		1,900
(Increase) in prepaid expenses		(11,930)		(58,137)
Increase in accrued expenses and accounts payable		4,080,860		2,336,503
(Decrease) increase in due diligence deposits		(860,211)		533,729
Increase in accrued interest and fees payable		1,797,830		148,489
Net cash provided by operating activities		19,721,802		10,403,369
Cash flows from investing activities:				
Net (increase) decrease in loans receivable		(246,849,903)		16,564,903
Investment in internal software		(597,802)		(142,340)
Purchases of fixed assets		(81,301)		(83,039)
Net cash provided by (used in) investing activities		(247,529,006)		16,339,524
Cash flows from financing activities:				
Proceeds from issuance of note payable		4,421,149,899		2,561,706,516
Repayment of note payable		(4,243,652,742)		(2,583,809,347)
Debt issuance costs		(1,080,868)		(193,981)
Proceeds from other borrowings		747,500		-
Repayments of other borrowings		-		(700,000)
Distribution to members		(6,360,000)		(5,752,719)
Proceeds from subordinated debt issuance		74,500,000		3,000,000
Repayment of subordinated debt		(25,000,000)		-
Proceeds from issuance of Class A Units		7,000,000		-
Net cash (used in) provided by financing activities		227,303,789		(25,749,531)
Net increase (decrease) in cash		(503,415)		993,362
Cash balance at beginning of period		4,812,545		3,819,183
Cash balance at end of period	$	4,309,130	$	4,812,545
Supplemental cash flow information:				
Cash paid for interest	$	8,708,949	$	9,033,134
Cash paid for taxes	$	449,185	$	313,129

(1) Organization

Siena Capital Finance LLC (Siena), and its wholly owned subsidiaries, Siena Lending Group LLC (Siena Lending) and Siena Lending Group Canada LLC (Siena Canada) (collectively, the Company) is a commercial finance company offering asset based loans to small and middle market businesses across the United States and Canada.

Siena, a Delaware limited liability company, was formed on February 14, 2012. Prior to January 1, 2013, the affairs of the Company were organizational in nature. The Company recorded its first loan in March, 2013. The core business of the Company is to provide asset based loans generally ranging from $3 to $80 million secured primarily by accounts receivable, inventory, equipment, and real estate.

At December 31, 2021, Siena was owned by BDCA Commercial Finance LLC, with 41,789,400 Class A Units and 85% ownership, Solaia Investment Partners I LLC, with 4,911,600 Class A Units and 9.99% ownership, and Solaia Capital Partners III LLC with 2,463,000 Class A Units and 5.01% ownership.

(2) Summary of Significant Accounting Policies

(a) Basis of Financial Statement Presentation

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(b) Consolidation

The consolidated financial statements include the accounts of Siena and Siena Lending. All intercompany accounts and transactions have been eliminated in consolidation.

(c) Revenue Recognition

Interest income is calculated based upon the average outstanding loan balance for the month and charged to the loan balance monthly in arrears. In an instance where the full collectability of principal, interest, and fees is in doubt, through identification in the risk rating process, the recognition of interest income will be suspended. Interest income also includes amortized closing fees, which are fees received for the origination of the loan together with the loan's respective underwriting fees that are accreted into interest income over the contractual life of the commitment period of the loan using the straight-line method, whether or not there is ever a draw down on the facility. Unaccreted amounts will be recognized as amortized closing fees at the time the loan is paid down in full, in the case of an early termination of the facility arrangement. Any fees received to extend the term of the loan will be added to the unamortized balance of the closing fee and accreted into amortized closing fee over the new contractual life of the loan using the straight-line method.

Loan fee income includes fees on loans such as monitoring fees, wire fees, and unused line fees. These fees are charged to the loan monthly in arrears.

Other income includes servicing fees, early termination fees, underwriting fees, field exam fees, and one-time fee income items such as waiver fees. Early termination fees include fees that are earned by the Company upon early termination of a facility. These fees are generally included in the payoff amount and earned at termination. Underwriting fees are earned by the Company from broken deals. Field exam fees are fees that are earned by the Company upon completion of on-site examination of client's collateral. These fees are charged to the loan when incurred.

(d) Cash

Cash consists of cash on hand and cash in banks. The Company maintains its cash balances at two financial institutions. Funds are held at creditworthy institutions but at various times during the year, the balances have exceeded the threshold for insurance provided by the Federal Deposit Insurance Corporation.

(e) Loans Receivable, Net

The Company provides asset based loans primarily in the form of revolving credit facilities secured, in most cases, by all of the borrower's assets, including but not limited to, accounts receivable, inventory, equipment, and real estate. The term of the commitment period of the loan is generally two to three years. Loans receivable include both outstanding principal balances as well as any interest and fees that are charged to the loan. Loans receivable, net are stated at cost plus unamortized deferred origination costs, net of unamortized deferred closing fees and an allowance for loan losses.

Interest income on loans are recognized based upon the average amount outstanding on the loan on a monthly basis. The accrual of interest on loans, including impaired loans, is discontinued when management believes, after considering economic and business conditions and collection efforts, that the borrower's financial condition is such that the collection of principal or interest is uncertain, through identification in the risk rating process. Any accrued but unpaid interest is charged against current operations upon management's decision to place a specific loan into nonaccrual status. Loans are returned to an accrual status when factors indicating uncertain collectability on a timely basis no longer exists and all past due interest and principal are brought current. Cash receipts on nonaccrual and impaired loans are generally applied to principal when received. If the principal balance is deemed fully collectible, cash receipts are applied to interest when received.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Impaired loans are measured at the loan's observable market price, or the fair value of the collateral, as the loans are collateral dependent. Impairments, if any, are recognized through a charge to the allowance for loan losses. Such amounts are charged off when considered appropriate.

A loan loss provision is accrued monthly based upon the loans outstanding in the portfolio. This is a general provision based upon the Company's experience. The Company's loss experience is limited as there have been limited charge-offs to date; therefore, the Company uses historical loss experience in the industry for similar loan products to develop a general reserve using the appropriate loss look-back and loss emergence periods. The general reserve is evaluated on a periodic basis and adjusted based on the economic environment, volume and loan growth, any changes to the average credit grade of the portfolio or the number of watch list accounts in the portfolio as well as any changes to the average loan balance per client. If a specific loan is identified as nonperforming and a loss is probable, the loan will be on nonaccrual status and a specific reserve will be determined for that loan. Loan losses will be charged off in the period the loans, or portion thereof, are deemed uncollectible. To date one account for $42,290 has been charged off.

The Company enters into participation and servicing arrangements with other financial institutions. These other institutions either participate in a loan with the Company. In the case that another financial institution participates in a loan with the Company, the other institution assumes the risk related to the agreed upon participation percentage. The Company pays the participating financial institution a share of certain interest and fees that are agreed upon in the participation arrangement. The loans receivable on the consolidated balance sheets is adjusted by the participation of other financial institutions. In accordance with the accounting guidance for asset transfers, the Company considers any ongoing involvement with transferred assets in determining whether the assets can be derecognized from the consolidated balance sheets. For loans sold under participation agreements, the Company also considers the terms of the loan participation agreement and whether they meet the definition of a participating interest, and thus, qualify for derecognition. At December 31, 2021 and 2020, participant loans that meet the requirement for derecognition in accordance with Accounting Standards Codification ("ASC") 860 "Transfers and Servicing", totaled $21,266,131 and $14,958,638, respectively. For 2021 and 2020, $747,500 and $0, respectively, of the participation arrangements have been accounted for as secured borrowings and classified in other borrowings on the consolidated balance sheets. As such, interest due on these arrangements has been recognized in interest expense and finance charges on the consolidated statements of income.

(f) Fixed Assets

Fixed assets have been recorded at cost, net of accumulated depreciation. The straight-line method of depreciation has been used over the estimated life of the assets, generally three years for computer equipment, five years for furniture and fixtures, three years for website development and five to seven years for leasehold improvements.

The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. In performing a review for impairment, the Company compares the carrying value of the assets with their estimated future undiscounted cash flows. If the estimated future undiscounted cash flows from the use of an asset are less than the carrying value, an impairment would be recorded to reduce the related asset to its estimated fair value. There were no impairment losses during 2021 and 2020.

(g) Internal Software

Internal software development costs consist primarily of fees associated with the perpetual license agreement in relation to the collateral monitoring system as well as consulting fees. Internal software has been recorded at cost, net of accumulated amortization. The Company amortized these costs on a straight-line basis over the estimated useful life of the asset which has been deemed to be five years, commencing with the execution of the perpetual license.

(h) Income Taxes

The Company was formed as a Limited Liability Company (LLC) and files as a partnership; therefore, for tax reporting purposes, the Company is considered a pass through entity. No provision has been made for income taxes, as these are the obligation of the members. The Company records distributions when they are declared to the members. For the fiscal year ended December 31, 2021, the Company will be in a taxable income position and has recorded a members' distribution payable of $2,200,000 to be paid to members during 2022 related to the fourth quarter of operations in 2021. Amounts totaling $6,360,000 have already been paid to members for the fourth quarter of operations 2020 and the first, second and third quarter of operations of 2021. For the fiscal year ended December 31, 2020, the Company was in a taxable income position and has recorded a members' distribution payable of $1,550,000 which was paid to members during 2021 related to the fourth quarter of operations in 2020.

The Company evaluates the tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions will be sustained by the applicable tax authority. The Company has determined that there is no tax liability resulting from unrecognized tax benefits related to uncertain income tax positions taken or expected to be taken on the tax return for December 31, 2021 and 2020. There are no tax returns that are currently under examination. Tax years that remain subject to examination are years 2018 and forward. The statute of limitations on the Company's state and local tax returns may remain open for an additional year depending on the jurisdiction.

(i) Debt Issuance Costs

Debt issuance costs related to a recognized debt liability are presented in the consolidated balance sheets as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts, rather than a deferred asset. The costs are amortized over the life of the related debt using the straight-line method and are included in interest expense and finance charges on the accompanying consolidated statements of income. Accordingly, costs incurred in relation to the placement of the revolving credit facility (note 7) and subordinated debt (note 8) are presented as a direct deduction within note payable and subordinated debt for all periods presented in the consolidated balance sheets.

(3) Loans Receivable and Allowance for Loan Losses

Loans receivable at December 31, 2021 consisted of revolving lines of credit and term loans that typically range from one to three years which are secured by, in most cases all assets of the borrower, including but not limited to, accounts receivable, inventory, equipment, and real estate. Loans receivable, net at December 31, 2021 was $437,161,720 which includes gross loans receivable of $447,410,384, unamortized deferred origination costs of $626,883, net of unamortized deferred closing fee income of $6,758,244, net of an allowance for loan losses of $4,117,303. Loans receivable, net at December 31, 2020 was $192,189,958 which includes gross loans receivable of $198,354,237, unamortized deferred origination costs of $657,744, net of unamortized deferred closing fee income of $4,582,861, net of an allowance for loan losses of $2,239,162. Total commitments at December 31, 2021 and 2020 were $870,521,950 and $602,953,302, respectively. Certain fees including closing and monitoring fees are contractually obligated to the Company with the execution of the loan agreement.

The allowance for loan losses of $4,117,303 and $2,239,162 at December 31, 2021 and 2010, respectively, was based upon applying a historical loss percentage obtained from peers, competitors, and industry statistics to the outstanding balances of the loans at December 31, 2021 and 2020. The loss experience of peers and competitors was used as a proxy as the Company has limited loss experience of its own. In addition, economic environment, volume and loan growth, any changes to the average credit grade of the portfolio or the number of watch list accounts in the portfolio as well as any changes to the average loan balance per client are also considered when evaluating the allowance for loan losses. The following is a rollforward of the allowance for loan losses at December 31, 2021 and 2020:

	12/31/2021	12/31/2020
Beginning Balance	$ (2,239,162)	$ (2,213,571)
Provision for loan losses	(1,878,141)	(25,591)
Ending Balance	$ (4,117,303)	$ (2,239,162)

A loan is considered impaired, in accordance with the impairment accounting guidance, when based on current information and events, it is probable that the Company will be unable to collect all amounts due from the borrower in accordance with the contractual terms of the loan.

There were no impaired loans as of December 31, 2021 and 2020.

The Company has no substandard loans as of December 31, 2021. The Company has one substandard loan for $335,023 as of December 31, 2020.

(4) Other Receivables

Other receivables include accrued interest and fees earned on outstanding loans. These amounts totaled $1,919,153 and $1,751,479 as of December 31, 2021 and 2020, respectively.

(5) Fixed Assets, net

Fixed assets have been recorded at cost, net of accumulated depreciation. The straight-line method of depreciation has been used over the estimated life of the assets, generally three years for computer equipment, five years for furniture and fixtures and five to seven years for leasehold improvements. Total depreciation expense for the years ended December 31, 2021 and 2020 was $70,682 and $56,361, respectively.

The following is a summary of fixed assets and the associated accumulated depreciation at December 31, 2021 and 2020:

	2021	2020
Equipment	$ 160,729	$ 120,225
Furniture & Fixtures	133,616	95,279
Leasehold Improvements	68,100	65,640
Accumulated Depreciation	(176,678)	(105,996)
	$ 185,767	$ 175,148

(6) Internal Software

Capitalization of internally developed software costs shall begin when the preliminary project stage is completed and when management implicitly or explicitly authorizes and commits funding and it is probable that the project will be completed and the software will be used to perform the function intended.

Total amortization expense for the years ended December 31, 2021 and 2020 was $119,191 and $119,257, respectively. The following is a summary of internal software, license agreement and website development and associated accumulated amortization at December 31, 2021 and 2020:

	2021	2020
Internal Software	$ 1,007,630	$ 409,828
Website Development	57,603	57,603
Accumulated amortization	(327,864)	(208,673)
	$ 737,369	$ 258,758

(7) Note Payable

Siena Lending has a $385 million revolving credit facility with a financial institution with a maturity date of April 21, 2023, with yearly extension options based upon meeting certain criteria. Borrowings are secured by Siena Lending's assets. The note payable, net to the financial institution at December 31, 2021 was $323,578,996 which includes gross note payable of $324,548,963, net of unamortized deferred financing costs of $969,967. The note payable, net to Wells Fargo at December 31, 2020 was $145,757,781 which includes gross note payable of $147,051,806, net of unamortized deferred financing costs of $1,294,025. For the years ended December 31, 2021 and, 2020, $659,926 and $541,800, respectively, of deferred financing costs have been amortized and included in interest expense and finance charges.

(8) Subordinated Debt

The Company has a subordinated debt agreement with Business Development Corporation of America. The agreement is amended from time to time.

The subordinated debt, net to Business Development Corporation of America at December 31, 2021 was $74,208,880 which includes gross subordinated debt of $75,000,000, net of unamortized deferred financing costs of $791,120. The subordinated debt, net to Business Development Corporation of America at December 31, 2020 was $25,382,736 which includes gross subordinated debt of $25,500,000, net of unamortized deferred financing costs of $117,264. For the years ended December 31, 2021 and 2020, $71,144 and 35,179, respectively, of deferred financing costs, have been amortized and included in interest expense and finance charges. Total subordinated interest expense for the years ended December 31, 2021 and 2020 was $5,224,045 and $3,210,418, respectively and is included in interest expense and finance charges.

(9) Commitments and contingencies

Loan Facilities

The unused portion of the outstanding loan facilities was $423,111,566 and $404,599,065 at December 31, 2021 and 2020, respectively. The availability of each borrower's facility is further limited by the amount of collateral available after an advance rate and certain reserves are calculated.

Employment Agreements

As of December 31, 2021, the Company has entered into employment agreements with forty-three employees. Annual base compensation of $6,599,000 is due under these agreements. Employees have an option to defer a portion of their compensation into a 401(k) plan, however, the Company is not required to make contributions to the plan. The Company elected to make a discretionary contribution to the plan of $122,594 and $111,576 for the years then ended December 31, 2021 and 2020, respectively.

Operating Leases

On January 17, 2020, the Company entered into a second amendment to the lease agreement located at 9 W Broad Street in Stamford, CT. The second amendment provided an expansion premise of 1,193 square feet plus the 6,671 square feet on the original lease and first amendment to the lease. Base annual rent on a straight-line basis was approximately $21,742 per month. The lease expiration date was April 30, 2026 as per the first amendment to the lease agreement.

