

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

**FORM 10-Q**

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

For the quarterly period ended March 31, 2022  
OR

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

For the transition period \_\_\_\_\_ to \_\_\_\_\_  
Commission File No. 814-00995

**Carlyle Secured Lending, Inc.**  
(Exact name of Registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of incorporation or organization)

**80-0789789**  
(I.R.S. Employer Identification Number)

**One Vanderbilt Avenue, Suite 3400, New York, NY 10017**  
(Address of principal executive office) (Zip Code)

**(212) 813-4900**  
(Registrant's telephone number, including area code)

N/A  
(Former name, former address and former fiscal year, if changed since last report)

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common stock, \$0.01 par value	CGBD	The Nasdaq Global Select Market

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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

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

The number of shares of the registrant's common stock, \$0.01 par value per share, outstanding at May 2, 2022 was 52,486,356.

**Carlyle Secured Lending, Inc.**  
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**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES**  
(dollar amounts in thousands, except per share data)

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>(unaudited)</u>	
<b>ASSETS</b>		
Investments, at fair value		
Investments—non-controlled/non-affiliated, at fair value (amortized cost of \$1,610,824 and \$1,631,067, respectively)	\$ 1,576,247	\$ 1,607,731
Investments—non-controlled/affiliated, at fair value (amortized cost of \$38,332 and \$38,462, respectively)	30,771	30,286
Investments—controlled/affiliated, at fair value (amortized cost of \$271,097 and \$288,024, respectively)	266,165	275,035
Total investments, at fair value (amortized cost of \$1,920,253 and \$1,957,553, respectively)	1,873,183	1,913,052
Cash, cash equivalents and restricted cash	69,512	93,074
Receivable for investment sold/repaid	13,060	530
Deferred financing costs	2,882	3,066
Interest receivable from non-controlled/non-affiliated investments	15,284	11,011
Interest receivable from non-controlled/affiliated investments	611	611
Interest and dividend receivable from controlled/affiliated investments	9,212	8,522
Prepaid expenses and other assets	2,214	1,484
Total assets	\$ 1,985,958	\$ 2,031,350
<b>LIABILITIES</b>		
Secured borrowings (Note 7)	\$ 359,679	\$ 407,655
2015-1R Notes payable, net of unamortized debt issuance costs of \$2,356 and \$2,417, respectively (Note 8)	446,844	446,783
Senior Notes, net of unamortized debt issuance costs of \$382 and \$416, respectively (Note 8)	189,618	189,584
Payable for investments purchased	328	323
Interest and credit facility fees payable (Notes 7 and 8)	2,727	2,467
Dividend payable (Note 10)	21,035	20,705
Base management and incentive fees payable (Note 4)	12,304	11,819
Administrative service fees payable (Note 4)	825	482
Other accrued expenses and liabilities	2,058	2,728
Total liabilities	1,035,418	1,082,546
Commitments and contingencies (Notes 9 and 12)		
<b>EQUITY</b>		
<b>NET ASSETS</b>		
Cumulative convertible preferred stock, \$0.01 par value; 2,000,000 and 2,000,000 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	50,000	50,000
Common stock, \$0.01 par value; 198,000,000 shares authorized; 52,647,158 and 53,142,454 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	527	532
Paid-in capital in excess of par value	1,045,424	1,052,427
Offering costs	(1,633)	(1,633)
Total distributable earnings (loss)	(143,778)	(152,522)
Total net assets	\$ 950,540	\$ 948,804
<b>NET ASSETS PER COMMON SHARE</b>	<u>\$ 17.11</u>	<u>\$ 16.91</u>

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

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(dollar amounts in thousands, except per share data)  
(unaudited)

	For the three month periods ended	
	March 31, 2022	March 31, 2021
<b>Investment income:</b>		
From non-controlled/non-affiliated investments:		
Interest income	\$ 33,828	\$ 31,756
Other income	1,962	1,467
Total investment income from non-controlled/non-affiliated investments	35,790	33,223
From non-controlled/affiliated investments:		
Interest income	48	38
Other income	2	3
Total investment income from non-controlled/affiliated investments	50	41
From controlled/affiliated investments:		
Interest income	3,873	56
Dividend income	7,524	7,528
Other income	272	—
Total investment income from controlled/affiliated investments	11,669	7,584
Total investment income	47,509	40,848
<b>Expenses:</b>		
Base management fees (Note 4)	7,050	6,800
Incentive fees (Note 4)	5,228	4,257
Professional fees	783	691
Administrative service fees (Note 4)	406	282
Interest expense (Notes 7 and 8)	7,099	6,975
Credit facility fees (Note 7)	517	519
Directors' fees and expenses	160	116
Other general and administrative	394	405
Total expenses	21,637	20,045
Net investment income (loss) before taxes	25,872	20,803
Excise tax expense	353	124
Net investment income (loss)	25,519	20,679
<b>Net realized gain (loss) and net change in unrealized appreciation (depreciation):</b>		
Net realized gain (loss) on investments:		
Non-controlled/non-affiliated investments	4,575	1,672
Non-controlled/affiliated investments	—	1
Controlled/affiliated investments	1,264	—
Currency gains (losses) on non-investment assets and liabilities	(368)	(82)
Net change in unrealized appreciation (depreciation) on investments:		
Non-controlled/non-affiliated investments	(11,243)	17,916
Non-controlled/affiliated investments	614	646
Controlled/affiliated investments	8,057	(4,703)
Net change in unrealized currency gains (losses) on non-investment assets and liabilities	2,265	(225)
Net realized and unrealized gain (loss) on investments and non-investment assets and liabilities	5,164	15,225
Net increase (decrease) in net assets resulting from operations	30,683	35,904
Preferred stock dividend	875	875
Net increase (decrease) in net assets resulting from operations attributable to Common Stockholders	\$ 29,808	\$ 35,029
Basic and diluted earnings per common share (Note 10)		
Basic	\$ 0.56	\$ 0.64
Diluted	\$ 0.53	\$ 0.60
Weighted-average shares of common stock outstanding (Note 10)		
Basic	52,892,054	55,039,010
Diluted	58,194,422	60,306,312

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

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**  
(dollar amounts in thousands)  
(unaudited)

	For the three month periods ended	
	March 31, 2022	March 31, 2021
<b>Net increase (decrease) in net assets resulting from operations:</b>		
Net investment income (loss)	\$ 25,519	\$ 20,679
Net realized gain (loss)	5,471	1,591
Net change in unrealized appreciation (depreciation) on investments	(2,572)	13,859
Net change in unrealized currency gains (losses) on non-investment assets and liabilities	2,265	(225)
Net increase (decrease) in net assets resulting from operations	<u>30,683</u>	<u>35,904</u>
<b>Capital transactions:</b>		
Repurchase of common stock	(7,008)	(5,570)
Dividends declared on preferred and common stock (Note 10)	(21,939)	(21,177)
Net increase (decrease) in net assets resulting from capital share transactions	<u>(28,947)</u>	<u>(26,747)</u>
<b>Net increase (decrease) in net assets</b>	<u>1,736</u>	<u>9,157</u>
Net Assets at beginning of period	948,804	901,363
<b>Net Assets at end of period</b>	<u>\$ 950,540</u>	<u>\$ 910,520</u>

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

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(dollar amounts in thousands)  
(unaudited)