On December 29, 2021, the Company entered into a third amendment to the lease agreement located at 9 W Broad Street in Stamford, CT. The third amendment provides an expansion premise of 4,522 square feet on the fifth floor plus 5,839 square feet of the original space on the fifth floor for a total of 10,361 square feet of space occupied on the fifth floor. Additionally, the Company will surrender the space occupied on the sixth floor of 2,025 square feet. The terms of the lease will not commence until the Company occupies the expansion premise on the fifth floor, this is scheduled to occur during the first six months of 2022. When the lease commences the maturity of the lease will be 10 years from the date the Company takes possession of the new space. The new base annual rent on a straight-line basis will be approximately $29,308 per month.

The Company also has a month-to-month lease in New York, NY that began on September 1, 2021 with rent payments of approximately $2,277 per month.

The future minimum operating lease payments for which the Company is responsible are as follows (the below schedule does not include the third amendment above as it has not commenced as of December 31, 2021):

2022	$	295,595
2023		295,595
2024		289,812
2025		260,899
2026		86,966
Thereafter		-
	$	1,228,867

Net occupancy expense for the years ended December 31, 2021 and 2020, was $318,775 and $307,744, respectively.

Other

Economic uncertainties have arisen as a result of the COVID-19 coronavirus which may have a financial impact, though such potential impact is unknown at this time.

(10) Related Party Transactions

In May 2019, the Company entered into a subordinated debt agreement with Business Development Corporation of America. See note (8) above for additional details about this transaction.

Consolidated Financial Statements

FBLC Senior Loan Fund LLC

For the year ended December 31, 2022

FBLC Senior Loan Fund LLC

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Report of Independent Auditors

To the Members of
FBLC Senior Loan Fund LLC

Opinion

We have audited the consolidated financial statements of FBLC Senior Loan Fund LLC (the "Company"), which comprise the consolidated statement of assets, liabilities and members' capital, including the consolidated schedule of investments, as of December 31, 2022, and the related consolidated statements of operations, changes in members' capital and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022, and the results of its operations, changes in its members' capital and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Ernst & Young LLP

March 13, 2023

FBLC Senior Loan Fund LLC
Consolidated Statement of Assets, Liabilities and Members' Capital
(dollars in thousands)
December 31, 2022

ASSETS		
Investments, at fair value (amortized cost of $923,304)	$	855,705
Cash and cash equivalents		75,265
Cash collateral on deposit with custodian		19,920
Receivable for unsettled trades		8,036
Interest receivable		6,724
Prepaid expenses and other assets		21
Total assets	$	965,671
LIABILITIES		
Revolving credit facilities (net of deferred financing costs of $1,483)	$	549,067
Secured borrowings		60,899
Distribution payable		8,700
Interest and credit facility fees payable		7,051
Payable for unsettled trades		3,662
Accounts payable and accrued expenses		851
Total liabilities		630,230
Members' Capital		
Capital contributed		383,496
Accumulated loss		(48,055)
Total members' capital		335,441
Total liabilities and members' capital	$	965,671

FBLC Senior Loan Fund LLC
Consolidated Schedule of Investments
(dollars in thousands)
December 31, 2022

Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal	Amortized Cost	Fair Value	% of Members' Capital (c)
Senior Secured First Lien Debt							
Accentcare, Inc. (b)	Healthcare	L+4.00% (8.74%)	6/22/2026	$ 9,929	$ 9,929	$ 6,652	2.0%
Access Cig, LLC (b)	Business Services	L+3.75% (7.82%)	2/27/2025	4,188	4,180	4,094	1.2%
Acrisure, LLC (b)	Financials	L+3.50% (7.88%)	2/15/2027	20,112	19,758	18,830	5.6%
Adtalem Global Education, Inc.	Education	5.50%	3/1/2028	1,042	1,042	953	0.3%
Adtalem Global Education, Inc. (f)	Education	L+4.00% (8.39%)	8/12/2028	692	693	685	0.2%
Advisor Group, Inc. (f)	Financials	L+4.50% (8.57%)	7/31/2026	7,823	7,823	7,638	2.3%
Alchemy US Holdco 1, LLC (b)	Industrials	L+5.50% (9.88%)	10/10/2025	15,555	15,441	14,467	4.3%
Allegiant Travel, Co.	Transportation	7.25%	8/15/2027	1,200	1,194	1,143	0.3%
Altice Financing, SA	Telecom	5.00%	1/15/2028	2,000	1,937	1,616	0.5%
Alvogen Pharma US, Inc. (b)	Healthcare	S+7.50% (12.23%)	6/30/2025	11,873	11,809	10,638	3.2%
Amentum Government Services Holdings, LLC (f)	Industrials	L+4.00% (7.67%)	1/29/2027	1,970	1,960	1,922	0.6%
Amentum Government Services Holdings, LLC (b)	Industrials	S+4.00% (7.56%)	2/15/2029	4,975	4,909	4,837	1.4%
American Airlines Inc/AAdvantage Loyalty IP, Ltd. (b)	Transportation	L+4.75% (8.99%)	4/20/2028	8,316	8,249	8,271	2.5%
American Rock Salt Company, LLC (f)	Chemicals	L+4.00% (8.38%)	6/9/2028	4,729	4,729	4,433	1.3%
AmWINS Group, Inc. (f)	Financials	L+2.25% (6.32%)	2/19/2028	4,925	4,869	4,831	1.4%
AP Gaming I, LLC (f)	Gaming/Lodging	S+4.00% (8.73%)	2/15/2029	7,411	7,291	7,003	2.1%
Apollo Commercial Real Estate Finance, Inc.	Financials	4.63%	6/15/2029	3,000	3,000	2,418	0.7%
AppLovin Corp. (b)	Media/Entertainment	P+2.00% (9.50%)	10/25/2028	8,933	8,913	8,464	2.5%
Artera Services, LLC (f)	Utilities	L+3.50% (8.23%)	3/6/2025	2,463	2,453	2,012	0.6%
Ascensus Holidngs, Inc. (b)	Business Services	L+3.50% (8.25%)	8/2/2028	7,920	7,913	7,547	2.2%
Astoria Energy, LLC (f)	Utilities	L+3.50% (7.57%)	12/10/2027	1,937	1,937	1,908	0.6%
Astro AB Merger Sub, Inc. (f)	Financials	L+4.25% (8.98%)	4/30/2024	3,795	3,792	3,675	1.1%
Asurion, LLC (b)	Business Services	L+3.25% (7.63%)	12/23/2026	4,925	4,857	4,380	1.3%
Athenahealth, Inc. (b)	Healthcare	S+3.50% (7.82%)	2/15/2029	12,951	12,891	11,660	3.5%
Athletico Management, LLC (f)	Healthcare	S+4.25% (8.98%)	2/15/2029	4,975	4,952	4,024	1.2%
Avaya Holdings Corp.	Technology	L+4.00% (8.32%)	12/15/2027	8,543	8,543	2,879	0.9%
Aveanna Healthcare, LLC (f)	Healthcare	L+3.75% (7.77%)	7/17/2028	93	92	71	0.0%
Bally's Corp. (b)	Gaming/Lodging	L+3.25% (7.54%)	10/2/2028	2,703	2,680	2,494	0.7%
BCP Renaissance, LLC (f)	Energy	L+3.50% (7.88%)	10/31/2024	1,049	1,043	1,037	0.3%
Bella Holding Company, LLC (f)	Healthcare	L+3.75% (7.82%)	5/10/2028	2,951	2,927	2,779	0.8%
Blackstone CQP Holdco, LP (b)	Industrials	L+3.75% (8.48%)	6/5/2028	7,887	7,857	7,840	2.3%
BMC Software Finance, Inc. (b)	Technology	L+3.75% (8.13%)	10/2/2025	12,601	12,621	12,044	3.6%
Bomgar Corp. (f)	Technology	L+4.00% (8.38%)	4/18/2025	3,848	3,857	3,721	1.1%
Cablevision Lightpath, LLC	Telecom	3.88%	9/15/2027	2,000	1,936	1,661	0.5%
CDK Global, Inc. (f)	Software/Services	S+4.50% (9.08%)	7/6/2029	2,625	2,551	2,598	0.8%
CLP Health Services, Inc. (b)	Healthcare	L+4.25% (7.13%)	12/31/2026	12,784	12,744	11,997	3.6%
Cnt Holdings I Corp. (f)	Consumer	S+3.50% (7.24%)	11/8/2027	3,439	3,439	3,301	1.0%
CommerceHub, Inc. (f)	Technology	L+4.00% (7.67%)	12/29/2027	9,541	9,551	8,726	2.6%
Community Care Health Network, LLC (b)	Healthcare	L+4.75% (9.13%)	2/17/2025	9,661	9,641	8,211	2.4%
Compass Power Generation, LLC (b)	Utilities	S+4.25% (8.69%)	4/14/2029	4,511	4,384	4,466	1.3%
Connect Finco SARL (f)	Telecom	L+3.50% (7.58%)	12/11/2026	7,461	7,479	7,365	2.2%
Connectwise, LLC (f)	Software/Services	L+3.50% (7.88%)	9/29/2028	6,930	6,923	6,568	2.0%
Conservice Midco, LLC (b)	Business Services	L+4.25% (8.63%)	5/13/2027	7,622	7,630	7,514	2.2%
Conterra Ultra Broadband, LLC (b)	Telecom	S+4.75% (9.18%)	4/30/2026	6,642	6,642	6,642	2.0%
Corelogic, Inc. (b)	Business Services	L+3.50% (7.94%)	6/2/2028	7,900	7,887	6,567	2.0%
Directv Financing, LLC (b)	Media/Entertainment	L+5.00% (9.38%)	8/2/2027	4,437	4,400	4,311	1.3%
Dish Dbs Corp.	Cable	5.25%	12/1/2026	700	700	589	0.2%
Dish Dbs Corp.	Cable	5.75%	12/1/2028	1,000	1,000	797	0.2%
Division Holding Corp. (b)	Business Services	L+4.75% (9.13%)	5/27/2028	8,651	8,657	8,424	2.5%
Dynasty Acquisition Co., Inc. (e)	Industrials	L+3.50% (7.92%)	4/6/2026	5,199	4,990	4,946	1.5%
Dynasty Acquisition Co., Inc. (e)	Industrials	L+3.50% (7.92%)	4/6/2026	2,795	2,683	2,659	0.8%
Echo Global Logistics, Inc. (b)	Transportation	L+3.50% (7.57%)	11/23/2028	3,305	3,298	3,096	0.9%
Edelman Financial Services, LLC (b)	Financials	L+3.50% (7.88%)	4/7/2028	1,980	1,944	1,843	0.5%
Edgewater Generation, LLC (b)	Utilities	L+3.75% (8.13%)	12/13/2025	2,374	2,363	2,245	0.7%
Flex Acquisition Company, Inc. (f)	Paper & Packaging	S+3.93% (8.60%)	4/13/2029	2,488	2,430	2,364	0.7%
Florida Food Products, LLC (f)	Food & Beverage	L+5.00% (9.38%)	10/18/2028	7,940	7,835	7,503	2.2%
Foley Products Co, LLC (b)	Industrials	S+4.75% (9.48%)	12/29/2028	3,175	3,146	3,062	0.9%
Frontier Communications Corp.	Telecom	5.00%	5/1/2028	1,240	1,294	1,079	0.3%
Frontier Communications Corp. (b)	Telecom	L+3.75% (8.50%)	5/1/2028	19,229	19,215	18,302	5.5%
Geon Performance Solutions, LLC (b)	Chemicals	L+4.50% (9.23%)	8/18/2028	4,658	4,627	4,658	1.4%
Gordian Medical, Inc. (b)	Healthcare	L+6.25% (10.98%)	1/31/2027	10,949	10,890	10,084	3.0%
Greeneden U.S. Holdings I, LLC (b)	Software/Services	L+4.00% (8.38%)	12/1/2027	4,890	4,801	4,685	1.4%
GVC Holdings Gibraltar, Ltd. (f)	Gaming/Lodging	L+2.50% (7.23%)	3/29/2027	4,925	4,920	4,887	1.5%
HAH Group Holding Company, LLC (b)	Healthcare	S+5.00% (9.43%)	10/29/2027	5,768	5,700	5,667	1.7%
HAH Group Holding Company, LLC (b)	Healthcare	S+5.00% (9.43%)	10/29/2027	730	730	717	0.2%
Hamilton Projects Acquiror, LLC (f)	Utilities	L+4.50% (9.23%)	6/17/2027	5,092	5,074	5,005	1.5%
Heartland Dental, LLC (e)	Healthcare	L+3.75% (8.13%)	4/30/2025	4,111	3,792	3,790	1.1%
Hertz Corp. (b) (f)	Transportation	L+3.25% (7.63%)	6/30/2028	4,143	4,130	4,053	1.2%
Hertz Corp. (b) (f)	Transportation	L+3.25% (7.63%)	6/30/2028	793	791	776	0.2%
HireRight, Inc. (f)	Business Services	L+3.75% (7.82%)	7/11/2025	5,177	5,158	4,972	1.5%
Hudson River Trading, LLC (b)	Financials	S+3.00% (7.44%)	3/20/2028	5,392	5,331	5,090	1.5%

FBLC Senior Loan Fund LLC
Consolidated Schedule of Investments (continued)
(dollars in thousands)
December 31, 2022

Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal	Amortized Cost	Fair Value	% of Members' Capital (c)
ICP Industrial, Inc. (f)	Chemicals	L+3.75% (8.48%)	12/29/2027	$ 6,905	$ 6,897	$ 4,964	1.5%
IDERA, Inc. (f)	Technology	L+3.75% (7.50%)	3/2/2028	6,912	6,921	6,498	1.9%
Ineos Us Finance, LLC (f)	Chemicals	S+2.50% (6.92%)	11/8/2028	3,970	3,966	3,819	1.1%
Intelsat Jackson Holdings, SA (b)	Telecom	S+4.25% (7.45%)	2/1/2029	8,543	8,462	8,232	2.5%
Jack Ohio Finance, LLC (f)	Gaming/Lodging	L+4.75% (8.82%)	10/4/2028	3,959	3,942	3,838	1.1%
Jane Street Group, LLC	Financials	4.50%	11/15/2029	5,000	4,864	4,340	1.3%
Jump Financial, LLC (b)	Financials	S+4.50% (9.34%)	8/7/2028	7,419	7,298	7,029	2.1%
Kissner Milling Co., Ltd.	Industrials	4.88%	5/1/2028	2,000	1,928	1,718	0.5%
LABL, Inc. (b)	Paper & Packaging	L+5.00% (9.07%)	10/29/2028	3,960	3,908	3,748	1.1%
Lightstone Holdco, LLC (f)	Utilities	S+5.75% (10.07%)	2/1/2027	7,113	6,351	6,494	1.9%
Lightstone Holdco, LLC (f)	Utilities	S+5.75% (10.07%)	2/1/2027	402	359	367	0.1%
Liquid Tech Solutions Holdings, LLC (b) (f)	Industrials	L+4.75% (8.92%)	3/20/2028	10,113	10,071	9,557	2.8%
Luxembourg Investment Co., 428 SARL (b)	Chemicals	S+5.00% (9.73%)	1/3/2029	3,686	3,654	3,296	1.0%
Madison IAQ, LLC	Industrials	4.13%	6/30/2028	2,000	1,985	1,661	0.5%
Medallion Midland Acquisition, LP (f)	Energy	S+3.75% (8.59%)	10/18/2028	5,572	5,544	5,511	1.6%
MH Sub I, LLC (f)	Business Services	L+3.75% (8.13%)	9/13/2024	8,553	8,549	8,300	2.5%
Michael Baker International, LLC (b)	Industrials	L+5.00% (9.38%)	12/1/2028	3,301	3,272	3,208	1.0%
Monitronics International, Inc. (b)	Business Services	L+7.50% (11.92%)	3/29/2024	5,452	5,336	3,593	1.1%
MPH Acquisition Holdings, LLC	Healthcare	5.50%	9/1/2028	2,000	1,991	1,560	0.5%
MPH Acquisition Holdings, LLC (b)	Healthcare	L+4.25% (8.99%)	9/1/2028	4,938	4,857	4,197	1.3%
MYOB US Borrower, LLC (f)	Business Services	L+4.00% (8.07%)	5/6/2026	5,411	5,400	5,036	1.5%
Naked Juice, LLC (f)	Food & Beverage	S+3.25% (7.93%)	1/24/2029	1,423	1,420	1,269	0.4%
National Mentor Holdings, Inc. (f)	Healthcare	L+3.75% (8.48%)	3/2/2028	179	178	125	0.0%
National Mentor Holdings, Inc. (b) (f)	Healthcare	L+3.75% (8.48%)	3/2/2028	5,445	5,422	3,790	1.1%
Nexus Buyer, LLC (f)	Business Services	L+3.75% (8.13%)	11/9/2026	4,443	4,442	4,248	1.3%
Nouryon Finance B.V. (e)	Chemicals	L+2.75% (7.17%)	10/1/2025	2,319	2,257	2,283	0.7%
Novae, LLC (f)	Industrials	S+5.00% (9.70%)	12/22/2028	4,963	4,928	4,069	1.2%
Pathway Vet Alliance, LLC (b)	Healthcare	L+3.75% (8.13%)	3/31/2027	2,970	2,976	2,456	0.7%
Paysafe Finance, PLC	Software/Services	4.00%	6/15/2029	400	400	308	0.1%
Peraton Corp. (b)	Industrials	L+3.75% (8.13%)	2/1/2028	2,916	2,886	2,842	0.8%
PG&E Corp. (f)	Utilities	L+3.00% (7.44%)	6/23/2025	10,589	10,616	10,493	3.1%
Polaris Newco, LLC (f)	Business Services	L+4.00% (7.67%)	6/2/2028	1,980	1,931	1,802	0.5%
Power Stop, LLC (f)	Transportation	L+4.75% (9.49%)	1/26/2029	3,553	3,520	2,653	0.8%
Project Accelerate Parent, LLC (e)	Technology	L+4.25% (8.63%)	1/2/2025	15,942	14,823	14,906	4.4%
Proofpoint, Inc. (b)	Software/Services	L+3.25% (7.99%)	8/31/2028	6,437	6,395	6,176	1.8%
Protective Industrial Products, Inc. (b)	Industrials	L+4.00% (8.38%)	12/29/2027	9,035	8,999	8,880	2.6%
Pug, LLC (f)	Technology	L+3.50% (7.88%)	2/12/2027	4,911	4,814	4,044	1.2%
Quikrete Holdings, Inc. (f)	Industrials	L+3.00% (7.38%)	6/11/2028	7,940	7,901	7,868	2.3%
Regionalcare Hospital Partners Holdings, Inc.	Healthcare	4.38%	2/15/2027	2,000	2,000	1,696	0.5%
Regionalcare Hospital Partners Holdings, Inc. (b)	Healthcare	L+3.75% (8.17%)	11/16/2025	5,195	5,210	4,886	1.5%
Renaissance Learning, Inc. (f)	Software/Services	S+4.50% (8.72%)	3/30/2029	1,990	1,935	1,908	0.6%
RXB Holdings, Inc. (f)	Healthcare	L+4.50% (8.72%)	12/20/2027	10,103	10,134	9,446	2.8%
S&S Holdings, LLC (f)	Consumer	L+5.00% (9.29%)	3/11/2028	6,878	6,715	6,578	2.0%
Safe Fleet Holdings, LLC (b)	Industrials	S+3.75% (8.17%)	2/23/2029	7,444	7,407	7,179	2.1%
Safety Products/JHC Acquisition Corp. (b)	Industrials	L+4.50% (8.88%)	6/28/2026	17,182	16,536	16,323	4.9%
Safety Products/JHC Acquisition Corp. (b)	Industrials	L+4.50% (8.88%)	6/28/2026	929	888	882	0.3%
Schenectady International Group, Inc. (b)	Chemicals	S+4.75% (9.02%)	10/15/2025	19,721	19,631	15,836	4.7%
SCIH Salt Holdings, Inc. (f)	Industrials	L+4.00% (8.42%)	3/16/2027	3,690	3,667	3,578	1.1%
SFR Group, SA (b) (e)	Telecom	L+4.00% (8.65%)	8/14/2026	12,574	12,380	11,668	3.5%
Sierra Acquisition, Inc. (b)	Food & Beverage	L+4.00% (8.42%)	11/11/2024	4,851	4,724	3,711	1.1%
Sophia, LP (f)	Software/Services	L+3.50% (8.23%)	10/7/2027	2,973	2,976	2,864	0.9%
SSH Group Holdings, Inc. (e)	Education	L+4.25% (8.73%)	7/30/2025	10,409	10,130	10,140	3.0%
Staples, Inc. (b)	Business Services	L+5.00% (7.78%)	4/16/2026	4,898	4,856	4,520	1.3%
Team Health Holdings, Inc. (e) (f)	Healthcare	S+5.25% (9.57%)	3/2/2027	5,433	4,603	4,061	1.2%
Tecta America Corp. (f)	Industrials	S+4.25% (8.69%)	4/10/2028	8,954	8,931	8,573	2.6%
Tenet Healthcare Corp.	Healthcare	4.25%	6/1/2029	2,000	1,707	1,731	0.5%
The Dun & Bradstreet Corp. (f)	Business Services	L+3.25% (7.64%)	2/6/2026	4,683	4,699	4,632	1.4%
Traverse Midstream Partners, LLC (b)	Energy	S+4.25% (8.80%)	9/27/2024	13,421	13,405	13,375	4.0%
Triton Water Holdings, Inc. (f)	Food & Beverage	L+3.50% (8.23%)	3/31/2028	7,387	7,373	6,845	2.0%
Truck Hero, Inc. (f)	Transportation	L+3.75% (8.13%)	1/31/2028	1,474	1,471	1,258	0.4%
United Airlines, Inc.	Transportation	4.63%	4/15/2029	500	440	435	0.1%
United Airlines, Inc. (f)	Transportation	L+3.75% (8.11%)	4/21/2028	3,756	3,745	3,702	1.1%
University Support Services, LLC (f)	Education	L+3.25% (7.63%)	2/10/2029	4,950	4,933	4,805	1.4%
Urban One, Inc.	Media/Entertainment	7.38%	2/1/2028	5,000	5,140	4,227	1.3%
Venga Finance Sarl (b)	Telecom	L+4.75% (9.49%)	6/28/2029	3,990	3,878	3,798	1.1%
Veritext Corp. (f)	Business Services	L+3.50% (7.88%)	8/1/2025	3,458	3,426	3,334	1.0%
Vyaire Medical, Inc. (f)	Healthcare	L+4.75% (8.51%)	4/16/2025	7,354	6,478	5,593	1.7%
WaterBridge Midstream Operating, LLC (b)	Energy	L+5.75% (9.13%)	6/22/2026	8,653	7,878	8,299	2.5%
Watlow Electric Manufacturing Co. (b)	Industrials	S+3.75% (8.15%)	3/2/2028	9,378	9,340	8,997	2.7%
Western Dental Services, Inc. (f)	Healthcare	L+4.50% (9.24%)	8/18/2028	8,984	8,978	8,190	2.4%
Western Dental Services, Inc. (f)	Healthcare	L+4.50% (9.24%)	8/18/2028	917	917	836	0.2%
Wilsonart, LLC (b)	Consumer	L+3.25% (7.98%)	12/31/2026	7,375	7,370	7,002	2.1%

FBLC Senior Loan Fund LLC
Consolidated Schedule of Investments (continued)
(dollars in thousands)
December 31, 2022

Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal	Amortized Cost	Fair Value	% of Members' Capital (c)
WMG Acquisition Corp.	Media/Entertainment	3.00%	2/15/2031	$ 500	$ 394	$ 398	0.1%
WMG Holdings, Inc. (b)	Business Services	S+3.25% (7.67%)	11/2/2029	834	809	824	0.2%
YI, LLC (e)	Healthcare	L+4.00% (8.38%)	11/7/2024	8,880	8,524	8,525	2.5%
Subtotal Senior Secured First Lien Debt					**$ 809,938**	**$ 754,019**	**224.8%**
Senior Secured Second Lien Debt							
American Rock Salt Company, LLC (b)	Chemicals	L+7.25% (11.63%)	6/11/2029	1,943	1,924	1,858	0.6%
Asurion, LLC (b)	Business Services	L+5.25% (9.63%)	1/31/2028	7,632	7,605	5,921	1.8%
CDS U.S. Intermediate Holdings, Inc.	Media/Entertainment	L+8.00% (12.73%) 7.00% PIK	11/24/2027	5,459	5,444	5,317	1.6%
Edelman Financial Services, LLC (b) (e)	Financials	L+6.75% (11.13%)	7/20/2026	7,972	7,256	7,145	2.1%
IDERA, Inc. (b) (e)	Technology	L+6.75% (10.50%)	3/2/2029	1,545	1,375	1,435	0.4%
Tecta America Corp. (b)	Industrials	S+8.50% (12.94%)	4/9/2029	4,998	4,973	4,894	1.5%
Subtotal Senior Secured Second Lien Debt					**$ 28,577**	**$ 26,570**	**7.9%**
Collateralized Securities							
Collateralized Securities - Debt Investment							
AIG CLO, Ltd. 21-1A F	Diversified Investment Vehicles	L+6.90% (11.23%)	4/22/2034	1,410	1,291	1,053	0.3%
Battalion CLO, Ltd. 21-17A F	Diversified Investment Vehicles	L+7.50% (11.74%)	3/9/2034	1,224	1,137	933	0.3%
Carlyle GMS CLO, 16-3A FRR	Diversified Investment Vehicles	L+8.60% (12.84%)	7/20/2034	2,100	1,990	1,642	0.5%
Covenant Credit Partners CLO, Ltd. 17 1A E	Diversified Investment Vehicles	L+6.45% (10.53%)	10/15/2029	2,500	2,298	2,059	0.6%
Eaton Vance CDO, Ltd. 15-1A FR	Diversified Investment Vehicles	L+7.97% (12.21%)	1/20/2030	2,000	1,758	1,554	0.5%
Elevation CLO, Ltd. 13-1A D2	Diversified Investment Vehicles	L+7.65% (12.26%)	8/15/2032	2,000	1,963	1,804	0.5%
Fortress Credit BSL, Ltd. 22-1A E	Diversified Investment Vehicles	S+8.15% (12.19%)	10/23/2034	1,000	981	927	0.3%
Great Lakes CLO, Ltd. 21-6A E (f)	Diversified Investment Vehicles	L+8.03% (12.11%)	1/15/2034	5,150	4,956	4,380	1.3%
Greywolf CLO, Ltd. 20-3RA ER	Diversified Investment Vehicles	S+9.00% (13.04%)	4/15/2033	1,000	879	815	0.2%
Hayfin Kingsland XI, Ltd. 19-2A ER	Diversified Investment Vehicles	L+7.72% (11.96%)	10/20/2034	2,500	2,430	2,125	0.6%
Highbridge Loan Management, Ltd. 11A-17 E (f)	Diversified Investment Vehicles	L+6.10% (10.63%)	5/6/2030	3,000	2,716	2,429	0.7%
Jamestown CLO, Ltd. 22-18A E	Diversified Investment Vehicles	S+7.87% (11.93%)	7/25/2035	3,000	2,735	2,680	0.8%
KKR Financial CLO, Ltd. 15 FR	Diversified Investment Vehicles	L+8.50% (12.69%)	1/18/2032	2,000	1,899	1,579	0.5%
LCM, Ltd. Partnership 16A ER2 (f)	Diversified Investment Vehicles	L+6.38% (10.46%)	10/15/2031	2,500	2,295	2,114	0.6%
Marble Point CLO, Ltd. 20-1A E (f)	Diversified Investment Vehicles	L+6.82% (11.06%)	4/20/2033	4,500	4,406	3,905	1.2%
Medalist Partners Corporate Finance CLO, Ltd. 21-1A D (f)	Diversified Investment Vehicles	L+7.48% (11.72%)	10/20/2034	3,000	2,860	2,498	0.7%
Northwoods Capital, Ltd. 17-15A ER	Diversified Investment Vehicles	L+7.64% (12.39%)	6/20/2034	3,000	2,924	2,568	0.8%
Ocean Trails CLO 22-12A E	Diversified Investment Vehicles	S+8.11% (12.07%)	7/20/2035	3,460	3,188	3,050	0.9%
OCP CLO, Ltd. 14-5A DR (f)	Diversified Investment Vehicles	L+5.70% (10.03%)	4/26/2031	2,200	2,087	1,802	0.5%
OZLM, Ltd. 16-15A DR (f)	Diversified Investment Vehicles	L+6.75% (10.99%)	4/20/2033	2,000	1,909	1,604	0.5%
Palmer Square CLO, Ltd. 21-4A F	Diversified Investment Vehicles	L+7.66% (11.74%)	10/15/2034	1,500	1,430	1,156	0.3%
Regatta II Funding, LP 13-2A DR2 (f)	Diversified Investment Vehicles	L+6.95% (11.03%)	1/15/2029	2,000	1,931	1,759	0.5%
Saranac CLO, Ltd. 20-8A E	Diversified Investment Vehicles	L+8.12% (12.80%)	2/20/2033	1,455	1,442	1,281	0.4%
Sculptor CLO, Ltd. 27A E	Diversified Investment Vehicles	L+7.05% (11.29%)	7/20/2034	1,500	1,459	1,286	0.4%
Sound Point CLO, Ltd. 17-1A E (f)	Diversified Investment Vehicles	L+5.96% (10.29%)	1/23/2029	4,000	3,634	3,223	1.0%
Sound Point CLO, Ltd. 17-2A E (f)	Diversified Investment Vehicles	L+6.10% (10.46%)	7/25/2030	2,400	2,092	1,821	0.5%
Sound Point CLO, Ltd. 18-3A D (f)	Diversified Investment Vehicles	L+5.79% (10.12%)	10/26/2031	1,000	906	752	0.2%
Symphony CLO, Ltd. 2012-9A ER2 (f)	Diversified Investment Vehicles	L+6.95% (11.03%)	7/16/2032	3,000	2,784	2,587	0.8%
Trimaran CAVU 2021-2A, Ltd. 21-2A E (f)	Diversified Investment Vehicles	L+7.20% (11.56%)	10/25/2034	3,000	2,945	2,660	0.8%
Trysail CLO, Ltd. 21-1A E	Diversified Investment Vehicles	L+7.38% (11.62%)	7/20/2032	1,500	1,448	1,287	0.4%
Venture CDO, Ltd. 16-23A ER2 (f)	Diversified Investment Vehicles	L+7.55% (11.78%)	7/19/2034	3,000	2,916	2,550	0.9%
Venture CDO, Ltd. 16-25A E (f)	Diversified Investment Vehicles	L+7.20% (11.44%)	4/20/2029	2,000	1,949	1,692	0.4%
Venture CDO, Ltd. 20-39A E	Diversified Investment Vehicles	L+7.63% (11.71%)	4/15/2033	4,995	4,962	4,384	1.3%
Venture CLO 43, Ltd. 21-43A E (f)	Diversified Investment Vehicles	L+7.15% (11.23%)	4/15/2034	3,000	2,918	2,560	0.7%
Wind River CLO, Ltd. 14-2A FR	Diversified Investment Vehicles	L+7.87% (11.95%)	1/15/2031	3,000	2,530	2,061	0.6%
Zais CLO 13, Ltd. 19-13A D1 (f)	Diversified Investment Vehicles	L+4.52% (8.60%)	7/15/2032	3,000	2,741	2,536	0.9%
Subtotal Collateralized Securities					**$ 84,789**	**$ 75,116**	**22.4%**
TOTAL INVESTMENTS					**$ 923,304**	**$ 855,705**	**255.1%**

(a) The majority of the investments bear interest at a rate that may be determined by reference to London Interbank Offered Rate ("LIBOR" or "L"), Secured Overnight Financing Rate ("SOFR" or "S"), or Prime ("P"), and which reset daily, monthly, quarterly, or semiannually. For each, the Company has provided the spread over the relevant reference rate the current interest rate in effect at December 31, 2022. Certain investments are subject to reference rate floors.For fixed rate loans, a spread above a reference rate is not applicable. For floating rate securities the all-in rate is disclosed within parentheses.

(b) The Company's investment or a portion thereof is pledged as collateral under the Citi Credit Facility. Individual investments can be divided into parts which are pledged to separate credit facilities.

(c) Percentages are based on members' capital as of December 31, 2022

(d) The Company has various unfunded commitments to portfolio companies.

(e) The Company's investment or a portion thereof is held through a total return swap agreement with J.P. Morgan.