	For the three month periods ended	
	March 31, 2022	March 31, 2021
<b>Cash flows from operating activities:</b>		
Net increase (decrease) in net assets resulting from operations	\$ 30,683	\$ 35,904
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Amortization of deferred financing costs	279	253
Net accretion of discount on investments	(2,338)	(2,026)
Paid-in-kind interest	(4,217)	(2,025)
Net realized (gain) loss on investments	(5,839)	(1,673)
Net realized currency (gain) loss on non-investment assets and liabilities	368	82
Net change in unrealized (appreciation) depreciation on investments	2,572	(13,859)
Net change in unrealized currency (gains) losses on non-investment assets and liabilities	(2,265)	225
Cost of investments purchased and change in payable for investments purchased	(110,079)	(134,935)
Proceeds from sales and repayments of investments and change in receivable for investments sold/repaid	146,912	153,722
<i>Changes in operating assets:</i>		
Interest receivable	(4,273)	(726)
Dividend receivable	(690)	(1,044)
Prepaid expenses and other assets	(730)	3
<i>Changes in operating liabilities:</i>		
Interest and credit facility fees payable	260	(12)
Base management and incentive fees payable	485	(502)
Administrative service fees payable	343	117
Other accrued expenses and liabilities	(670)	(1,235)
Net cash provided by (used in) operating activities	<u>50,801</u>	<u>32,269</u>
<b>Cash flows from financing activities:</b>		
Repurchase of common stock	(7,008)	(5,570)
Borrowings on SPV Credit Facility and Credit Facility	58,500	40,286
Repayments of SPV Credit Facility and Credit Facility	(104,246)	(79,000)
Debt issuance costs paid	—	(122)
Dividends paid in cash	(21,609)	(20,789)
Net cash provided by (used in) financing activities	<u>(74,363)</u>	<u>(65,195)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(23,562)	(32,926)
Cash, cash equivalents, and restricted cash, beginning of period	93,074	68,419
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 69,512</u>	<u>\$ 35,493</u>
<b>Supplemental disclosures:</b>		
Interest paid during the period	\$ 7,106	\$ 6,915
Taxes, including excise tax, paid during the period	\$ 794	\$ 626
Dividends declared on preferred stock and common stock during the period	\$ 21,939	\$ 21,177

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

**CARLYLE SECURED LENDING INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS**

As of March 31, 2022

(dollar amounts in thousands)

(unaudited)

Investments—non-controlled/non-affiliated <sup>(1)</sup>	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets	
<b>First Lien Debt (63.8% of fair value)</b>											
Advanced Web Technologies Holding Company	^*	(2)(3)(14)	Containers, Packaging & Glass	L + 5.75%	6.75%	12/17/2020	12/17/2026	\$ 9,383	\$ 9,184	\$ 9,428	0.99 %
Aimov, Inc.	^*	(2)(3)(14)	Containers, Packaging & Glass	L + 5.00%	6.00%	12/20/2019	12/19/2025	2,047	2,019	2,045	0.21
Allied Universal Holdco LLC	^	(2)(3)	Business Services	L + 4.25%	4.75%	2/17/2021	7/10/2026	496	498	488	0.05
American Physician Partners, LLC	^*	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 8.75%, 1.50% PIK	10.75%	1/7/2019	4/8/2022	28,012	28,013	28,013	2.95
Analogic Corporation	^*	(2)(3)(14)	Capital Equipment	L + 5.25%	6.25%	6/22/2018	6/22/2024	2,452	2,432	2,403	0.25
Applied Technical Services, LLC	^	(2)(3)(14)	Business Services	L + 5.75%	6.75%	12/29/2020	12/29/2026	529	519	529	0.06
Appriss Health, LLC	^	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 7.25%	8.25%	5/6/2021	5/6/2027	43,247	42,437	42,448	4.47
Apptio, Inc.	^	(2)(3)(14)	Software	L + 7.25%	8.25%	1/10/2019	1/10/2025	6,131	6,051	6,131	0.64
Ascend Buyer, LLC	^*	(2)(3)(14)	Containers, Packaging & Glass	L + 5.75%	6.50%	9/30/2021	9/30/2028	12,806	12,546	12,506	1.32
Associations, Inc.	^	(2)(3)(14)	Construction & Building	L + 4.00%, 2.50% PIK	7.50%	7/2/2021	7/2/2027	12,612	12,499	12,284	1.29
Aurora Lux FinCo S.Á.R.L. (Luxembourg)	^*	(2)(3)(7)	Software	L + 6.00%	7.00%	12/24/2019	12/24/2026	32,406	31,814	29,408	3.09
Barnes & Noble, Inc.	^	(2)(3)(11)	Retail	L + 6.50%	9.31%	8/7/2019	12/20/2026	28,572	27,563	28,214	2.97
BlueCat Networks, Inc. (Canada)	*	(2)(3)(7)	High Tech Industries	L + 6.25%	7.25%	10/30/2020	10/30/2026	11,439	11,248	11,526	1.21
BMS Holdings III Corp.	^	(2)(3)(14)	Construction & Building	L + 5.50%	6.50%	9/30/2019	9/30/2026	—	(171)	(140)	(0.01)
Bubbles Bidco S.P.A. (Italy)	^	(2)(3)(7)(14)	Consumer Goods: Non-Durable	L + 9.25% (100% PIK)	9.25%	10/20/2021	10/20/2028	€ 4,700	5,307	4,996	0.53
Bubbles Bidco S.P.A. (Italy)	^	(2)(3)(7)(14)	Consumer Goods: Non-Durable	L + 6.25%	6.25%	10/20/2021	10/20/2028	€ —	—	(30)	—
Captive Resources Midco, LLC	^*	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	6/30/2015	5/31/2027	10,223	10,111	10,102	1.06
Chartis Holding, LLC	^*	(2)(3)(14)	Business Services	L + 5.50%	6.60%	5/1/2019	5/1/2025	692	682	689	0.07
Chemical Computing Group ULC (Canada)	^*	(2)(3)(7)(14)	Software	L + 4.50%	5.50%	8/30/2018	8/30/2024	465	464	460	0.05
Chudy Group, LLC	^	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	6/30/2021	6/30/2027	823	810	828	0.09
CircusTriX Holdings, LLC	^*	(2)(3)	Hotel, Gaming & Leisure	L + 5.50%, 2.50% PIK	9.00%	2/2/2018	1/16/2024	10,570	10,550	9,719	1.02
CircusTriX Holdings, LLC	^	(2)(3)	Hotel, Gaming & Leisure	L + 5.50%, 2.50% PIK	9.00%	1/8/2021	7/16/2023	700	643	701	0.07
Cobblestone Intermediate Holdco LLC	^	(2)(3)	Consumer Services	L + 5.50%	6.50%	1/29/2020	1/29/2026	721	716	718	0.07
Comar Holding Company, LLC	^*	(2)(3)(14)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/18/2018	6/18/2024	26,375	26,112	25,510	2.68
Cority Software Inc. (Canada)	^*	(2)(3)(7)(14)	Software	L + 5.00%	6.00%	7/2/2019	7/2/2026	10,489	10,309	10,447	1.10
Cority Software Inc. (Canada)	^	(2)(3)(7)	Software	L + 7.00%	8.00%	9/3/2020	7/2/2026	1,874	1,830	1,890	0.20
DCA Investment Holding LLC	^*	(2)(3)(14)	Healthcare & Pharmaceuticals	SOFR + 6.00%	6.75%	3/11/2021	4/3/2028	13,328	13,153	13,136	1.38

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of March 31, 2022**  
**(dollar amounts in thousands)**  
**(unaudited)**

Investments—non-controlled/non-affiliated <sup>(1)</sup>		Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets
Derm Growth Partners III, LLC	^	(2)(3)(8)	Healthcare & Pharmaceuticals	L + 6.25%	7.25%	5/31/2016	5/31/2022	\$ 55,807	\$ 50,994	\$ 41,077	4.32 %
DermaRite Industries, LLC	^*	(2)(3)	Healthcare & Pharmaceuticals	L + 7.00% (100% PIK)	8.00%	3/3/2017	6/30/2023	20,357	20,357	16,894	1.78
Diligent Corporation	^	(2)(3)(14)	Telecommunications	L + 6.25%	7.25%	8/4/2020	8/4/2025	650	636	647	0.07
DTI Holdco, Inc.	^	(2)(3)	High Tech Industries	L + 4.75%	5.75%	12/18/2018	9/30/2023	1,928	1,885	1,896	0.20
Dwyer Instruments, Inc	^*	(2)(3)(14)	Capital Equipment	L + 5.50%	6.50%	7/21/2021	7/21/2027	2,271	2,207	2,260	0.24
Ellkay, LLC	^	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	9/14/2021	9/14/2027	14,214	13,922	13,883	1.46
Emergency Communications Network, LLC	^*	(2)(3)	Telecommunications	L + 2.625%, 5.125% PIK	8.75%	6/1/2017	6/1/2023	25,537	25,487	22,144	2.33
EPS Nass Parent, Inc.	^	(2)(3)(14)	Utilities: Electric	L + 5.75%	6.75%	4/19/2021	4/19/2028	890	873	878	0.09
Ethos Veterinary Health LLC	^	(2)(3)	Consumer Services	L + 4.75%	5.21%	5/17/2019	5/15/2026	2,579	2,563	2,579	0.27
EvolveIP, LLC	^*	(2)(3)(14)(15)	Telecommunications	SOFR + 5.50%	6.50%	11/26/2019	6/7/2025	5,455	5,447	5,441	0.57
Flagship Intermediate Holdco, LLC	^*	(2)(3)(14)(15)	Consumer Services	SOFR + 5.50%	6.50%	2/18/2022	2/18/2028	12,155	11,445	11,432	1.20
Frontline Technologies Holdings, LLC	^*	(2)(3)	Software	L + 5.25%	6.25%	9/18/2017	9/18/2023	3,060	3,050	3,057	0.32
Greenhouse Software, Inc.	^	(2)(3)(14)	Software	L + 6.50%	7.50%	3/1/2021	3/1/2027	15,196	14,870	14,740	1.55
Hadrian Acquisition Limited (United Kingdom)	^	(2)(3)	Banking, Finance, Insurance & Real Estate	SONIA + 5.26%, 3.47% PIK	9.48%	2/28/2022	2/28/2029	£ 14,259	18,559	17,790	1.87
Hadrian Acquisition Limited (United Kingdom)	^	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	SONIA + 5.00%, 2.75% PIK	8.50%	2/28/2022	2/28/2029	£ 413	330	407	0.04
Harbour Benefit Holdings, Inc.	^*	(2)(3)(14)	Business Services	L + 5.25%	6.25%	12/13/2017	12/13/2024	8,358	8,293	8,342	0.88
Heartland Home Services, Inc	^*	(2)(3)(14)	Consumer Services	L + 6.00%	7.00%	12/15/2020	12/15/2026	13,904	13,549	13,624	1.43
Hercules Borrower LLC	^*	(2)(3)(14)	Environmental Industries	L + 6.50%	7.50%	12/14/2020	12/14/2026	18,636	18,177	18,806	1.98
Higginbotham Insurance Agency, Inc.	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	11/25/2020	11/25/2026	4,966	4,906	4,925	0.52
Hoosier Intermediate, LLC	^*	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 5.50%	6.50%	11/15/2021	11/15/2028	16,479	16,119	16,187	1.70
iCIMS, Inc.	^	(2)(3)	Software	L + 6.50%	7.50%	9/12/2018	9/12/2024	1,671	1,653	1,671	0.18
Individual FoodService Holdings, LLC	^*	(2)(3)(14)	Wholesale	L + 6.25%	7.56%	2/21/2020	11/22/2025	9,704	9,525	9,679	1.02
Infront Luxembourg Finance S.A R.L. (Luxembourg)	^	(2)(3)(7)	Hotel, Gaming & Leisure	L + 9.00%	9.00%	5/28/2021	5/28/2027	€ 8,250	9,785	8,876	0.93
Integrity Marketing Acquisition, LLC	*	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	1/15/2020	8/27/2025	4,908	4,860	4,800	0.50
Integrity Marketing Acquisition, LLC	^	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	1/15/2020	8/27/2025	—	(69)	(127)	(0.01)
Jeg's Automotive, LLC	^*	(2)(3)(14)	Automotive	L + 5.75%	6.75%	12/22/2021	12/22/2027	19,146	18,666	18,783	1.98



**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of March 31, 2022**  
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**(unaudited)**