(f) The Company's investment or a portion thereof is pledged as collateral under the CIBC Credit Facility. Individual investments can be divided into parts which are pledged to separate credit facilities.

FBLC Senior Loan Fund LLC
Consolidated Statement of Operations
(dollars in thousands)
For the year ended December 31, 2022

Investment income:		
Interest from investments	$	68,038
Interest from cash and cash equivalents		1,191
Total interest income		69,229
Fee and other income		759
Total investment income		69,988
Operating expenses:		
Interest and credit facility financing expenses		24,003
Other general and administrative		1,609
Professional fees		889
Total expenses		26,501
Net investment income		43,487
Realized and unrealized loss on investments:		
Net realized loss from investments		(4,287)
Net change in unrealized appreciation on investments		(70,766)
Net realized and unrealized loss on investments		(75,053)
Net decrease in members' capital resulting from operations	$	(31,566)

FBLC Senior Loan Fund LLC
Consolidated Statement of Changes in Members' Capital
(dollars in thousands)
For the year ended December 31, 2022

Balance, December 31, 2021	$	398,653
Distributions		(31,646)
Net investment income		43,487
Net realized loss from investments		(4,287)
Net change in unrealized appreciation on investments		(70,766)
Balance, December 31, 2022	$	335,441

FBLC Senior Loan Fund LLC
Consolidated Statement of Cash Flows
(dollars in thousands)
For the year ended December 31, 2022

Cash flows from operating activities:		
Net decrease in members' capital from operations	$	(31,566)
Adjustments to reconcile net decrease in members' capital from operations to net cash provided by operating activities:		
Net realized loss from investments		4,287
Net change in unrealized appreciation on investments		70,766
Payment-in-kind interest income		(371)
Purchases of investments		(188,102)
Proceeds from principal repayments and sales of investments		314,699
Net accretion of discounts and amortization of premiums		(2,487)
Amortization of deferred financing costs		1,008
(Increase) decrease in operating assets:		
Interest receivable		(1,618)
Receivable for unsettled trades		29,357
Cash collateral on deposit with custodian		11,200
Prepaid expenses and other assets		125
Increase (decrease) in operating liabilities:		
Payable for unsettled trades		(56,898)
Interest and credit facility fees payable		4,785
Accounts payable and accrued expenses		(120)
Net cash provided by operating activities		155,065
Cash flows from financing activities:		
Borrowings on revolving credit facility		32,000
Repayments on revolving credit facility		(115,500)
Distributions, net of change in distribution payable		(30,158)
Payment of deferred financing costs		(3)
Net cash used in financing activities		(113,661)
Net increase in cash		41,404
Cash, beginning of year		33,861
Cash, end of year	$	75,265
Supplemental disclosure of cash flow information:		
Cash interest paid during the year	$	18,210

Note 1. Organization

BDCA Senior Loan Fund LLC, (the "Company"), a Delaware limited liability company, was formed on December 7, 2020, under and pursuant to the Limited Liability Company Act of the State of Delaware (the "Act") upon the filing of the Certificate of Formation in the office of the Secretary of State of the State of Delaware. The Company accepted its first capital commitments and commenced operations on January 20, 2021. Effective January 24, 2022, the name of the Company was changed from BDCA Senior Loan Fund LLC to FBLC Senior Loan Fund LLC. Pursuant to the Company's Limited Liability Company Agreement (the "Agreement"), the purpose and business of the Company shall be (i) to make investments, either directly or indirectly through subsidiaries or other persons, in portfolio companies primarily through senior secured loans, and to a lesser extent, mezzanine loans, unsecured loans, bonds and equity of predominantly private U.S. middle-market companies, including broadly syndicated loans, and (ii) to engage in any other lawful acts or activities as the Company's board of managers (the "Board") deems reasonably necessary or advisable for which limited liability companies may be organized under the Act.

The Company's members are Franklin BSP Lending Corporation ("FBLC") and Cliffwater Corporate Lending Fund ("CCLF", collectively the "Members"). FBLC and CCLF each appoint two members to the four-person Board. All material decisions with respect to the Company, including those involving its investment portfolio, require unanimous approval of a quorum of the Board. Quorum is defined as (i) the presence of two members of the Board; provided that at least one individual is present that was elected, designated or appointed by each member; (ii) the presence of three members of the Board; provided that the individual that was elected, designated or appointed by the member with only one individual present shall be entitled to cast two votes on each matter; and (iii) the presence of four members of the Board; provided that two individuals are present that were elected, designated or appointed by each member. On January 20, 2021, the Company entered into an Administrative and Loan Servicing Agreement (the "Administrative Agreement") with Benefit Street Partners, LLC, a Delaware limited liability company (the "Administrator"), to perform certain duties as described in the Administrative Agreement.

The Company has the ability to organize, acquire, transfer, or otherwise dispose of interests in subsidiaries or alternative investment vehicles. The Company utilizes two subsidiaries: BDCA-CB Funding, LLC ("CB Funding"), a Delaware limited liability company, and BDCA SLF Funding LLC ("SLF Funding"), a Delaware limited liability company (collectively, the "Subsidiaries").

Note 2. Significant Accounting Policies

Basis of presentation: The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") as detailed in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC"). The Company qualifies as an investment company, as defined in FASB ASC Topic 946, *Financial Services — Investment Companies* ("ASC Topic 946"), and therefore is applying specialized accounting and reporting guidance in ASC Topic 946.

Use of estimates: The preparation of the consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Valuation of investments: The Company applies fair value to its investments in accordance with ASC Topic 820 — *Fair Value Measurements and Disclosure* ("ASC Topic 820"). ASC Topic 820 defines fair value, establishes a framework used to measure fair value and requires disclosures for fair value measurements, including the categorization of financial instruments into a three-level hierarchy based on the transparency of valuation inputs. See Note 3 for further discussion regarding the Company's fair value measurements and hierarchy.

Consolidation: For reporting purposes, the consolidated financial statements of the Company include the accounts of the Company and the Subsidiaries. All intercompany accounts and transactions have been eliminated upon consolidation.

Investment income: Investment transactions are accounted for on a trade date basis. Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis. Discounts and premiums on investments purchased are accreted/amortized over the expected life of the respective investment using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion of discount and amortization of premium on investments.

Investments may be placed on non-accrual status when principal or interest payments are past due and/or when there is reasonable doubt that principal or interest will be collected. Accrued interest which may include un-capitalized PIK interest is generally reversed when an investment is placed on non-accrual status. Previously capitalized PIK interest is not reversed when an investment is placed on non-accrual status. Interest payments received on non-accrual investments may be recognized as income or applied to principal depending upon management's judgment of the ultimate outcome. Non-accrual investments are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current.

Investment transactions: Investment transactions are recorded on a trade-date basis. Realized gains or losses are calculated using the first-in, first-out method. Interest and expenses are recorded on the accrual basis of accounting. Dividend income is recorded on the ex-dividend date, net of withholding taxes, if applicable. Realized gains and losses on the sale of investment securities are calculated based upon the difference between the total sales proceeds and the cost basis of the specific security sold. Changes in the fair value of investments, as determined by the Company through the application of the Company's valuation policy, are included as net change in unrealized gain (loss) on investments on the Consolidated Statement of Operations.

Deferred financing costs: Deferred financing costs represent fees and other direct incremental costs incurred in connection with the Company's borrowings. As of December 31, 2022, the Company had unamortized deferred financing costs of $1,483,180, presented as a direct reduction of the carrying amount of debt on the Consolidated Statement of Assets, Liabilities, and Members' Capital. These amounts are amortized and included in interest and credit facility financing expenses on the Consolidated Statement of Operations over the estimated average life of the borrowings. Amortization of deferred financing costs for the year ended December 31, 2022 was $1,007,994.

Cash and cash equivalents: The Company deposits its cash in a financial institution and at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits; however, the Company does not believe it is exposed to any significant credit risk. The Company considers all short-term liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

Income taxes: As the Company is a limited liability company and is treated as a partnership for tax purposes, it is not liable for federal or state income taxes and accordingly, no tax provision (benefit) for federal and state income taxes is made with respect to the Company's taxable income or loss. The Members of the Company are each responsible for the federal and state tax liability or benefit related to his or her distributable share of taxable income or loss of the Company allocated pursuant to the terms of the Agreement.

The Company is subject to the provisions of ASC 740, *Income Taxes*. This standard establishes consistent thresholds as it relates to accounting for income taxes. It defines the threshold for recognizing the benefits of tax-return positions in the consolidated financial statements as "more-likely-than-not" to be sustained by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than 50% likely to be realized. The Company has analyzed its inventory of tax positions taken with respect to all applicable income tax issues for all open tax years (in each respective jurisdiction) and has concluded that no provision for income tax is required in the Company's consolidated financial statements. The Company recognizes interest and penalties accrued, if any, related to unrecognized tax benefits in interest expense. No interest expense or penalties have been assessed for the year ended December 31, 2022. In general, the Company's tax positions for open tax years remain subject to examination by the tax authorities in the jurisdictions in which the Company operates.

Note 3. Fair Value of Financial Instruments

The Company values all investments in accordance with ASC Topic 820. ASC Topic 820 requires disclosures about assets and liabilities that are measured and reported at fair value. As defined in ASC Topic 820, fair value is the price 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. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation models involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the assets or liabilities and the assets' or liabilities' complexity.

ASC Topic 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability of inputs used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Based on the observability of the inputs used in the valuation techniques, the Company is required to provide disclosures on fair value measurements according to the fair value hierarchy. The fair value hierarchy ranks the observability of the inputs used to determine fair values. Investments carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 — Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 — Valuations based on inputs other than quoted prices in active markets, including quoted prices for similar assets or liabilities, which are either directly or indirectly observable.
- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement. This includes situations where there is little, if any, market activity for the assets or liabilities. The inputs into the determination of fair value are based upon the best information available and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's categorization within the fair value hierarchy 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 asset or liability. All investments as of December 31, 2022 were categorized as Level 2 or Level 3 investments.

Valuation process: The Company establishes valuation processes and procedures to ensure that the valuation techniques utilized are fair, consistent, and verifiable. The Board oversees the valuation process of the Company's investments performed by the Administrator. Valuations are required to be supported by market data, industry accepted third-party pricing models, or other methods the Board deems to be appropriate.

The valuation process begins with each investment being initially evaluated and rated by the investment professionals of the Administrator responsible for the credit monitoring of the portfolio investment. The Company may base its valuation on indicative bid and ask prices provided by an independent third-party pricing service. For loans where indicative prices are not available from an independent third-party pricing service, the Administrator will engage one or more independent valuation firm(s) to provide independent appraisals of investments for which market quotations are not readily available. The investment professionals responsible for the portfolio investment, the Administrator's valuation team and the Board review and supplement the valuation recommendations from the independent valuation firm(s).

Investments for which market quotations are readily available on an exchange are valued at the reported closing price on the valuation date. The Company may also obtain quotes with respect to certain of the Company's investments from pricing services or brokers or dealers in order to value assets. When doing so, the Company determines whether the quote obtained is readily available according to U.S. GAAP to determine the fair value of the security. If determined to be readily available, the Company uses the quote obtained.

Investments without a readily available market quotation are primarily valued using a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in fair value pricing our investments include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, and enterprise values, among other factors. When available, broker quotations and/or quotations provided by pricing services are considered as an input in the valuation process.

Fair Value Disclosures: The following table presents the fair value measurements, by major class, as of December 31, 2022, according to the fair value hierarchy:

(dollars in thousands)	Fair Value Measurements			
Description	Level 1	Level 2	Level 3	Total
Senior Secured First Lien Debt	$ -	$ 613,883	$ 140,136	$ 754,019
Senior Secured Second Lien Debt	-	18,384	8,186	26,570
Collateralized Securities	-	-	75,116	75,116
Total investments	$ -	$ 632,267	$ 223,438	$ 855,705

There were no significant changes in valuation approach or technique as of December 31, 2022.

The table below reflects the purchases of the Company's assets classified as Level 3 during the year ended December 31, 2022:

(dollars in thousands)	Purchases	Transfers Into Level 3	Transfers (Out) of Level 3
Investments			
Senior Secured First Lien Debt	$ 21,025	$ 75,293	$ (41,140)
Senior Secured Second Lien Debt	-	4,955	-
Collateralized Securities	10,633	-	-
Total investments	$ 31,658	$ 80,248	$ (41,140)

Transfers between levels of the fair value hierarchy are recognized at the beginning of the reporting period. Transfers of investments into or out of Level 3 were due to the current assessment of investment liquidity and observable market inputs.

Significant Unobservable Inputs: ASC Topic 820 requires disclosure of quantitative information about the significant unobservable inputs used in the valuation of assets and liabilities classified as Level 3 within the fair value hierarchy. Disclosure of this information is not required in circumstances where a valuation (unadjusted) is obtained from a third-party pricing service and the information regarding the unobservable inputs is not reasonably available to the Company and as such, the disclosures provided below exclude those investments valued in that manner. The table below is not intended to be all-inclusive, but rather to provide information on significant unobservable inputs and valuation techniques used by the Company.

The valuation techniques and significant unobservable inputs used in recurring Level 3 fair value measurements of assets as of December 31, 2022, were as follows:

(dollars in thousands) Asset Category	Fair Value	Primary Valuation Technique	Unobservable Inputs	Range Minimum	Range Maximum	Weighted Average (a)
Senior Secured First Lien Debt	$ 129,703	Yield Analysis	Market Yield	8.59%	24.27%	12.11%
Senior Secured First Lien Debt (b)	3,711	Waterfall Analysis	Revenue Multiple	0.62x	0.62x	0.62x
Senior Secured First Lien Debt	6,722	Waterfall Analysis	EBITDA Multiple	5.00x	8.50x	6.38x
Senior Secured Second Lien Debt	8,186	Yield Analysis	Market Yield	12.97%	13.80%	13.47%
Collateralized Securities	75,116	Discounted Cash Flow	Discount Rate	8.23%	14.20%	11.07%
Total Level 3 Assets	$ 223,438					

(a) Weighted averages are calculated based on fair value of investments.
(b) This asset category contains one investment.

The income and market approaches were used in the determination of fair value of certain Level 3 assets as of December 31, 2022. The significant unobservable inputs used in the income approach are the discount rate or market yield used to discount the estimated future cash flows expected to be received from the underlying investment, which include both future principal and interest payments. An increase in the discount rate or market yield would result in a decrease in the fair value. Included in the consideration and selection of discount rates is risk of default, rating of the investment, call provisions and comparable company investments. The significant unobservable inputs used in the market approach are based on market comparable transactions and market multiples of publicly traded comparable companies. Changes in these inputs in isolation may result in a significantly higher or lower fair value measurement of the respective subject instrument.

Valuations of loans, corporate debt, and other debt obligations are generally based on discounted cash flow techniques, for which the significant inputs are the amount and timing of expected future cash flows, market yields and recovery assumptions. The significant inputs are generally determined based on relative value analysis, which incorporate comparisons to other debt instruments for which observable prices or broker quotes are available. Other valuation methodologies are used as appropriate including market comparables, transactions in similar instruments and recovery/liquidation analysis. The Company also considers the use of EBITDA multiples, revenue multiples, tangible net asset value multiples, TBV multiples, and other relevant multiples on its debt and equity investments to determine any credit gains or losses in certain instances. Changes in these inputs in isolation may result in a significantly higher or lower fair value measurement of the respective subject instrument.

Note 4. Borrowings

Citi Revolving Credit Facility: CB Funding entered into a senior secured revolving credit facility with Citibank, N.A. (the "Citi Facility") on January 20, 2021.

The maximum amount CB Funding is able to borrow from the Citi Facility is currently $400.0 million. Borrowings under the Citi Facility bear interest at an annual rate of LIBOR plus 1.60% per annum. In addition to the stated interest rate on borrowings, CB Funding is required to pay an unused commitment fee of (i) 1.25% per annum on any unused portion of the Citi Facility when the outstanding borrowings are less than 75% of the facility amount, and (ii) 0.75% per annum on any unused portion of the Citi Facility when the outstanding borrowings are equal to or greater than 75% of the facility amount. Interest expense and unused commitment fees under the facility totaled $12,458,013 for the year ended December 31, 2022, and were included within interest and credit facility financing expenses on the Consolidated Statement of Operations.

CIBC Revolving Credit Facility: SLF Funding entered into a senior secured revolving credit facility with Canadian Imperial Bank of Commerce, as agent, on July 2, 2021 (the "CIBC Facility").

The maximum amount SLF Funding is able to borrow from the CIBC Facility is currently $300.0 million. Borrowings under the Revolving Credit Facility bear interest at an annual rate of LIBOR plus 1.25% per annum. In addition to the stated interest rate on borrowings, SLF Funding is required to pay an unused commitment fee of 0.50% per annum on any unused portion of the Revolving Credit Facility. Interest expense and unused commitment fees under the facility totaled $8,382,760 for the year ended December 31, 2022, and were included within interest and credit facility financing expenses on the Consolidated Statement of Operations.

JPM Total Return Swap: The Company entered into a total return swap agreement with JPMorgan Chase Bank as agent, on February 24, 2021 (the "JPM TRS"). The JPM TRS gives the Company the option to enter into total return swap transactions which reference syndicated bank loans. The Company may terminate these transactions as it sees fit. These transactions have calculated aggregated closing amounts that are finalized at the end of each month which represent payments, fees, and interest for each transaction. Transactions bear financing costs at an annual rate of LIBOR plus 1.25% per annum. Interest expense under the facility totaled $2,001,434 for the year ended December 31, 2022, and was included within interest and credit facility financing expenses on the Consolidated Statement of Operations.

As of December 31, 2022, all total return swaps on the JPM TRS were entered contemporaneously with the Company's sale of their respective reference assets. Due to the Company's continuing involvement in these assets, these assets are not derecognized under ASC 860, *Transfers and Servicing*, and are presented on the Consolidated Schedule of Investments. Financing amounts related to these assets are presented as Secured borrowings on the Consolidated Statement of Assets, Liabilities, and Members' Capital.

Note 5. Members' Capital

The Company may call commitments to enable the Company to make investments, to pay fees and expenses, or to provide reserves. No member is required to fund an amount in excess of its uncalled commitment. As of December 31, 2022, the Company had commitments totaling $383,495,510, of which 100% of the total commitments had been called. Pursuant to the agreement, profit and loss are allocated among the members pro rata in accordance with their respective ownership of the Company. At commencement, FBLC and CCLF owned 87.5% and 12.5% of the Company, respectively. Effective December 8, 2021, CCLF increased its commitment to the Company by $35.0 million. As of December 31, 2022, FBLC and CCLF owned 79.5% and 20.5% of the Company, respectively. Unless otherwise determined by the Board, the Company shall make quarterly distributions to members in an amount approximating the Company's estimated ordinary income for such quarter, subject to expenses and reserves.

Note 6. Related Parties

The Administrator is an affiliate of one of the Members. Under the Administration agreement, the Company pays the Administrator a fee equal to 0.15% of the Company's average gross assets as compensation for administrative services provided. For the year ended December 31, 2022, the Company incurred $1,601,873 in administrative expenses (included within other general and administrative expenses on the Consolidated Statement of Operations) under the Administration Agreement. Of this amount, $370,375 is payable as of December 31, 2022, and was included within accounts payable and accrued expenses on the Consolidated Statement of Assets, Liabilities, and Members' Capital.

Note 7. Commitments and Contingencies

As of December 31, 2022, the Company had $1,587,000 in outstanding commitments to fund investments under undrawn revolvers and delayed draw commitments.

(dollars in thousands)

Portfolio Company Name	Investment Type	Commitment Type	Total Commitment	Remaining Commitment
Athenahealth, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	$ 1,587	$ 1,587

The Company maintains sufficient cash on hand and available borrowings to fund such unfunded commitments.

In the ordinary course of business, the Company may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on its history and experience, the Board feels that the likelihood of such an event is remote.

The Company is not currently contractually obligated to provide financial support to any of the portfolio companies included in the Consolidated Schedule of Investments. The primary purpose of the Company's investments is to support the growth objectives of the portfolio companies. No other contractual or non-contractual financial support was provided to the Company's portfolio companies during the year ended December 31, 2022. The Company may assist a portfolio company in obtaining financial support in the future and has unfunded loan commitments as indicated in the table above.

Note 8. Financial Highlights

The financial highlights for the Company for the year ended December 31, 2022 were as follows:

Gross total return	(7.22) %
Professional fees and other expenses allocation:	0.65 %
Net total return	(7.87) %
Ratio to average members' contributed capital:	
Interest and credit facility financing expenses	6.91 %
Professional fees and other expenses	0.72 %
Total expenses	7.63 %
Net investment income	12.53 %

Total return is calculated for all members taken as a whole. The return is calculated as the change in members' capital, adjusted for capital calls, distributions, and withdrawals during the year. The above ratios are computed based upon the weighted average members' capital for the Company for the year ended December 31, 2022. An individual member's return and ratios may vary from those presented above due to the timing of capital transactions.

The financial highlights may not be indicative of the future performance of the Company.

Note 9. Subsequent Events

The Company has evaluated subsequent events for potential recognition and/or disclosure through March 10, 2023, the date the financial statements were available to be issued.

Consolidated Financial Statements

FBLC Senior Loan Fund LLC

For the period from January 20, 2021 (Commencement of Operations)
to December 31, 2021

FBLC Senior Loan Fund LLC

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Report of Independent Auditors

To the Members of
FBLC Senior Loan Fund LLC

Opinion

We have audited the consolidated financial statements of FBLC Senior Loan Fund LLC (the "Company"), which comprise the consolidated statement of assets, liabilities and members' capital, including the consolidated schedule of investments, as of December 31, 2021, and the related consolidated statements of operations, changes in members' capital and cash flows for the period from January 20, 2021 (commencement of operations) to December 31, 2021, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021, and the results of its operations, changes in its members' capital and its cash flows for the period from January 20, 2021 (commencement of operations) to December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Ernst & Young LLP

March 16, 2022

FBLC Senior Loan Fund LLC
Consolidated Statement of Assets, Liabilities and Members' Capital
December 31, 2021

ASSETS		
Investments, at fair value (amortized cost of $1,085,169,753)	$	1,088,337,163
Cash and cash equivalents		33,860,764
Receivable for unsettled trades		37,392,545
Cash collateral on deposit with custodian		31,120,000
Interest receivable		5,103,597
Prepaid expenses and other assets		146,335
Total assets	$	1,195,960,404
LIABILITIES		
Revolving credit facilities (net of deferred financing costs of $2,488,184)	$	631,561,813
Secured borrowings		94,736,988
Payable for unsettled trades		60,560,105
Distribution payable		7,211,307
Interest and credit facility fees payable		2,265,634
Accounts payable and accrued expenses		971,370
Total liabilities		797,307,217
MEMBERS' CAPITAL		
Capital contributed		383,495,510
Accumulated earnings		15,157,677
Total members' capital		398,653,187
Total liabilities and members' capital	$	1,195,960,404

FBLC Senior Loan Fund LLC
Consolidated Schedule of Investments
December 31, 2021

Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal / Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Senior Secured First Lien Debt							
ABC Financial Intermediate, LLC (e)	Technology	L+4.25% (5.25%)	1/2/2025	19,109,436	$ 19,037,589	$ 19,013,888	4.8%
Accentcare, Inc. (b)	Healthcare	L+4.00% (4.18%)	6/22/2026	10,029,550	10,029,550	9,976,293	2.5%
Access Cig, LLC (b)	Business Services	L+3.75% (3.84%)	2/27/2025	4,232,653	4,220,104	4,200,146	1.1%
Acrisure, LLC (b) (f)	Financials	L+3.50% (3.72%)	2/16/2027	28,319,039	27,836,731	27,965,051	7.0%
Adtalem Global Education, Inc.	Education	5.50%	3/1/2028	2,000,000	2,000,000	1,958,643	0.5%
Adtalem Global Education, Inc. (f)	Education	L+4.50% (5.25%)	8/12/2028	2,000,000	2,000,000	2,002,920	0.5%
Advisor Group, Inc. (f)	Financials	L+4.50% (4.60%)	7/31/2026	7,903,226	7,903,226	7,924,644	2.0%
Alchemy US Holdco 1, LLC (b)	Industrials	L+5.50% (5.60%)	10/10/2025	15,555,423	15,404,341	15,555,423	3.9%
Alvogen Pharma US, Inc. (b)	Healthcare	L+5.25% (6.25%)	12/29/2023	12,497,456	12,387,726	11,935,070	3.0%
Amentum Government Services Holdings, LLC (f)	Industrials	L+3.50% (3.60%)	2/1/2027	1,989,899	1,977,920	1,956,329	0.5%
American Airlines Inc/AAdvantage Loyalty IP, Ltd. (b)	Transportation	L+4.75% (5.50%)	4/20/2028	6,316,000	6,259,170	6,533,649	1.6%
American Rock Salt Company, LLC (f)	Chemicals	L+4.00% (4.75%)	6/9/2028	4,776,995	4,779,689	4,759,081	1.2%
AmWINS Group, Inc. (f)	Financials	L+2.25% (3.00%)	2/22/2028	4,974,889	4,909,078	4,933,448	1.2%
AP Gaming I, LLC (f)	Gaming/Lodging	L+3.50% (4.50%)	2/15/2024	7,466,916	7,327,466	7,409,719	1.9%
APLP Holdings, LP (b)	Utilities	L+3.75% (4.75%)	5/14/2027	3,244,758	3,215,451	3,265,038	0.8%
Apollo Commercial Real Estate Finance, Inc.	Financials	4.63%	6/15/2029	3,000,000	3,000,000	2,921,820	0.7%
AppLovin Corp. (b)	Media/Entertainment	L+3.00% (3.50%)	10/25/2028	8,977,500	8,955,467	8,953,171	2.2%
Artera Services, LLC (f)	Utilities	L+3.50% (4.50%)	3/6/2025	2,487,500	2,473,417	2,403,547	0.6%
Ascensus Holidngs, Inc. (b)	Business Services	L+3.50% (4.00%)	8/2/2028	5,000,000	4,981,966	4,973,750	1.2%
Asp Navigate Acquisition Corp. (f)	Healthcare	L+4.50% (5.50%)	10/6/2027	3,275,910	3,283,786	3,275,910	0.8%
Astoria Energy, LLC (f)	Utilities	L+3.50% (4.50%)	12/10/2027	1,984,672	1,984,672	1,976,495	0.5%
Astro AB Merger Sub, Inc. (f)	Financials	L+4.25% (5.25%)	4/30/2024	3,901,981	3,897,542	3,906,859	1.0%
Asurion, LLC (b)	Business Services	L+3.25% (3.35%)	12/23/2026	4,974,874	4,892,009	4,937,563	1.2%
Athenahealth, Inc. (e)	Healthcare	L+4.25% (4.38%)	2/11/2026	14,232,889	14,197,217	14,218,656	3.6%
Avaya Holdings Corp. (b)	Technology	L+4.00% (4.11%)	12/15/2027	17,770,000	17,770,000	17,743,345	4.5%
Aveanna Healthcare, LLC	Healthcare	L+3.75% (4.25%)	7/17/2028	5,465,266	5,457,279	5,432,092	1.4%
Bally's Corp. (b)	Gaming/Lodging	L+3.25% (3.75%)	10/2/2028	2,730,000	2,703,524	2,728,853	0.7%
BBB Industries, LLC (b)	Transportation	L+4.50% (4.60%)	8/1/2025	12,855,183	12,754,127	12,855,183	3.2%
BCP Raptor, LLC (b)	Energy	L+4.25% (5.25%)	6/24/2024	13,603,884	12,834,566	13,571,778	3.4%
BCP Renaissance, LLC (f)	Energy	L+3.50% (4.50%)	10/31/2024	5,896,116	5,852,130	5,879,548	1.5%
Beasley Mezzanine Holdings, LLC	Broadcasting	8.63%	2/1/2026	2,174,000	2,225,015	2,151,283	0.5%
Bella Holding Company, LLC (f)	Healthcare	L+3.75% (4.50%)	5/10/2028	7,481,250	7,411,358	7,468,756	1.9%
Blackstone CQP Holdco, LP (f)	Industrials	L+3.75% (4.25%)	6/5/2028	7,967,481	7,931,197	7,944,216	2.0%
BMC Software Finance, Inc. (b)	Technology	L+3.75% (3.97%)	10/2/2025	12,748,207	12,782,362	12,658,969	3.2%
Bomgar Corp. (f)	Technology	L+4.00% (4.10%)	4/18/2025	1,921,719	1,926,494	1,916,223	0.5%
CareCentrix, Inc. (b)	Healthcare	L+4.50% (4.72%)	4/3/2025	20,845,321	20,126,629	20,715,038	5.2%
Clover Technologies Group, LLC (e)	Industrials	L+7.50% (8.50%)	2/5/2024	1,444,811	1,374,617	1,368,959	0.3%
CLP Health Services, Inc. (b)	Healthcare	L+4.25% (5.00%)	12/31/2026	12,914,770	12,867,038	12,882,483	3.2%
Cnt Holdings I Corp (f)	Consumer	L+3.50% (4.25%)	11/8/2027	3,473,750	3,473,750	3,473,125	0.9%
CommerceHub, Inc. (f)	Technology	L+4.00% (4.75%)	12/29/2027	7,638,840	7,649,298	7,550,535	1.9%
Community Care Health Network, LLC (b)	Healthcare	L+4.75% (4.85%)	2/17/2025	9,754,574	9,725,717	9,368,488	2.4%
Compass Power Generation, LLC (f)	Utilities	L+3.50% (4.50%)	12/20/2024	4,777,087	4,765,030	4,753,202	1.2%
Connect Finco SARL (f)	Telecom	L+3.50% (4.50%)	12/11/2026	7,538,140	7,560,056	7,534,070	1.9%
Connectwise, LLC (f)	Software/Services	L+3.50% (4.00%)	9/29/2028	4,000,000	3,980,000	3,986,440	1.0%
Conservice Midco, LLC (b)	Business Services	L+4.25% (4.47%)	5/13/2027	7,700,056	7,713,027	7,679,189	1.9%
CONSOL Energy, Inc. (b)	Energy	L+4.50% (4.60%)	9/27/2024	3,611,778	3,328,113	3,501,618	0.9%
Conterra Ultra Broadband, LLC (b)	Telecom	L+4.75% (5.75%)	4/30/2026	6,710,458	6,710,458	6,710,458	1.7%
Corelogic, Inc. (b)	Business Services	L+3.50% (4.00%)	6/2/2028	7,980,000	7,964,911	7,964,040	2.0%
CVENT, Inc. (e)	Technology	L+3.75% (3.83%)	11/29/2024	2,700,438	2,628,141	2,694,524	0.7%
Dealer Tire, LLC (e)	Retail	L+4.25% (4.33%)	12/12/2025	3,951,613	3,926,852	3,945,685	1.0%
Directv Financing, LLC (b)	Media/Entertainment	L+5.00% (5.75%)	8/2/2027	4,887,500	4,841,911	4,888,917	1.2%
Dish DBS Corp.	Cable	5.25%	12/1/2026	700,000	700,000	710,612	0.2%
Dish DBS Corp.	Cable	5.75%	12/1/2028	1,000,000	1,000,000	1,009,375	0.3%
Division Holding Corp. (b)	Business Services	L+4.75% (5.50%)	5/26/2028	8,739,098	8,749,092	8,744,603	2.2%
Dunn Paper, Inc. (b)	Paper & Packaging	L+5.25% (6.25%)	8/26/2022	578,466	561,573	555,327	0.1%
Dynasty Acquisition Co., Inc. (e)	Industrials	L+3.50% (3.63%)	4/6/2026	2,823,971	2,735,892	2,743,318	0.7%
Dynasty Acquisition Co., Inc. (e)	Industrials	L+3.50% (3.63%)	4/6/2026	5,252,506	5,088,683	5,102,495	1.3%
Echo Global Logistics, Inc. (b)	Transportation	L+3.75% (4.25%)	11/23/2028	3,330,000	3,322,095	3,313,350	0.8%