<b>Investments—non-controlled/non-affiliated <sup>(1)</sup></b>		<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread <sup>(2)</sup></b>	<b>Interest Rate <sup>(2)</sup></b>	<b>Acquisition Date</b>	<b>Maturity Date</b>	<b>Par/Principal Amount <sup>**</sup></b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>	<b>% of Net Assets</b>
K2 Insurance Services, LLC	^*	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/3/2019	7/1/2026	\$ 3,356	\$ 3,299	\$ 3,351	0.35 %
Kaseya, Inc.	^	(2)(3)(14)	High Tech Industries	L + 5.50%, 1.00% PIK	7.50%	5/3/2019	5/3/2025	19,123	18,882	18,942	1.99
Lifelong Learner Holdings, LLC	^	(2)(3)(14)	Business Services	L + 5.75%	6.75%	10/18/2019	10/18/2026	26,149	25,787	24,107	2.54
LinQuest Corporation	*	(2)(3)	Aerospace & Defense	L + 5.75%	6.50%	7/28/2021	7/28/2028	9,950	9,767	9,701	1.02
Liqui-Box Holdings, Inc.	^	(2)(3)(14)	Containers, Packaging & Glass	L + 4.50%	5.50%	6/3/2019	6/3/2024	1,504	1,490	1,240	0.13
LVF Holdings, Inc.	^*	(2)(3)(14)	Beverage, Food & Tobacco	L + 6.25%	7.82%	6/10/2021	6/10/2027	41,524	40,689	39,359	4.14
Material Holdings, LLC	^*	(2)(3)(14)	Business Services	L + 5.75%	6.75%	8/19/2021	8/19/2027	7,043	6,886	6,753	0.71
Maverick Acquisition, Inc.	^*	(2)(3)(14)	Aerospace & Defense	L + 6.00%	7.00%	6/1/2021	6/1/2027	35,892	35,153	34,140	3.59
Medical Manufacturing Technologies, LLC	^*	(2)(3)(14)(15)	Healthcare & Pharmaceuticals	SOFR + 6.00%	7.00%	12/23/2021	12/23/2027	21,477	20,874	21,013	2.21
MMIT Holdings, LLC	^*	(2)(3)(14)	High Tech Industries	L + 6.25%	7.25%	9/15/2021	9/15/2027	10,937	10,717	10,697	1.13
National Technical Systems, Inc.	^	(2)(3)(14)	Aerospace & Defense	L + 5.50%	6.50%	10/28/2020	6/12/2023	1,164	1,151	1,158	0.12
NES Global Talent Finance US, LLC (United Kingdom)	^	(2)(3)(7)	Energy: Oil & Gas	L + 5.50%	6.50%	5/9/2018	5/11/2023	9,662	9,618	9,414	0.99
NMI AcquisitionCo, Inc.	^*	(2)(3)(14)	High Tech Industries	L + 5.75%	6.50%	9/6/2017	9/6/2025	40,229	40,004	39,672	4.17
Performance Health Holdings, Inc.	*	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	7/12/2021	7/12/2027	6,444	6,324	6,286	0.66
PF Atlantic Holdco 2, LLC	^*	(2)(3)(14)	Hotel, Gaming & Leisure	L + 6.00%	7.00%	11/12/2021	11/12/2027	27,654	26,900	27,037	2.84
PF Growth Partners, LLC	^*	(2)(3)	Hotel, Gaming & Leisure	L + 5.00%	6.00%	7/1/2019	7/11/2025	8,019	7,947	7,885	0.83
PPT Management Holdings, LLC	^	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%, 2.50% PIK	9.50%	12/15/2016	12/16/2022	28,454	28,424	23,576	2.48
Product Quest Manufacturing, LLC	^	(2)(3)(8)	Containers, Packaging & Glass	L + 6.75%	10.00%	9/21/2017	3/31/2021	840	840	840	0.09
Prophix Software Inc. (Canada)	^	(2)(3)(7)(14)	Software	L + 6.50%	7.50%	2/1/2021	2/1/2026	10,963	10,743	11,093	1.17
PXO Holdings I Corp.	^*	(2)(3)(14)(15)	Chemicals, Plastics & Rubber	SOFR + 5.50%	6.25%	3/8/2022	3/8/2028	14,790	14,406	14,402	1.52
Quantic Electronics, LLC	^*	(2)(3)(14)	Aerospace & Defense	L + 6.00%	7.00%	11/19/2020	11/19/2026	14,588	14,301	14,248	1.50
Quantic Electronics, LLC	^*	(2)(3)(14)	Aerospace & Defense	L + 6.00%	7.00%	3/1/2021	3/1/2027	8,860	8,647	8,604	0.91
QW Holding Corporation	^*	(2)(3)	Environmental Industries	L + 5.75%	6.75%	8/31/2016	8/31/2026	42,559	42,361	42,151	4.43
Redwood Services Group, LLC	^*	(2)(3)(14)	High Tech Industries	L + 6.00%	7.00%	11/13/2018	6/6/2024	30,814	30,388	30,429	3.20
Regency Entertainment, Inc.	^	(2)(3)	Media: Diversified & Production	L + 6.75%	7.75%	5/22/2020	10/22/2025	20,000	19,716	19,716	2.07
Riveron Acquisition Holdings, Inc.	*	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2019	5/22/2025	11,372	11,240	11,372	1.20
RSC Acquisition, Inc.	^	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.28%	11/1/2019	11/1/2026	8,407	8,274	8,042	0.85
Sapphire Convention, Inc.	^*	(2)(3)(14)	Telecommunications	L + 6.25%	7.25%	11/20/2018	11/20/2025	29,803	29,451	25,461	2.68

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
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Investments—non-controlled/non-affiliated <sup>(1)</sup>		Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets
Smarsh Inc.	^	(2)(3)(14)	Software	SOFR + 6.50%	7.25%	2/18/2022	2/18/2029	\$ 6,530	\$ 6,362	\$ 6,359	0.67 %
SPay, Inc.	^*	(2)(3)	Hotel, Gaming & Leisure	L + 2.30%, 6.95% PIK	10.25%	6/15/2018	6/17/2024	23,440	23,269	20,445	2.15
Speedstar Holding, LLC	^*	(2)(3)(14)	Automotive	L + 7.00%	8.00%	1/22/2021	1/22/2027	27,157	26,640	27,164	2.86
Tank Holding Corp.	^*	(2)(3)(14)(15)	Capital Equipment	SOFR + 6.00%	6.75%	3/31/2022	3/31/2028	37,931	37,140	37,139	3.90
TCFI AeveX LLC	^*	(2)(3)(14)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2020	3/18/2026	11,132	10,953	9,015	0.95
Trafigura Trading LLC	^	(2)(3)(13)(14)	Metals & Mining	L + 8.40%	9.37%	7/26/2021	7/18/2022	4,174	4,213	4,250	0.45
Turbo Buyer, Inc.	^*	(2)(3)(14)	Automotive	L + 6.00%	7.00%	12/2/2019	12/2/2025	20,325	19,872	19,918	2.10
Unifrutti Financing PLC (Cyprus)	^	(7)	Beverage, Food & Tobacco	7.50%, 1.00% PIK	8.50%	9/15/2019	9/15/2026	€ 4,644	4,950	5,138	0.54
Unifrutti Financing PLC (Cyprus)	^	(7)	Beverage, Food & Tobacco	11.00% PIK	11.00%	10/22/2020	9/15/2026	€ 776	881	912	0.10
US INFRA SVCS Buyer, LLC	^	(2)(3)(14)	Environmental Industries	L + 6.50%	7.50%	4/13/2020	4/13/2026	9,382	8,949	8,436	0.89
USALCO, LLC	*	(2)(3)	Chemicals, Plastics & Rubber	L + 6.00%	7.00%	10/19/2021	10/19/2027	998	979	967	0.10
U.S. Legal Support, Inc.	^*	(2)(3)(14)(15)	Business Services	SOFR + 5.75%	6.75%	11/30/2018	11/30/2024	15,657	15,448	15,276	1.61
Westfall Technik, Inc.	^*	(2)(3)	Chemicals, Plastics & Rubber	L + 5.75%	6.75%	9/13/2018	9/13/2024	21,468	21,309	21,125	2.22
Westfall Technik, Inc.	^	(2)(3)	Chemicals, Plastics & Rubber	L + 6.25%	7.25%	7/1/2021	9/13/2024	4,945	4,857	4,888	0.51
Wineshipping.com LLC	^*	(2)(3)(14)	Beverage, Food & Tobacco	L + 5.75%	6.75%	10/29/2021	10/29/2027	14,425	14,090	14,074	1.48
Yellowstone Buyer Acquisition, LLC	^	(2)(3)	Consumer Goods: Durable	L + 5.75%	6.75%	9/13/2021	9/13/2027	448	439	435	0.05
YLG Holdings, Inc.	^	(2)(3)	Consumer Services	L + 5.25%	6.32%	9/30/2020	11/1/2025	1,976	1,927	1,976	0.21
First Lien Debt Total								\$ 1,231,985	\$ 1,193,346		125.54 %
<b>Second Lien Debt (16.2% of fair value)</b>											
11852604 Canada Inc. (Canada)	^	(2)(3)(7)	Healthcare & Pharmaceuticals	L + 9.50% (100% PIK)	10.50%	9/30/2021	9/30/2028	\$ 6,767	\$ 6,616	\$ 6,597	0.69 %
AI Convoy S.A.R.L (United Kingdom)	^	(2)(3)(7)	Aerospace & Defense	L + 8.25%	9.25%	1/17/2020	1/17/2028	24,814	24,372	25,806	2.71
Aimbridge Acquisition Co., Inc.	^	(2)(3)	Hotel, Gaming & Leisure	L + 7.50%	7.73%	2/1/2019	2/1/2027	9,241	9,128	8,575	0.90
AP Plastics Acquisition Holdings, LLC	^	(2)(3)	Chemicals, Plastics & Rubber	L + 7.50%	8.25%	8/10/2021	8/10/2029	33,680	32,807	33,714	3.55
AQA Acquisition Holdings, Inc.	^*	(2)(3)	High Tech Industries	L + 7.50%	8.50%	3/3/2021	3/3/2029	35,000	34,212	34,973	3.68
Blackbird Purchaser, Inc.	^	(2)(3)(14)	Capital Equipment	L + 7.50%	8.25%	12/14/2021	4/8/2027	13,791	13,441	13,109	1.38
Brave Parent Holdings, Inc.	^*	(2)(3)	Software	L + 7.50%	7.96%	10/3/2018	4/19/2026	18,197	17,930	18,197	1.91
Drilling Info Holdings, Inc.	^	(2)(3)	Energy: Oil & Gas	L + 8.25%	8.71%	2/11/2020	7/30/2026	18,600	18,230	18,786	1.98
Jazz Acquisition, Inc.	^	(2)(3)	Aerospace & Defense	L + 8.00%	8.46%	6/13/2019	6/18/2027	23,450	23,197	20,947	2.20