FBLC Senior Loan Fund LLC
Consolidated Schedule of Investments
December 31, 2021

Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal / Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Edgewater Generation, LLC (b)	Utilities	L+3.75% (3.85%)	12/12/2025	2,490,651	$ 2,475,609	$ 2,348,559	0.6%
Emerald 2, Ltd. (b)	Industrials	L+3.25% (3.47%)	7/12/2028	517,635	515,156	513,753	0.1%
Fastlane Parent Co, Inc. (b)	Transportation	L+4.50% (4.60%)	2/4/2026	1,568,548	1,568,548	1,567,294	0.4%
Flex Acquisition Company, Inc. (f)	Paper & Packaging	L+3.50% (4.00%)	3/2/2028	6,957,499	6,919,943	6,938,644	1.7%
Florida Food Products, LLC (f)	Food & Beverage	L+5.00% (5.75%)	10/18/2028	8,000,000	7,880,689	7,860,000	2.0%
Frontier Communications Corp.	Telecom	5.00%	5/1/2028	1,240,000	1,302,789	1,276,129	0.3%
Frontier Communications Corp. (b)	Telecom	L+3.75% (4.50%)	5/1/2028	19,425,210	19,406,712	19,386,360	4.9%
Geon Performance Solutions, LLC (b)	Chemicals	L+4.75% (5.50%)	8/18/2028	4,705,208	4,671,418	4,739,038	1.2%
Gogo Intermediate Holdings, LLC (f)	Telecom	L+3.75% (4.50%)	4/28/2028	8,380,885	8,380,885	8,373,426	2.1%
Golden Nugget, LLC (b) (f)	Gaming/Lodging	L+2.50% (3.25%)	10/4/2023	3,960,469	3,931,849	3,932,548	1.0%
Gordian Medical, Inc. (b)	Healthcare	L+6.25% (7.00%)	1/31/2027	11,060,280	10,987,182	10,968,148	2.8%
Greenway Health, LLC (f)	Healthcare	L+3.75% (4.75%)	2/16/2024	4,732,701	4,461,720	4,496,066	1.1%
GVC Holdings Gibraltar, Ltd. (f)	Gaming/Lodging	L+2.50% (3.00%)	3/29/2027	4,975,000	4,968,781	4,957,587	1.2%
HAH Group Holding Company, LLC (b)	Healthcare	L+5.00% (6.00%)	10/29/2027	737,295	737,295	737,295	0.2%
HAH Group Holding Company, LLC (b)	Healthcare	L+5.00% (6.00%)	10/29/2027	5,826,968	5,747,733	5,826,967	1.5%
Hamilton Projects Acquiror, LLC (f)	Utilities	L+4.50% (5.25%)	6/17/2027	5,718,436	5,693,865	5,710,087	1.4%
Heartland Dental, LLC (e)	Healthcare	L+3.50% (3.58%)	4/30/2025	4,153,969	4,075,881	4,108,982	1.0%
Hertz Corp. (b) (f)	Transportation	L+3.25% (3.75%)	6/30/2028	4,185,511	4,169,816	4,185,511	1.0%
Hertz Corp. (b) (f)	Transportation	L+3.25% (3.75%)	6/30/2028	793,456	790,489	793,456	0.2%
HireRight, Inc. (f)	Business Services	L+3.75% (3.85%)	7/11/2025	7,237,011	7,196,875	7,202,635	1.8%
Hudson River Trading, LLC (b)	Financials	L+3.00% (3.10%)	3/20/2028	4,974,937	4,910,190	4,933,198	1.2%
ICP Industrial, Inc. (f)	Chemicals	L+3.75% (4.50%)	12/29/2027	4,974,937	4,971,269	4,900,313	1.2%
IDERA, Inc. (f)	Technology	L+3.75% (4.50%)	3/2/2028	6,982,716	6,993,733	6,971,823	1.7%
Ineos Us Finance, LLC (f)	Chemicals	L+2.50% (3.00%)	11/6/2028	4,000,000	3,995,000	3,976,680	1.0%
Iri Holdings, Inc. (b)	Business Services	L+4.25% (4.35%)	12/1/2025	7,819,000	7,799,791	7,809,226	2.0%
Jack Ohio Finance, LLC (f)	Gaming/Lodging	L+4.75% (5.50%)	10/4/2028	4,000,000	3,980,443	3,980,000	1.0%
Jane Street Group, LLC (f)	Financials	L+2.75% (2.85%)	1/26/2028	4,937,594	4,931,736	4,895,427	1.2%
Jump Financial, LLC (b)	Financials	L+3.50% (4.00%)	8/7/2028	2,493,750	2,481,573	2,475,047	0.6%
Kissner Milling Co., Ltd.	Industrials	4.88%	5/1/2028	5,000,000	5,034,939	4,813,550	1.2%
LABL, Inc. (b)	Paper & Packaging	L+5.00% (5.50%)	10/30/2028	5,000,000	4,925,177	4,987,500	1.3%
Liquid Tech Solutions Holdings, LLC (b) (f)	Industrials	L+4.75% (5.50%)	3/20/2028	10,215,665	10,165,797	10,215,665	2.6%
Luxembourg Investment Co., 428 SARL (b)	Chemicals	S+5.00% (5.50%)	1/3/2029	3,864,000	3,825,360	3,826,519	1.0%
Medallion Midland Acquisition, LP (f)	Energy	L+3.75% (4.50%)	10/18/2028	3,614,067	3,578,858	3,594,190	0.9%
Meridian Adhesives Group, Inc. (b)	Chemicals	L+4.00% (4.75%)	7/24/2028	5,000,000	4,952,672	5,000,000	1.3%
MH Sub I, LLC (f)	Business Services	L+3.75% (4.75%)	9/13/2024	8,641,073	8,635,796	8,650,060	2.2%
Michael Baker International, LLC (b)	Industrials	L+5.00% (5.75%)	12/1/2028	3,334,000	3,300,707	3,300,993	0.8%
MicroStrategy, Inc.	Software/Services	6.13%	6/15/2028	1,500,000	1,500,000	1,507,500	0.4%
Monitronics International, Inc. (b)	Business Services	L+6.50% (7.75%)	3/29/2024	5,508,332	5,301,490	5,164,061	1.3%
MPH Acquisition Holdings, LLC (b)	Healthcare	L+4.25% (4.75%)	9/1/2028	4,987,500	4,895,197	4,859,720	1.2%
MSG NATIONAL PROPERTIES, LLC (b)	Media/Entertainment	L+6.25% (7.00%)	11/12/2025	12,187,890	12,430,843	12,187,890	3.1%
MYOB US Borrower, LLC (f)	Business Services	L+4.00% (4.10%)	5/6/2026	5,467,537	5,452,965	5,421,992	1.4%
National Mentor Holdings, Inc. (b) (f)	Healthcare	L+3.75% (4.50%)	3/2/2028	7,370,376	7,336,482	7,282,373	1.8%
National Mentor Holdings, Inc. (f)	Healthcare	L+3.75% (4.50%)	3/2/2028	233,236	232,145	230,451	0.1%
Navitas Midstream Midland Basin, LLC (b)	Energy	L+4.00% (4.75%)	12/13/2024	10,676,409	10,676,409	10,639,042	2.7%
Nexus Buyer, LLC (f)	Business Services	L+3.75% (3.85%)	11/9/2026	1,488,608	1,485,095	1,480,361	0.4%
Nouryon USA, LLC (e)	Chemicals	L+3.00% (3.10%)	10/1/2025	2,342,129	2,310,311	2,331,894	0.6%
Paysafe Finance, PLC	Software/Services	4.00%	6/15/2029	400,000	400,000	372,764	0.1%
Perstorp Holding Ab (b)	Chemicals	L+4.75% (4.91%)	2/27/2026	8,777,486	8,324,837	8,777,486	2.2%
PG&E Corp. (f)	Utilities	L+3.00% (3.50%)	6/23/2025	10,697,818	10,734,849	10,569,444	2.7%
Proofpoint, Inc. (b)	Software/Services	L+3.25% (3.75%)	8/31/2028	2,500,000	2,493,906	2,487,700	0.6%
Protective Industrial Products, Inc. (b)	Industrials	L+4.00% (4.75%)	12/29/2027	9,126,552	9,090,541	9,086,669	2.3%
Pug, LLC (f)	Technology	L+3.50% (3.60%)	2/12/2027	4,962,025	4,842,627	4,843,135	1.2%
Pug, LLC (f)	Technology	L+4.25% (4.75%)	2/13/2027	1,995,000	1,985,518	1,982,531	0.5%
Quikrete Holdings, Inc. (f)	Industrials	L+3.00% (3.19%)	6/11/2028	8,000,000	7,958,750	7,977,760	2.0%
Regionalcare Hospital Partners Holdings, Inc.	Healthcare	4.38%	2/15/2027	2,000,000	2,000,000	2,025,333	0.5%
Regionalcare Hospital Partners Holdings, Inc. (b)	Healthcare	L+3.75% (3.85%)	11/14/2025	5,195,289	5,214,231	5,185,574	1.3%
RXB Holdings, Inc. (f)	Healthcare	L+4.50% (5.25%)	12/20/2027	10,205,242	10,243,512	10,205,242	2.6%

FBLC Senior Loan Fund LLC
Consolidated Schedule of Investments
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Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal / Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
S&S Holdings, LLC (f)	Consumer	L+5.00% (5.50%)	3/10/2028	6,947,500	$ 6,759,318	$ 6,947,500	1.7%
Safe Fleet Holdings, LLC (f)	Industrials	L+3.00% (4.00%)	2/3/2025	2,373,723	2,359,172	2,356,775	0.6%
Safety Products/JHC Acquisition Corp. (b)	Industrials	L+4.50% (4.60%)	6/28/2026	938,441	890,957	891,519	0.2%
Safety Products/JHC Acquisition Corp. (b)	Industrials	L+4.50% (4.60%)	6/28/2026	17,360,447	16,548,758	16,492,425	4.1%
Schenectady International Group, Inc. (b)	Chemicals	L+4.75% (4.87%)	10/15/2025	19,910,906	19,790,513	19,910,906	5.0%
SCIH Salt Holdings, Inc. (b) (f)	Industrials	L+4.00% (4.75%)	3/16/2027	18,735,131	18,670,771	18,532,229	4.6%
SFR Group, SA (b) (e)	Telecom	L+4.00% (4.13%)	8/14/2026	12,705,290	12,639,890	12,629,058	3.2%
Sierra Acquisition, Inc. (b)	Food & Beverage	L+4.00% (5.00%)	11/11/2024	4,901,996	4,711,905	4,889,741	1.2%
Sophia, LP (f)	Software/Services	L+3.50% (4.00%)	10/7/2027	3,003,648	3,006,541	3,001,395	0.8%
Spirit Aerosystems, Inc. (b)	Industrials	L+3.75% (4.25%)	1/15/2025	2,555,238	2,583,818	2,555,877	0.6%
SSH Group Holdings, Inc. (e)	Education	L+4.25% (4.40%)	7/30/2025	10,518,297	10,063,576	10,133,748	2.5%
Staples, Inc. (b)	Business Services	L+5.00% (5.13%)	4/16/2026	4,949,239	4,896,254	4,773,788	1.2%
Station Casinos, LLC (f)	Gaming/Lodging	L+2.25% (2.50%)	2/8/2027	2,278,144	2,266,691	2,256,911	0.6%
Team Health Holdings, Inc. (e)	Healthcare	L+2.75% (3.75%)	2/6/2024	2,968,831	2,808,361	2,830,038	0.7%
Tecta America Corp. (f)	Industrials	L+4.25% (5.00%)	4/6/2028	9,044,550	9,018,223	9,033,244	2.3%
Tenneco, Inc.	Transportation	5.13%	4/15/2029	3,846,000	3,846,000	3,773,132	0.9%
Tenneco, Inc. (e)	Transportation	L+3.00% (3.08%)	10/1/2025	2,969,388	2,910,919	2,921,135	0.7%
The Dun & Bradstreet Corp. (f)	Business Services	L+3.25% (3.35%)	2/6/2026	4,863,344	4,884,015	4,840,778	1.2%
TransDigm, Inc. (f)	Industrials	L+2.25% (2.35%)	12/9/2025	2,969,697	2,952,834	2,926,280	0.7%
Traverse Midstream Partners, LLC (b)	Energy	S+4.25% (5.25%)	9/27/2024	14,962,108	14,935,885	14,878,021	3.7%
Triton Water Holdings, Inc. (f)	Food & Beverage	L+3.50% (4.00%)	3/31/2028	7,462,502	7,445,085	7,374,295	1.8%
Truck Hero, Inc. (f)	Transportation	L+3.25% (4.00%)	1/31/2028	1,488,750	1,485,105	1,479,103	0.4%
TSL Engineered Products, LLC (b)	Industrials	L+4.75% (5.50%)	1/7/2028	7,858,108	7,784,914	7,858,108	2.0%
United Airlines, Inc. (f)	Transportation	L+3.75% (4.50%)	4/21/2028	3,794,493	3,782,298	3,799,653	1.0%
University Support Services, LLC (f)	Education	L+3.25% (3.75%)	6/29/2028	5,000,000	4,982,718	4,975,000	1.2%
Urban One, Inc.	Media/Entertainment	7.38%	2/1/2028	6,000,000	6,194,333	6,200,250	1.6%
Venga Finance Sarl (b)	Telecom	L+4.75% (5.25%)	12/4/2028	4,000,000	3,880,000	3,912,520	1.0%
Veritext Corp. (f)	Business Services	L+3.25% (3.35%)	8/1/2025	3,505,294	3,463,169	3,471,994	0.9%
Virgin Media Bristol, LLC (f)	Telecom	L+3.25% (3.36%)	1/31/2029	2,500,000	2,496,875	2,497,275	0.6%
Vyaire Medical, Inc. (f)	Healthcare	L+4.75% (5.75%)	4/16/2025	7,830,754	6,572,837	6,695,295	1.7%
WaterBridge Midstream Operating, LLC (b)	Energy	L+5.75% (6.75%)	6/22/2026	10,747,733	9,571,569	10,462,273	2.6%
Watlow Electric Manufacturing Co. (b)	Industrials	L+3.75% (4.25%)	3/2/2028	9,473,412	9,430,991	9,446,792	2.4%
Western Dental Services, Inc. (f)	Healthcare	L+4.50% (5.25%)	8/18/2028	9,074,647	9,067,115	9,070,110	2.3%
Western Dental Services, Inc. (f)	Healthcare	L+4.50% (5.25%)	8/18/2028	388,648	388,648	388,454	0.1%
Wilsonart, LLC (b)	Consumer	L+3.50% (4.50%)	12/31/2026	7,449,969	7,444,398	7,443,785	1.9%
Wrench Group, LLC (f)	Consumer	L+4.00% (4.22%)	4/30/2026	3,150,550	3,097,635	3,150,550	0.8%
YI, LLC (e)	Healthcare	L+4.00% (5.00%)	11/7/2024	8,973,775	8,891,271	8,973,775	2.3%
Subtotal Senior Secured First Lien Debt					**$ 945,194,400**	**$ 947,148,548**	**237.5%**
Senior Secured Second Lien Debt							
American Rock Salt Company, LLC (b)	Chemicals	L+7.25% (8.00%)	6/11/2029	4,943,000	$ 4,893,570	$ 4,955,358	1.2%
Asp Ls Acquisition Corp. (b)	Transportation	L+7.50% (8.25%)	4/30/2029	2,065,000	2,075,242	2,074,045	0.5%
Asurion, LLC (b)	Business Services	L+5.25% (5.35%)	1/31/2028	15,632,000	15,563,565	15,671,080	3.9%
Barracuda Networks, Inc. (b)	Software/Services	L+6.75% (7.50%)	10/30/2028	4,698,000	4,724,450	4,749,396	1.2%
CDS U.S. Intermediate Holdings, Inc. (b)	Media/Entertainment	L+8.00% (9.00%) 7.00% PIK	11/24/2027	5,088,472	5,069,797	5,058,247	1.3%
Edelman Financial Services, LLC (b) (e)	Financials	L+6.75% (6.84%)	7/20/2026	9,972,000	9,928,681	9,988,653	2.5%
IDERA, Inc. (b) (e)	Technology	L+6.75% (7.50%)	3/2/2029	1,545,000	1,537,275	1,545,000	0.4%
Tecta America Corp. (b)	Industrials	L+8.50% (9.25%)	4/6/2029	4,998,000	4,973,010	4,998,000	1.3%
TIBCO Software, Inc. (b)	Technology	L+7.25% (7.36%)	3/3/2028	13,020,000	13,166,320	13,047,082	3.3%
Subtotal Senior Secured Second Lien Debt					**$ 61,931,910**	**$ 62,086,860**	**15.6%**
Collateralized Securities							
Collateralized Securities - Debt Investment							
AIG CLO, Ltd. 21-1A F	Diversified Investment Vehicles	L+6.90% (7.03%)	4/22/2034	1,410,000	$ 1,284,855	$ 1,269,740	0.3%
Avery Point CLO, Ltd. 15-6A E1 (f)	Diversified Investment Vehicles	L+5.50% (5.64%)	8/6/2027	3,500,000	3,123,875	3,380,281	0.8%
Battalion CLO, Ltd. 21-17A F	Diversified Investment Vehicles	L+7.50% (7.63%)	3/9/2034	1,224,000	1,132,292	1,122,509	0.3%
Carlyle GMS CLO, 16-3A FRR (f)	Diversified Investment Vehicles	L+8.60% (8.73%)	7/20/2034	2,100,000	1,984,489	1,982,547	0.5%

FBLC Senior Loan Fund LLC
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Portfolio Company (d)	Industry	Investment Coupon Rate (a)	Maturity	Principal / Number of Shares	Amortized Cost	Fair Value	% of Members' Capital (c)
Eaton Vance CDO, Ltd. 15-1A FR (f)	Diversified Investment Vehicles	L+7.97% (8.10%)	1/20/2030	2,000,000	$ 1,736,164	$ 1,828,997	0.5%
Elevation CLO, Ltd. 13-1A D2	Diversified Investment Vehicles	L+7.65% (7.80%)	8/15/2032	2,000,000	1,960,767	1,973,209	0.5%
Great Lakes CLO, Ltd. 21-6A E	Diversified Investment Vehicles	L+8.03% (8.25%)	1/15/2034	5,150,000	4,945,278	4,905,936	1.2%
Greywolf CLO, Ltd. 20-3RA ER (f)	Diversified Investment Vehicles	L+8.74% (8.87%)	4/15/2033	1,000,000	873,288	949,120	0.2%
Hayfin Kingsland XI, Ltd. 19-2A ER	Diversified Investment Vehicles	L+7.72% (7.85%)	10/20/2034	2,500,000	2,425,768	2,412,073	0.6%
Highbridge Loan Management, Ltd. 11A-17 E (f)	Diversified Investment Vehicles	L+6.10% (6.24%)	5/6/2030	3,000,000	2,689,250	2,825,041	0.7%
Jamestown CLO, Ltd. 17-10A D (f)	Diversified Investment Vehicles	L+6.70% (6.82%)	7/17/2029	1,200,000	1,120,486	1,152,594	0.3%
KKR Financial CLO, Ltd. 15 FR	Diversified Investment Vehicles	L+8.50% (8.62%)	1/18/2032	2,000,000	1,891,952	1,879,568	0.5%
LCM, Ltd. Partnership 16A ER2 (f)	Diversified Investment Vehicles	L+6.38% (6.50%)	10/15/2031	2,500,000	2,280,096	2,372,919	0.6%
Marble Point CLO, Ltd. 20-1A E (f)	Diversified Investment Vehicles	L+6.82% (6.95%)	4/20/2033	4,500,000	4,400,069	4,391,784	1.1%
Medalist Partners Corporate Finance CLO, Ltd. 21-1A D (f)	Diversified Investment Vehicles	L+7.48% (7.69%)	10/20/2034	3,000,000	2,851,890	2,832,609	0.7%
Northwoods Capital, Ltd. 17-15A ER	Diversified Investment Vehicles	L+7.64% (7.85%)	6/20/2034	3,000,000	2,920,133	2,909,451	0.7%
OCP CLO, Ltd. 14-5A DR (f)	Diversified Investment Vehicles	L+5.70% (5.82%)	4/26/2031	2,200,000	2,077,497	2,117,791	0.5%
OZLM, Ltd. 16-15A DR (f)	Diversified Investment Vehicles	L+6.75% (6.88%)	4/20/2033	2,000,000	1,903,320	1,921,542	0.5%
Palmer Square CLO, Ltd. 21-4A F	Diversified Investment Vehicles	L+7.66% (7.80%)	10/15/2034	1,500,000	1,425,763	1,412,882	0.4%
Regatta II Funding, LP 13-2A DR2 (f)	Diversified Investment Vehicles	L+6.95% (7.07%)	1/15/2029	2,000,000	1,922,881	1,967,709	0.5%
Saranac CLO, Ltd. 20-8A E	Diversified Investment Vehicles	L+8.12% (8.28%)	2/20/2033	1,455,000	1,440,684	1,433,445	0.4%
Sound Point CLO, Ltd. 17-1A E (f)	Diversified Investment Vehicles	L+5.96% (6.08%)	1/23/2029	4,000,000	3,589,274	3,736,485	0.9%
Sound Point CLO, Ltd. 17-2A E (f)	Diversified Investment Vehicles	L+6.10% (6.22%)	7/25/2030	2,400,000	2,064,555	2,173,247	0.5%
Sound Point CLO, Ltd. 18-3A D (f)	Diversified Investment Vehicles	L+5.79% (5.91%)	10/26/2031	1,000,000	898,627	895,152	0.2%
Symphony CLO, Ltd. 2012-9A ER2 (f)	Diversified Investment Vehicles	L+6.95% (7.07%)	7/16/2032	3,000,000	2,769,133	2,937,094	0.7%
Trimaran CAVU 2021-2A, Ltd. 21-2A E (f)	Diversified Investment Vehicles	L+7.20% (7.33%)	10/25/2034	3,000,000	2,941,087	2,915,444	0.7%
Trysail CLO, Ltd. 21-1A E	Diversified Investment Vehicles	L+7.38% (7.52%)	7/20/2032	1,500,000	1,444,290	1,445,165	0.4%
Venture CDO, Ltd. 16-23A ER2 (f)	Diversified Investment Vehicles	L+7.55% (7.67%)	7/19/2034	3,000,000	2,911,938	2,891,525	0.7%
Venture CDO, Ltd. 16-25A E (f)	Diversified Investment Vehicles	L+7.20% (7.33%)	4/20/2029	2,000,000	1,943,004	1,936,060	0.5%
Venture CDO, Ltd. 20-39A E	Diversified Investment Vehicles	L+7.63% (7.75%)	4/15/2033	4,995,000	4,960,547	4,921,690	1.2%
Venture CLO 43, Ltd. 21-43A E (f)	Diversified Investment Vehicles	L+7.15% (7.27%)	4/15/2034	3,000,000	2,913,224	2,901,049	0.7%
Wind River CLO, Ltd. 14-2A FR	Diversified Investment Vehicles	L+7.87% (7.99%)	1/15/2031	3,000,000	2,495,442	2,488,676	0.6%
Zais CLO 13, Ltd. 19-13A D1 (f)	Diversified Investment Vehicles	L+4.52% (4.64%)	7/15/2032	3,000,000	2,721,522	2,818,422	0.7%
Subtotal Collateralized Securities					**$ 78,043,443**	**$ 79,101,755**	**19.8%**
TOTAL INVESTMENTS					**$ 1,085,169,753**	**$ 1,088,337,163**	**273.0%**

(a) The majority of the investments bear interest at a rate that may be determined by reference to London Interbank Offered Rate ("LIBOR" or "L"), Secured Overnight Financing Rate ("SOFR" or "S"), or Prime ("P"), and which reset daily, monthly, quarterly, or semiannually. For each, the Company has provided the spread over the relevant reference rate and the current interest rate in effect at December 31, 2021. Certain investments are subject to reference rate floors. For fixed rate loans, a spread above a reference rate is not applicable. For floating rate securities the all-in rate is disclosed within parentheses.

(b) The Company's investment or a portion thereof is pledged as collateral under the Citi Credit Facility. Individual investments can be divided into parts which are pledged to separate credit facilities.

(c) Percentages are based on members' capital as of December 31, 2021.

(d) The Company has various unfunded commitments to portfolio companies. See note 7 Commitments and Contingencies.

(e) The Company's investment or a portion thereof is held through a total return swap agreement with J.P. Morgan.

(f) The Company's investment or a portion thereof is pledged as collateral under the CIBC Credit Facility. Individual investments can be divided into parts which are pledged to separate credit facilities.

FBLC Senior Loan Fund LLC
Consolidated Statement of Operations
For the period from January 20, 2021 (Commencement of Operations) to December 31, 2021

Investment income:		
Interest from investments	$	44,752,413
Interest from cash and cash equivalents		19,615
Total interest income		44,772,028
Fee and other income		191,986
Total investment income		44,964,014
Operating expenses:		
Interest and credit facility financing expenses		10,050,591
Other general and administrative		1,385,706
Professional fees		650,627
Organizational costs		124,793
Total expenses		12,211,717
Net investment income		32,752,297
Realized and unrealized gain on investments:		
Net realized gain from investments		6,925,525
Net unrealized appreciation on investments		3,167,410
Net realized and unrealized gain on investments		10,092,935
Net increase in members' capital resulting from operations	$	42,845,232

FBLC Senior Loan Fund LLC

Consolidated Statement of Changes in Members' Capital

For the period from January 20, 2021 (Commencement of Operations) to December 31, 2021

Balance, January 20, 2021	$	-
Capital contributions		383,495,510
Distributions		(27,687,555)
Net investment income		32,752,297
Net realized gain from investments		6,925,525
Net unrealized appreciation on investments		3,167,410
Balance, December 31, 2021	$	398,653,187

FBLC Senior Loan Fund LLC
Consolidated Statement of Cash Flows
For the period from January 20, 2021 (Commencement of Operations) to December 31, 2021

Cash flows from operating activities:		
Net increase in members' capital from operations	$	42,845,232
Adjustments to reconcile net increase in members' capital from operations to net cash used in operating activities:		
Net realized gain on investments		(6,925,525)
Net unrealized gain on investments		(3,167,410)
Payment-in-kind interest income		(102,461)
Purchases of investments		(903,771,246)
Proceeds from principal repayments and sales of investments		587,510,363
Net accretion of discounts and amortization of premiums		(2,896,083)
Amortization of deferred financing costs		772,894
(Increase) decrease in operating assets:		
Interest receivable		(2,609,594)
Receivable for unsettled trades		5,243,800
Prepaid expenses and other assets		(146,335)
Cash collateral on deposit with custodian		(31,120,000)
Increase (decrease) in operating liabilities:		
Payable for unsettled trades		(40,523,950)
Interest and credit facility fees payable		865,477
Accounts payable and accrued expenses		971,370
Net cash used in operating activities		(353,053,469)
Cash flows from financing activities:		
Borrowings on revolving credit facility		467,700,000
Repayments on revolving credit facility		(178,000,000)
Capital contributions		120,951,559
Distributions		(20,476,248)
Payment of deferred financing costs		(3,261,078)
Net cash provided by financing activities		386,914,233
Net increase in cash		33,860,764
Cash, beginning of period		-
Cash, end of period	$	33,860,764
Supplemental disclosure of cash flow information:		
Cash interest paid during the period	$	7,405,850
Noncash contributions from members:		
Investments, at fair value		664,247,813
Interest receivable		2,494,003
Receivable for unsettled trades		42,636,344
Interest and credit facility fees payable		(1,400,157)
Revolving credit facilities		(344,349,997)
Payable for unsettled trades		(101,084,055)

FBLC Senior Loan Fund LLC
Notes to Consolidated Financial Statements
For the period from January 20, 2021 (Commencement of Operations) to December 31, 2021

Note 1. Organization

BDCA Senior Loan Fund LLC, (the "Company"), a Delaware limited liability company, was formed on December 7, 2020, under and pursuant to the Limited Liability Company Act of the State of Delaware (the "Act") upon the filing of the Certificate of Formation in the office of the Secretary of State of the State of Delaware. Effective January 24, 2022, the name of the Company was changed from BDCA Senior Loan Fund LLC to FBLC Senior Loan Fund LLC. Pursuant to the Company's Limited Liability Company Agreement (the "Agreement"), the purpose and business of the Company shall be (i) to make investments, either directly or indirectly through subsidiaries or other persons, in portfolio companies primarily through senior secured loans, and to a lesser extent, mezzanine loans, unsecured loans, bonds and equity of predominantly private U.S. middle-market companies, including broadly syndicated loans, and (ii) to engage in any other lawful acts or activities as the Company's board of managers (the "Board") deems reasonably necessary or advisable for which limited liability companies may be organized under the Act.

The Company's members are Franklin BSP Lending Corporation ("FBLC") and Cliffwater Corporate Lending Fund ("CCLF", collectively the "Members"). FBLC and CCLF each appoint two members to the four-person Board. All material decisions with respect to the Company, including those involving its investment portfolio, require unanimous approval of a quorum of the Board. Quorum is defined as (i) the presence of two members of the Board; provided that at least one individual is present that was elected, designated or appointed by each member; (ii) the presence of three members of the Board; provided that the individual that was elected, designated or appointed by the member with only one individual present shall be entitled to cast two votes on each matter; and (iii) the presence of four members of the Board; provided that two individuals are present that were elected, designated or appointed by each member. On January 20, 2021, the Company entered into an Administrative and Loan Servicing Agreement (the "Administrative Agreement") with Benefit Street Partners, LLC, a Delaware limited liability company (the "Administrator"), to perform certain duties as described in the Administrative Agreement.

The Company has the ability to organize, acquire, transfer, or otherwise dispose of interests in subsidiaries or alternative investment vehicles. The Company utilizes two subsidiaries: BDCA-CB Funding, LLC ("CB Funding"), a Delaware limited liability company, and BDCA SLF Funding LLC ("SLF Funding"), a Delaware limited liability company (collectively, the "Subsidiaries").

The Company accepted its first capital commitments and commenced operations on January 20, 2021. As part of its initial contribution to the Company, FBLC contributed $751.8 million of assets including $664.2 million of investments and $42.4 million of cash as well as $446.9 million worth of liabilities including the Citi Revolving Credit Facility (as defined below) debt of $344.4 million in exchange for $304.9 million of equity in the Company.

Note 2. Significant Accounting Policies

Basis of presentation: The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") as detailed in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC"). The Company qualifies as an investment company, as defined in FASB ASC Topic 946, *Financial Services — Investment Companies* ("ASC Topic 946"), and therefore is applying specialized accounting and reporting guidance in ASC Topic 946.

Use of estimates: The preparation of the consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Valuation of investments: The Company applies fair value to its investments in accordance with ASC Topic 820 — *Fair Value Measurements and Disclosure* ("ASC Topic 820"). ASC Topic 820 defines fair value, establishes a framework used to measure fair value and requires disclosures for fair value measurements, including the categorization of financial instruments into a three-level hierarchy based on the transparency of valuation inputs. See Note 3 for further discussion regarding the Company's fair value measurements and hierarchy.

Consolidation: For reporting purposes, the consolidated financial statements of the Company include the accounts of the Company and the Subsidiaries. All intercompany accounts and transactions have been eliminated upon consolidation.

Investment income: Investment transactions are accounted for on the trade date. Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis. Discounts and premiums on investments purchased are accreted/amortized over the expected life of the respective investment using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion of discount and amortization of premium on investments.

Investments may be placed on non-accrual status when principal or interest payments are past due and/or when there is reasonable doubt that principal or interest will be collected. Accrued interest which may include un-capitalized PIK interest is generally reversed when an investment is placed on non-accrual status. Previously capitalized PIK interest is not reversed when an investment is placed on non-accrual status. Interest payments received on non-accrual investments may be recognized as income or applied to principal depending upon management's judgment of the ultimate outcome. Non-accrual investments are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current.

Investment transactions: Investment transactions are recorded on a trade-date basis. Realized gains or losses are calculated using the first-in, first-out method. Interest and expenses are recorded on the accrual basis of accounting. Dividend income is recorded on the ex-dividend date, net of withholding taxes, if applicable. Realized gains and losses on the sale of investment securities are calculated based upon the difference between the total sales proceeds and the cost basis of the specific security sold. Changes in the fair value of investments, as determined by the Company through the application of the Company's valuation policy, are included as net change in unrealized gain (loss) on investments on the Consolidated Statement of Operations.

Deferred financing costs: Deferred financing costs represent fees and other direct incremental costs incurred in connection with the Company's borrowings. As of December 31, 2021, the Company had unamortized deferred financing costs of $2,488,184, presented as a direct reduction of the carrying amount of debt on the Consolidated Statement of Assets, Liabilities, and Members' Capital. These amounts are amortized and included in interest and credit facility financing expenses on the Consolidated Statement of Operations over the estimated average life of the borrowings. Amortization of deferred financing costs for the period ended December 31, 2021 was $772,895.