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
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Investments—non-controlled/non-affiliated <sup>(1)</sup>	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets	
Outcomes Group Holdings, Inc.	^*	(2)(3)	Business Services	L + 7.50%	7.85%	10/23/2018	10/26/2026	\$ 1,731	\$ 1,728	\$ 1,731	0.18 %
PAI Holdco, Inc.	^	(2)(3)	Automotive	L + 5.50%, 2.00% PIK	8.50%	10/28/2020	10/28/2028	13,878	13,529	13,945	1.47
Peraton Corp.	^*	(2)(3)	Aerospace & Defense	L + 7.75%	8.50%	2/24/2021	2/1/2029	11,941	11,776	11,798	1.24
Quartz Holding Company	^*	(2)(3)	Software	L + 8.00%	8.46%	4/2/2019	4/2/2027	7,048	6,948	7,048	0.74
Stonegate Pub Company Bidco Limited (United Kingdom)	^	(2)(3)(7)	Beverage, Food & Tobacco	SONIA + 8.50%	9.19%	3/12/2020	3/12/2028	£ 20,000	24,802	22,445	2.36
TruGreen Limited Partnership	^	(2)(3)	Consumer Services	L + 8.50%	9.25%	11/16/2020	11/2/2028	13,000	12,775	13,088	1.38
Watchfire Enterprises, Inc.	^	(2)(3)	Media: Advertising, Printing & Publishing	L + 8.00%	9.00%	10/2/2013	10/2/2024	7,000	7,000	7,000	0.74
World 50, Inc.	^	(9)	Business Services	11.50%	11.50%	1/10/2020	1/9/2027	18,552	18,228	17,784	1.87
WP CPP Holdings, LLC	^	(2)(3)	Aerospace & Defense	L + 7.75%	8.75%	7/18/2019	4/30/2026	29,500	29,303	28,659	3.02
Second Lien Debt Total								\$ 306,022	\$ 304,202		32.00 %

Investments—non-controlled/non-affiliated <sup>(1)</sup>	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value <sup>(5)</sup>	% of Net Assets	
<b>Equity Investments (4.2% of fair value)</b>								
ANLG Holdings, LLC	^	(6)	Capital Equipment	6/22/2018	592	\$ 592	\$ 729	0.08 %
Appriss Health, LLC	^	(6)	Healthcare & Pharmaceuticals	5/6/2021	5	4,579	4,581	0.48
Atlas Ontario LP (Canada)	^	(6)(7)	Business Services	4/7/2021	5,114	5,114	5,114	0.54
Avenu Holdings, LLC	^	(6)	Sovereign & Public Finance	9/28/2018	172	173	558	0.06
Blackbird Holdco, Inc.	^	(6)	Capital Equipment	12/14/2021	10	9,813	9,822	1.03
Buckeye Parent, LLC	^	(6)	Automotive	12/22/2021	885	885	885	0.09
Chartis Holding, LLC	^	(6)	Business Services	5/1/2019	433	433	683	0.07
CIP Revolution Holdings, LLC	^	(6)	Media: Advertising, Printing & Publishing	8/19/2016	318	318	192	0.02
Cority Software Inc. (Canada)	^	(6)	Software	7/2/2019	250	250	579	0.06
Derm Growth Partners III, LLC	^	(6)	Healthcare & Pharmaceuticals	5/31/2016	1,000	1,000	—	—
Diligent Corporation	^	(6)	Telecommunications	4/5/2021	11	10,830	10,741	1.13
ECP Parent, LLC	^	(6)	Healthcare & Pharmaceuticals	3/29/2018	268	—	290	0.03
GB Vino Parent, L.P.	^	(6)	Beverage, Food & Tobacco	10/29/2021	4	351	351	0.04
Integrity Marketing Group, LLC	^	(6)	Banking, Finance, Insurance & Real Estate	12/21/2021	15,425	15,126	15,173	1.60
K2 Insurance Services, LLC	^	(6)	Banking, Finance, Insurance & Real Estate	7/3/2019	433	306	690	0.07
Legacy.com, Inc.	^	(6)	High Tech Industries	3/20/2017	1,500	1,500	1,178	0.12
Mailgun Technologies, Inc.	^	(6)	High Tech Industries	3/26/2019	51	—	367	0.04

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Investments—non-controlled/non-affiliated <sup>(1)</sup>	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value <sup>(5)</sup>	% of Net Assets
North Haven Goldfinch Topco, LLC	^ (6)	Containers, Packaging & Glass	6/18/2018	2,315	\$ 2,315	\$ 1,881	0.20 %
Pascal Ultimate Holdings, L.P	^ (6)	Capital Equipment	7/21/2021	36	364	364	0.04
Profile Holdings I, LP	^ (6)	Chemicals, Plastics & Rubber	3/8/2022	5	523	523	0.06
Sinch AB (Sweden)	^ (6)	High Tech Industries	3/26/2019	53	593	364	0.04
Tailwind HMT Holdings Corp.	^ (6)	Energy: Oil & Gas	11/17/2017	22	1,558	1,362	0.14
Tank Holding Corp.	^ (6)	Capital Equipment	3/26/2019	850	—	1,982	0.21
Titan DI Preferred Holdings, Inc.	^ (6)	Energy: Oil & Gas	2/11/2020	13,270	13,021	13,403	1.41
Turbo Buyer, Inc.	^ (6)	Automotive	12/2/2019	1,925	933	2,872	0.30
Unifrutti Financing PLC (Cyprus)	^ (6)	Beverage, Food & Tobacco	10/22/2020	1	494	666	0.07
Unifrutti Financing PLC (Cyprus)	^ (6)	Beverage, Food & Tobacco	10/22/2020	—	133	218	0.02
U.S. Legal Support Investment Holdings, LLC	^ (6)	Business Services	11/30/2018	641	641	942	0.10
W50 Parent LLC	^ (6)	Business Services	1/10/2020	500	190	752	0.08
Zenith American Holding, Inc.	^ (6)	Business Services	12/13/2017	1,564	782	1,437	0.15
Equity Investments Total					\$ 72,817	\$ 78,699	8.28 %
Total investments—non-controlled/non-affiliated					\$ 1,610,824	\$ 1,576,247	165.83 %

Investments—non-controlled/affiliated	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets
<b>First Lien Debt (1.6% of fair value)</b>										
Direct Travel, Inc.	^* (2)(3)(8)(12)	Hotel, Gaming & Leisure	L + 1.00%, 7.50% PIK	9.50%	10/14/2016	10/1/2023	\$ 36,711	\$ 35,729	\$ 28,040	2.95 %
Direct Travel, Inc.	^ (2)(3)(12)(14)	Hotel, Gaming & Leisure	L + 6.00%	7.00%	10/1/2020	10/1/2023	2,731	2,603	2,731	0.29
First Lien Debt Total								\$ 38,332	\$ 30,771	3.24 %

Investments—non-controlled/affiliated	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value <sup>(5)</sup>	% of Net Assets
<b>Equity Investments (0.0% of fair value)</b>							
Direct Travel, Inc.	^ (6)(12)	Hotel, Gaming & Leisure	10/1/2020	43	\$ —	\$ —	— %
Equity Investments Total					\$ —	\$ —	— %
Total investments—non-controlled/affiliated					\$ 38,332	\$ 30,771	3.24 %

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
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Investments— controlled/affiliated	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(3)</sup>	Acquisition Date	Maturity Date	Par Amount/ LLC Interest <sup>**</sup>	Cost	Fair Value <sup>(5)</sup>	% of Net Assets
<b>Investment Funds (14.2% of fair value)</b>										
Middle Market Credit Fund II, LLC, Member's Interest	^ (7)(10)	Investment Funds	N/A	—%	11/3/2020	12/31/2030	\$ 78,121	\$ 78,096	\$ 76,880	8.09 %
Middle Market Credit Fund, LLC, Subordinated Loan and Member's Interest	^ (7)(10)	Investment Funds	N/A	—%	2/29/2016	12/31/2024	193,000	193,001	189,285	19.92
Middle Market Credit Fund, Mezzanine Loan	^ (2)(7)(9)(10)	Investment Funds	L + 9.00%	9.21%	6/30/2016	5/21/2022	—	—	—	—
Investment Funds Total								\$ 271,097	\$ 266,165	28.01 %
Total investments—controlled/affiliated								\$ 271,097	\$ 266,165	28.01 %
Total Investments								\$ 1,920,253	\$ 1,873,183	197.07 %

^ Denotes that all or a portion of the assets are owned by Carlyle Secured Lending, Inc. (together with its consolidated subsidiaries, “we,” “us,” “our,” “CSL” or the “Company”). The Company has entered into a senior secured revolving credit facility (as amended, the “Credit Facility”). The lenders of the Credit Facility have a first lien security interest in substantially all of the portfolio investments held by the Company (see Note 7, Borrowings, to these consolidated financial statements). Accordingly, such assets are not available to creditors of Carlyle Direct Lending CLO 2015-1R LLC (formerly known as Carlyle GMS Finance MM CLO 2015-1 LLC) (the “2015-1 Issuer”).

\* Denotes that all or a portion of the assets are owned by the Company's wholly owned subsidiary, the 2015-1 Issuer, and secure the notes issued in connection with a term debt securitization completed by the Company on June 26, 2015 (see Note 8, Notes Payable, to these consolidated financial statements). Accordingly, such assets are not available to the creditors of the Company.

\*\* Par amount is denominated in USD (“\$”) unless otherwise noted, as denominated in Euro (“€”) or British Pound (“£”).

- Unless otherwise indicated, issuers of debt and equity investments held by the Company are domiciled in the United States. Under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the “Investment Company Act”), the Company would be deemed to “control” a portfolio company if the Company owned more than 25% of its outstanding voting securities and/or held the power to exercise control over the management or policies of the portfolio company. As of March 31, 2022, the Company does not “control” any of these portfolio companies. Under the Investment Company Act, the Company would be deemed an “affiliated person” of a portfolio company if the Company owns 5% or more of the portfolio company's outstanding voting securities. As of March 31, 2022, the Company is not an “affiliated person” of any of these portfolio companies. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR (“L”), the Secured Overnight Financing Rate (“SOFR”) or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, the Company has indicated the reference rate used and provided the spread and the interest rate in effect as of March 31, 2022. As of March 31, 2022, the reference rates for our variable rate loans were the 30-day LIBOR at 0.45%, the 90-day LIBOR at 0.96%, the 180-day LIBOR at 1.47%, the 30-day SOFR at 0.30%, and the 90-day SOFR at 0.68%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the Board of Directors of the Company (see Note 2, Significant Accounting Policies, and Note 3, Fair Value Measurements, to these consolidated financial statements), pursuant to the Company's valuation policy. The fair value of all first lien and second lien debt investments, equity investments and the investment funds was determined using significant unobservable inputs.
- Security acquired in transaction exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), and may be deemed to be “restricted securities” under the Securities Act. As of March 31, 2022, the aggregate fair value of these securities is \$78,699, or 8.28% of the Company's net assets.
- The Company has determined the indicated investments are non-qualifying assets under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying assets unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- Loan was on non-accrual status as of March 31, 2022.
- Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company/investment fund.

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**

As of March 31, 2022

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(unaudited)

- (10) Under the Investment Company Act, the Company is deemed to be an “affiliated person” of and “control” this investment fund because the Company owns more than 25% of the investment fund’s outstanding voting securities and/or has the power to exercise control over management or policies of such investment fund. See Note 5, Middle Market Credit Fund, LLC, and Note 6, Middle Market Credit Fund II, LLC, to these consolidated financial statements for more details. Transactions related to investments in controlled affiliates for the three month period ended March 31, 2022, were as follows:

Investments—controlled/affiliated	Fair Value as of December 31, 2021	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of March 31, 2022	Dividend and Interest Income
Middle Market Credit Fund, LLC, Mezzanine Loan	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Middle Market Credit Fund, LLC, Subordinated Loan and Member’s Interest	184,141	—	—	—	5,144	189,285	5,000
Middle Market Credit Fund II LLC, Member’s Interest	77,958	—	—	—	(1,078)	76,880	2,524
Total investments—controlled/affiliated	\$ 262,099	\$ —	\$ —	\$ —	\$ 4,066	\$ 266,165	\$ 7,524

Investments—controlled/affiliated	Fair Value as of December 31, 2021	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of March 31, 2022	Dividend and Interest Income
SolAero Technologies Corp. (Priority Term Loan)	\$ 2,251	\$ —	\$ (2,251)	\$ —	\$ —	\$ —	\$ 8
SolAero Technologies Corp. (A1 Term Loan)	2,850	—	(3,166)	—	316	—	1,031
SolAero Technologies Corp. (A2 Term Loan)	7,835	—	(8,707)	—	872	—	2,834
Solaero Technology Corp. (Equity)	—	—	(4,003)	1,189	2,814	—	—
Total investments—controlled/affiliated	\$ 12,936	\$ —	\$ (18,127)	\$ 1,189	\$ 4,002	\$ —	\$ 3,873

- (11) In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, the Company is entitled to receive additional interest as a result of an agreement among lenders. Pursuant to the agreement among lenders in respect of this loan, this investment represents a first lien/last out loan, which has a secondary priority behind the first lien/first out loan with respect to principal, interest and other payments.
- (12) Under the Investment Company Act, the Company is deemed an “affiliated person” of this portfolio company because the Company owns 5% or more of the portfolio company’s outstanding voting securities. Transactions related to the portfolio company during the three month period ended March 31, 2022 were as follows:

Investments—non-controlled/affiliated	Fair Value as of December 31, 2021	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of March 31, 2022	Dividend and Interest Income
Direct Travel, Inc.	\$ 27,555	\$ —	\$ (131)	\$ —	\$ 616	\$ 28,040	\$ —
Direct Travel, Inc.	2,731	—	—	—	—	2,731	48
Direct Travel, Inc. (Equity)	—	—	—	—	—	—	—
Total investments—non-controlled/affiliated	\$ 30,286	\$ —	\$ (131)	\$ —	\$ 616	\$ 30,771	\$ 48

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
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(13) The investment is secured by receivables purchased from the portfolio company, with an implied discount of 9.37%. The investment was made via a tranching participation arrangement between the purchaser of such receivables and the Company. The investment has a secondary priority behind the rights of such purchaser.