Organizational costs: Organizational costs are expensed as incurred**.** There were $124,793 of organizational costs incurred during the period ended December 31, 2021.

Cash and cash equivalents: The Company deposits its cash in a financial institution and at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits; however, the Company does not believe it is exposed to any significant credit risk. The Company considers all short-term liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

Income taxes: As the Company is a limited liability company and is treated as a partnership for tax purposes, it is not liable for federal or state income taxes and accordingly, no tax provision (benefit) for federal and state income taxes is made with respect to the Company's taxable income or loss. The Members of the Company are each responsible for the federal and state tax liability or benefit related to his or her distributable share of taxable income or loss of the Company allocated pursuant to the terms of the Agreement.

The Company is subject to the provisions of ASC 740, Income Taxes. This standard establishes consistent thresholds as it relates to accounting for income taxes. It defines the threshold for recognizing the benefits of tax-return positions in the consolidated financial statements as "more-likely-than-not" to be sustained by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than 50% likely to be realized. The Company has analyzed its inventory of tax positions taken with respect to all applicable income tax issues for all open tax years (in each respective jurisdiction) and has concluded that no provision for income tax is required in the Company's consolidated financial statements. The Company recognizes interest and penalties accrued, if any, related to unrecognized tax benefits in interest expense. No interest expense or penalties have been assessed for the period ended December 31, 2021. In general, the Company's tax positions for open tax years remain subject to examination by the tax authorities in the jurisdictions in which the Company operates.

Recent accounting pronouncements: In March 2020, the FASB issued ASU 2021-04, Reference Rate Reform ("ASU 2021-04"). The amendments in ASU 2021-04 provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The standard is effective as of March 12, 2020 through December 31, 2022. The Company is currently evaluating the impact of the optional guidance on the Company's consolidated financial statements and disclosures. The Company did not utilize the optional expedients and exceptions provided by ASU 2021-04 during the period ended December 31, 2021.

Impact of COVID-19 Pandemic: The COVID-19 pandemic has resulted in governments around the world implementing a broad suite of measures to help control the spread of the virus, including quarantines, travel restrictions and business curtailments and others. The emergence of COVID-19 has created economic and financial disruptions that during the year adversely affected, and may continue to affect, our business, financial condition, liquidity and certain of our portfolio companies' results of operations and liquidity. The extent to which the COVID-19 pandemic will continue to affect our business, financial condition, liquidity and certain of our portfolio companies' results of operations and liquidity will depend on future developments, which are highly uncertain and cannot be predicted.

Given the unprecedented nature of the COVID-19 exigency and the fiscal and monetary response designed to mitigate strain to businesses and the economy, the operating environment of certain of our portfolio companies is evolving rapidly. We have been in frequent communication with management, as well as the private equity sponsors, of our portfolio companies in order to understand the impact of the COVID-19 pandemic on their particular businesses and assess their ability to meet their obligations. As a result of the business disruptions affecting certain of our portfolio companies, we may be required to reduce the future amount of distributions to our members. We continue to closely monitor our investment portfolio in order to be positioned to respond appropriately.

Note 3. Fair Value of Financial Instruments

The Company values all investments in accordance with ASC Topic 820. ASC Topic 820 requires disclosures about assets and liabilities that are measured and reported at fair value. As defined in ASC Topic 820, fair value is the price 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. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation models involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the assets or liabilities and the assets' or liabilities' complexity.

ASC Topic 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability of inputs used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Based on the observability of the inputs used in the valuation techniques, the Company is required to provide disclosures on fair value measurements according to the fair value hierarchy. The fair value hierarchy ranks the observability of the inputs used to determine fair values. Investments carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 — Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 — Valuations based on inputs other than quoted prices in active markets, including quoted prices for similar assets or liabilities, which are either directly or indirectly observable.

- Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement. This includes situations where there is little, if any, market activity for the assets or liabilities. The inputs into the determination of fair value are based upon the best information available and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's categorization within the fair value hierarchy 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 asset or liability. All investments as of December 31, 2021 were categorized as Level 2 or Level 3 investments.

Valuation process: The Company establishes valuation processes and procedures to ensure that the valuation techniques utilized are fair, consistent, and verifiable. The Board oversees the valuation process of the Company's investments performed by the Administrator. Valuations are required to be supported by market data, industry accepted third-party pricing models, or other methods the Board deems to be appropriate.

The valuation process begins with each investment being initially evaluated and rated by the investment professionals of the Administrator responsible for the credit monitoring of the portfolio investment. The Company may base its valuation on indicative bid and ask prices provided by an independent third-party pricing service. For loans where indicative prices are not available from an independent third-party pricing service, the Administrator will engage one or more independent valuation firm(s) to provide independent appraisals of investments for which market quotations are not readily available. The investment professionals responsible for the portfolio investment, the Administrator's valuation team and the Board review and supplement the valuation recommendations from the independent valuation firm(s).

Investments for which market quotations are readily available on an exchange are valued at the reported closing price on the valuation date. The Company may also obtain quotes with respect to certain of the Company's investments from pricing services or brokers or dealers in order to value assets. When doing so, the Company determines whether the quote obtained is readily available according to U.S. GAAP to determine the fair value of the security. If determined to be readily available, the Company uses the quote obtained.

Investments without a readily available market quotation are primarily valued using a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in fair value pricing our investments include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, and enterprise values, among other factors. When available, broker quotations and/or quotations provided by pricing services are considered as an input in the valuation process.

FBLC Senior Loan Fund LLC
Notes to Consolidated Financial Statements
For the period from January 20, 2021 (Commencement of Operations) to December 31, 2021

Fair Value Disclosures: The following table presents the fair value measurements, by major class, as of December 31, 2021, according to the fair value hierarchy:

	Fair Value Measurements			
Description	Level 1	Level 2	Level 3	Total
Senior Secured First Lien Debt	$ -	$ 770,720,187	$ 176,428,361	$ 947,148,548
Senior Secured Second Lien Debt	-	50,794,464	11,292,396	62,086,860
Collateralized Securities	-	-	79,101,755	79,101,755
Total investments	$ -	$ 821,514,651	$ 266,822,512	$ 1,088,337,163

The table below reflects the purchases of the Company's assets classified as Level 3 during the period ended December 31, 2021:

	Purchases[(1)]
Investments	
Senior Secured First Lien Debt	$ 95,098,047
Senior Secured Second Lien Debt	11,229,585
Collateralized Securities	54,293,239
Total investments	$ 160,620,871

1. Purchases exclude investments contributed from FBLC.

Transfers between levels of the fair value hierarchy are recognized at the beginning of the reporting period. There were no transfers between levels for the period from January 20, 2021 (Commencement of Operations) to December 31, 2021.

Significant Unobservable Inputs: ASC Topic 820 requires disclosure of quantitative information about the significant unobservable inputs used in the valuation of assets and liabilities classified as Level 3 within the fair value hierarchy. Disclosure of this information is not required in circumstances where a valuation (unadjusted) is obtained from a third-party pricing service and the information regarding the unobservable inputs is not reasonably available to the Company and as such, the disclosures provided below exclude those investments valued in that manner. The table below is not intended to be all-inclusive, but rather to provide information on significant unobservable inputs and valuation techniques used by the Company.

The valuation techniques and significant unobservable inputs used in recurring Level 3 fair value measurements of assets as of December 31, 2021, were as follows:

Asset Category	Fair Value	Primary Valuation Technique	Unobservable Inputs	Range: Minimum	Range: Maximum	Weighted Average (a)
Senior Secured First Lien Debt	169,300,848	Yield Analysis	Market Yield	5.38%	12.76%	7.29%
Senior Secured Second Lien Debt	6,543,000	Yield Analysis	Market Yield	8.57%	10.67%	10.17%
Senior Secured First Lien Debt (c)	7,127,513	Cost	Cost	N/A	N/A	N/A
Senior Secured Second Lien Debt (b)	4,749,396	Discounted Cash Flow	Market Yield	7.50%	7.50%	7.50%
Collateralized Securities	79,101,755	Discounted Cash Flow	Discount Rate	5.65%	11.65%	8.07%
Total Level 3 Assets	$ 266,822,512					

(a) Weighted averages are calculated based on fair value of investments.
(b) This asset category contains one investment.
(c) Investment(s) were valued based on recent or pending transactions expected to close after the valuation date.

The income and market approaches were used in the determination of fair value of certain Level 3 assets as of December 31, 2021. The significant unobservable inputs used in the income approach are the discount rate or market yield used to discount the estimated future cash flows expected to be received from the underlying investment, which include both future principal and interest payments. An increase in the discount rate or market yield would result in a decrease in the fair value. Included in the consideration and selection of discount rates is risk of default, rating of the investment, call provisions and comparable company investments. The significant unobservable inputs used in the market approach are based on market comparable transactions and market multiples of publicly traded comparable companies. Changes in these inputs in isolation may result in a significantly higher or lower fair value measurement of the respective subject instrument.

Valuations of loans, corporate debt, and other debt obligations are generally based on discounted cash flow techniques, for which the significant inputs are the amount and timing of expected future cash flows, market yields and recovery assumptions. The significant inputs are generally determined based on relative value analysis, which incorporate comparisons to other debt instruments for which observable prices or broker quotes are available. Other valuation methodologies are used as appropriate including market comparables, transactions in similar instruments and recovery/liquidation analysis. The Company also considers the use of EBITDA multiples, revenue multiples, tangible net asset value multiples, TBV multiples, and other relevant multiples on its debt and equity investments to determine any credit gains or losses in certain instances. Changes in these inputs in isolation may result in a significantly higher or lower fair value measurement of the respective subject instrument.

Note 4. Borrowings

Citi Revolving Credit Facility: As part of its initial contribution to the Company, FBLC transferred 100% of its interests in CB Funding to the Company effective January 20, 2021. The contribution included a revolving credit facility with Citibank, N.A. (the "Citi Facility") and the Company amended its credit agreement on the same date.

The maximum amount CB Funding is able to borrow from the Citi Facility is currently $400,000,000. Borrowings under the Citi Facility bear interest at an annual rate of LIBOR plus 1.60% per annum. In addition to the stated interest rate on borrowings, CB Funding is required to pay an unused commitment fee of (i) 1.25% per annum on any unused portion of the Citi Facility when the outstanding borrowings are less than 75% of the facility amount, and (ii) 0.75% per annum on any unused portion of the Citi Facility when the outstanding borrowings are equal to or greater than 75% of the facility amount. Interest expense and unused commitment fees under the facility totaled $6,289,853 for the period ended December 31, 2021, and was included within interest and credit facility financing expenses on the Consolidated Statement of Operations.

CIBC Revolving Credit Facility: BDCA SLF Funding, LLC ("SLF Funding"), a wholly owned subsidiary of the Company, entered into a senior secured revolving credit facility with Canadian Imperial Bank of Commerce. as agent, on July 2, 2021 (the "CIBC Facility").

The maximum amount the SLF Funding is able to borrow from the CIBC Facility is currently $300,000,000. Borrowings under the Revolving Credit Facility bear interest at an annual rate of LIBOR plus 1.25% per annum. In addition to the stated interest rate on borrowings, SLF Funding is required to pay an unused commitment fee of 0.50% per annum on any unused portion of the Revolving Credit Facility. Interest expense and unused commitment fees under the facility totaled $1,466,556 for the period ended December 31, 2021, and was included within interest and credit facility financing expenses on the Consolidated Statement of Operations.

JPM Total Return Swap: The Company entered into a total return swap agreement with JPMorgan Chase Bank as agent, on February 24, 2021 (the "JPM TRS"). The JPM TRS gives the Company the option to enter into total return swap transactions which reference syndicated bank loans. The Company may terminate these transactions as it sees fit. These transactions have calculated aggregated closing amounts that are finalized at the end of each month which represent payments, fees, and interest for each transaction. Transactions bear financing costs at an annual rate of LIBOR plus 1.25% per annum. Interest expense under the facility totaled $1,419,059 for the period ended December 31, 2021, and was included within interest and credit facility financing expenses on the Consolidated Statement of Operations.

As of December 31, 2021, all total return swaps on the JPM TRS were entered contemporaneously with the Company's sale of their respective reference assets. Due to the Company's continuing involvement in these assets, these assets are not derecognized under ASC 860, Transfers and Servicing, and are presented on the Consolidated Schedule of Investments. Financing amounts related to these assets are presented as Secured borrowings on the Consolidated Statement of Assets, Liabilities, and Members' Capital.

Note 5. Members' Capital

The Company may call commitments to enable the Company to make investments, to pay fees and expenses, or to provide reserves. No member is required to fund an amount in excess of its uncalled commitment. As of December 31, 2021, 100% of the commitments had been called. Pursuant to the agreement, profit and loss are allocated among the members pro rata in accordance with their respective ownership of the Company. At commencement, FBLC and CCLF owned 87.5% and 12.5% of the Company, respectively. Effective December 8, 2021, CCLF increased its commitment to the Company by $35,000,000. As of December 31, 2021, FBLC and CCLF owned 79.8% and 20.2% of the Company, respectively. Unless otherwise determined by the Board, the Company shall make quarterly distributions to members in an amount approximating the Company's estimated ordinary income for such quarter, subject to expenses and reserves.

Note 6. Related Parties

The Administrator is an affiliate of one of the Members. Under the Administration agreement, the Company pays the Administrator a fee equal to 0.15% of the Company's average gross assets as compensation for administrative services provided. For the period ended December 31, 2021, the Company incurred $1,379,439 in administrative expenses (included within other general and administrative expenses on the Consolidated Statement of Operations) under the Administration Agreement. Of this amount, $442,922 is payable as of December 31, 2021.

Due To/From Members

Included within prepaid expenses and other assets on the Consolidated Statements of Assets and Liabilities, and Members' Capital as of December 31, 2021, are $144,115 of receivables from FBLC. These receivables relate to accrued interest on assets transferred between FBLC and the Company. Additionally, included within accounts payable and accrued expenses on the Consolidated Statements of Assets and Liabilities, and Members' Capital as of December 31, 2021, are $160,628 of payables to FBLC. These payables relate to the Company's organizational costs which were initially paid by FBLC.

Note 7. Commitments and Contingencies

As of December 31, 2021, the Company had $2,154,641 in outstanding commitments to fund investments under undrawn revolvers and delayed draw commitments.

Portfolio Company Name	Investment Type	Commitment Type	Total Commitment	Remaining Commitment
Aveanna Healthcare, LLC	Senior Secured First Lien Debt	Delayed draw term loan	$ 1,274,146	$ 1,274,146
National Mentor Holdings, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	343,790	343,790
Western Dental Services, Inc.	Senior Secured First Lien Debt	Delayed draw term loan	925,353	536,705
			$ 2,543,289	$ 2,154,641

The Company maintains sufficient cash on hand and available borrowings to fund such unfunded commitments.

In the ordinary course of business, the Company may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on its history and experience, the Board feels that the likelihood of such an event is remote.

The Company is not currently contractually obligated to provide financial support to any of the portfolio companies included in the Consolidated Schedule of Investments. The primary purpose of the Company's investments is to support the growth objectives of the portfolio companies. No other contractual or non-contractual financial support was provided to the Company's portfolio companies during the period ended December 31, 2021. The Company may assist a portfolio company in obtaining financial support in the future and has unfunded loan commitments as indicated in the table above.

Note 8. Financial Highlights

The financial highlights for the Company for the period ended December 31, 2021 were as follows:

Gross total return (i)	13.17%
Expense allocation:	0.66%
Net total return (i)	12.51%
Ratio to average members' contributed capital:	
Interest and credit facility financing expenses (ii)	2.92%
Operating expenses (ii)	0.63%
Total expenses (ii)	3.55%
Net investment income (ii)	9.50%

(i) The total return ratio is not annualized.
(ii) The expenses and net investment income ratios, besides organizational costs, have been annualized.

Total return is calculated for all members taken as a whole. The return is calculated as the change in members' capital, adjusted for contributions and withdrawals during the year. The above ratios are computed based upon the weighted average members' capital for the Company for the period ended December 31, 2021. An individual member's return and ratios may vary from those presented above due to the timing of capital transactions.

The financial highlights may not be indicative of the future performance of the Company.

Note 9. Subsequent Events

The Company has evaluated subsequent events for potential recognition and/or disclosure through March 16, 2022, the date the financial statements were available to be issued.