(14) As of March 31, 2022, the Company had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

Investments—non-controlled/non-affiliated	Type	Unused Fee	Par/ Principal Amount	Fair Value
<b>First and Second Lien Debt—unfunded delayed draw and revolving term loans commitments</b>				
Advanced Web Technologies Holding Company	Delayed Draw	1.00%	\$ 1,602	\$ 6
Advanced Web Technologies Holding Company	Revolver	0.50	854	3
Airnov, Inc.	Revolver	0.50	688	—
American Physician Partners, LLC	Revolver	0.50	550	—
Analogic Corporation	Revolver	0.50	48	(1)
Applied Technical Services, LLC	Revolver	0.50	45	—
Appriss Health, LLC	Revolver	0.50	2,963	(51)
Apptio, Inc.	Revolver	0.50	1,420	—
Ascend Buyer, LLC	Revolver	0.50	1,070	(25)
Associations, Inc.	Revolver	0.50	723	(18)
Blackbird Purchaser, Inc.	Delayed Draw	1.00	4,597	(171)
BMS Holdings III Corp.	Delayed Draw	1.00	9,688	(140)
Bubbles Bidco S.P.A. (Italy)	Delayed Draw	2.80	€ 873	(24)
Bubbles Bidco S.P.A. (Italy)	Revolver	—	€ 537	(7)
Captive Resources Midco, LLC	Revolver	0.50	2,143	(21)
Chartis Holding, LLC	Revolver	0.50	217	(1)
Chemical Computing Group ULC (Canada)	Revolver	0.50	29	—
Chudy Group, LLC	Delayed Draw	1.00	138	1
Chudy Group, LLC	Revolver	0.50	34	—
Comar Holding Company, LLC	Revolver	0.50	2,935	(87)
Cority Software Inc. (Canada)	Revolver	0.50	3,000	(9)
DCA Investment Holding, LLC	Delayed Draw	1.00	809	(11)
DCA Investment Holding, LLC	Delayed Draw	1.00	428	(6)
Diligent Corporation	Revolver	0.50	47	—
Direct Travel, Inc.	Delayed Draw	0.50	1,657	—
Dwyer Instruments, Inc	Delayed Draw	1.00	1,003	(3)
Dwyer Instruments, Inc	Revolver	0.50	599	(2)
Ellkay, LLC	Revolver	0.50	1,786	(37)
EPS Nass Parent, Inc.	Delayed Draw	1.00	85	(1)
EPS Nass Parent, Inc.	Revolver	0.50	20	—
EvolveIP, LLC	Revolver	0.50	798	(2)
Flagship Intermediate Holdco, LLC	Delayed Draw	1.00	23,999	(480)

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**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
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<b>Investments—non-controlled/non-affiliated</b>	<b>Type</b>	<b>Unused Fee</b>	<b>Par/ Principal Amount</b>	<b>Fair Value</b>
Greenhouse Software, Inc.	Revolver	0.50%	\$ 1,471	\$ (40)
Hadrian Acquisition Limited	Delayed Draw	2.30	£ 5,216	(119)
Harbour Benefit Holdings, Inc.	Revolver	0.50	3,180	(4)
Heartland Home Services, Inc	Delayed Draw	1.00	303	(1)
Heartland Home Services, Inc	Delayed Draw	—	22,349	(253)
Heartland Home Services, Inc	Revolver	0.50	572	(1)
Hercules Borrower LLC	Revolver	0.50	1,929	16
Hoosier Intermediate, LLC	Revolver	0.50	2,400	(37)
Individual FoodService Holdings, LLC	Delayed Draw	1.00	791	(3)
Individual FoodService Holdings, LLC	Revolver	0.50	607	—
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	5,000	(127)
Jeg's Automotive, LLC	Delayed Draw	1.00	4,167	(61)
Jeg's Automotive, LLC	Revolver	0.50	1,615	(23)
K2 Insurance Services, LLC	Revolver	0.50	1,120	(1)
Kaseya, Inc.	Delayed Draw	1.00	484	(4)
Kaseya, Inc.	Revolver	0.50	1,543	(13)
Lifelong Learner Holdings, LLC	Revolver	0.50	2	—
Liqui-Box Holdings, Inc.	Revolver	0.50	1,126	(113)
LVF Holdings, Inc.	Delayed Draw	1.00	4,670	(214)
LVF Holdings, Inc.	Revolver	0.50	1,109	(51)
Material Holdings, LLC	Delayed Draw	—	1,916	(58)
Material Holdings, LLC	Revolver	1.00	652	(20)
Maverick Acquisition, Inc.	Delayed Draw	1.00	4,679	(196)
Maverick Acquisition, Inc.	Delayed Draw	1.00	1,290	(54)
Medical Manufacturing Technologies, LLC	Delayed Draw	1.00	8,264	(122)
Medical Manufacturing Technologies, LLC	Revolver	0.50	1,612	(24)
MMIT Holdings, LLC	Revolver	0.50	980	(20)
National Technical Systems, Inc.	Revolver	0.50	835	(2)
NMI AcquisitionCo, Inc.	Revolver	0.50	1,280	(18)
PF Atlantic HoldCo 2, LLC	Delayed Draw	0.80	9,517	(147)
PF Atlantic HoldCo 2, LLC	Revolver	0.50	2,759	(43)
Prophix Software Inc. (Canada)	Revolver	0.50	1,993	20
PXO Holdings I Corp.	Delayed Draw	1.00	3,287	(66)
PXO Holdings I Corp.	Revolver	0.50	1,315	(26)
Quantic Electronics, LLC	Delayed Draw	1.00	3,164	(67)
Quantic Electronics, LLC	Revolver	0.50	557	(12)



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<b>Investments—non-controlled/non-affiliated</b>	<b>Type</b>	<b>Unused Fee</b>	<b>Par/ Principal Amount</b>	<b>Fair Value</b>
Quantic Electronics, LLC	Revolver	0.50%	\$ 824	\$ (18)
Redwood Services Group, LLC	Delayed Draw	1.00	10,364	(97)
RSC Acquisition, Inc.	Delayed Draw	0.50	2,288	(75)
RSC Acquisition, Inc.	Revolver	0.50	462	(15)
Sapphire Convention, Inc.	Revolver	0.50	2,652	(355)
Smarsh Inc.	Delayed Draw	1.00	1,633	(33)
Smarsh Inc.	Revolver	0.50	408	(8)
Speedstar Holding, LLC	Delayed Draw	1.00	3,775	1
Tank Holding Corp.	Revolver	0.50	1,655	(33)
TCFI Aevex LLC	Delayed Draw	1.00	1,835	(295)
TCFI Aevex LLC	Delayed Draw	1.00	214	(34)
Trafigura Trading LLC	Revolver	0.50	5,722	(43)
Turbo Buyer, Inc.	Delayed Draw	1.00	4,944	(76)
Turbo Buyer, Inc.	Revolver	0.50	1,217	(19)
US INFRA SVCS Buyer, LLC	Delayed Draw	1.00	22,234	(665)
U.S. Legal Support, Inc.	Delayed Draw	0.50	2,139	(43)
U.S. Legal Support, Inc.	Revolver	0.50	214	(4)
U.S. Legal Support, Inc.	Revolver	0.50	970	(19)
Wineshipping.com LLC	Delayed Draw	1.00	1,986	(39)
Wineshipping.com LLC	Revolver	0.50	1,430	(28)
Total unfunded commitments			<u>\$ 237,896</u>	<u>\$ (4,889)</u>

(15) Loans include a credit spread adjustment that ranges from 0.10% to 0.43%

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
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As of March 31, 2022, investments at fair value consisted of the following:

Type	Amortized Cost	Fair Value	% of Fair Value
First Lien Debt	\$ 1,270,317	\$ 1,224,117	65.4 %
Second Lien Debt	306,022	304,202	16.2
Equity Investments	72,817	78,699	4.2
Investment Funds	271,097	266,165	14.2
<b>Total</b>	<b>\$ 1,920,253</b>	<b>\$ 1,873,183</b>	<b>100.0 %</b>

The rate type of debt investments at fair value as of March 31, 2022 was as follows:

Rate Type	Amortized Cost	Fair Value	% of Fair Value of First and Second Lien Debt
Floating Rate	\$ 1,552,280	\$ 1,504,485	98.4 %
Fixed Rate	24,059	23,834	1.6
<b>Total</b>	<b>\$ 1,576,339</b>	<b>\$ 1,528,319</b>	<b>100.0 %</b>

The industry composition of investments at fair value as of March 31, 2022 was as follows:

Industry	Amortized Cost	Fair Value	% of Fair Value
Aerospace & Defense	\$ 168,620	\$ 164,076	8.8 %
Automotive	80,525	83,567	4.5
Banking, Finance, Insurance & Real Estate	76,942	76,525	4.1
Beverage, Food & Tobacco	86,390	83,163	4.5
Business Services	85,229	84,627	4.6
Capital Equipment	65,989	67,808	3.6
Chemicals, Plastics & Rubber	74,881	75,619	4.0
Construction & Building	12,328	12,144	0.6
Consumer Goods: Durable	439	435	—
Consumer Goods: Non-Durable	5,307	4,966	0.3
Consumer Services	42,975	43,417	2.3
Containers, Packaging & Glass	54,506	53,450	2.9
Energy: Oil & Gas	42,427	42,965	2.3
Environmental Industries	69,487	69,393	3.7
Healthcare & Pharmaceuticals	253,622	234,809	12.5
High Tech Industries	149,429	150,044	8.0
Hotel, Gaming & Leisure	126,554	114,009	6.1
Investment Funds	271,097	266,165	14.2
Media: Advertising, Printing & Publishing	7,318	7,192	0.4
Media: Diversified & Production	19,716	19,716	1.1
Metals & Mining	4,213	4,250	0.2

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**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
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<b>Industry</b>	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>% of Fair Value</b>
Retail	\$ 27,563	\$ 28,214	1.5 %
Software	112,274	111,080	5.9
Sovereign & Public Finance	173	558	—
Telecommunications	71,851	64,434	3.4
Utilities: Electric	873	878	—
Wholesale	9,525	9,679	0.5
	<u>\$ 1,920,253</u>	<u>\$ 1,873,183</u>	<u>100.0 %</u>

The geographical composition of investments at fair value as of March 31, 2022 was as follows:

<b>Geography</b>	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>% of Fair Value</b>
Canada	\$ 46,574	\$ 47,706	2.5 %
Cyprus	6,458	6,934	0.4
Italy	5,307	4,966	0.3
Luxembourg	41,599	38,284	2.0
Sweden	593	364	—
United Kingdom	77,681	75,862	4.0
United States	1,742,041	1,699,067	90.8
<b>Total</b>	<u>\$ 1,920,253</u>	<u>\$ 1,873,183</u>	<u>100.0 %</u>

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

**CARLYLE SECURED LENDING, INC.**  
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Investments—non-controlled/non-affiliated <sup>(1)</sup>	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets	
<b>First Lien Debt (62.1% of fair value)</b>											
Advanced Web Technologies Holding Company	^*	(2)(3)(14)	Containers, Packaging & Glass	L + 5.75%	6.75%	12/17/2020	12/17/2026	\$ 7,177	\$ 6,970	\$ 7,297	0.77 %
Airmov, Inc.	^*	(2)(3)(14)	Containers, Packaging & Glass	L + 5.00%	6.00%	12/20/2019	12/19/2025	1,862	1,833	1,862	0.20
Allied Universal Holdco LLC	^	(2)(3)	Business Services	L + 4.25%	4.46%	2/17/2021	7/10/2026	497	500	498	0.04
American Physician Partners, LLC	^*	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 6.75%, 1.50% PIK	9.25%	1/7/2019	2/21/2022	27,908	27,886	27,908	2.94
Analogic Corporation	^*	(2)(3)(14)	Capital Equipment	L + 5.25%	6.25%	6/22/2018	6/22/2024	2,434	2,412	2,408	0.25
Applied Technical Services, LLC	^	(2)(3)(14)	Business Services	L + 5.75%	6.75%	12/29/2020	12/29/2026	536	525	536	0.06
Appriss Health, LLC	^	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 7.25%	8.25%	5/6/2021	5/6/2027	43,247	42,406	43,295	4.56
Apptio, Inc.	^	(2)(3)(14)	Software	L + 7.25%	8.25%	1/10/2019	1/10/2025	6,131	6,044	6,130	0.65
Ascend Buyer, LLC	^	(2)(3)(14)	Containers, Packaging & Glass	L + 5.75%	6.50%	9/30/2021	9/30/2028	12,838	12,569	12,618	1.33
Associations, Inc.	^	(2)(3)(14)	Construction & Building	L + 4.00%, 2.50% PIK	7.50%	7/2/2021	7/2/2027	11,570	11,457	11,599	1.22
Aurora Lux FinCo S.Á.R.L. (Luxembourg)	^*	(2)(3)(7)	Software	L + 6.00%	7.00%	12/24/2019	12/24/2026	32,488	31,870	29,269	3.08
Avenu Holdings, LLC	*	(2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2018	9/28/2024	13,545	13,451	13,545	1.43
Barnes & Noble, Inc.	^	(2)(3)(11)	Retail	L + 6.50%	7.50%	8/7/2019	12/20/2026	28,932	27,926	28,146	2.97
BlueCat Networks, Inc. (Canada)	*	(2)(3)(7)	High Tech Industries	L + 6.25%	7.25%	10/30/2020	10/30/2026	11,468	11,270	11,583	1.22
BMS Holdings III Corp.	^	(2)(3)(14)	Construction & Building	L + 5.50%	6.50%	9/30/2019	9/30/2026	—	(180)	(149)	(0.02)
Bubbles Bidco S.P.A. (Italy)	^	(2)(3)(7)(14)	Consumer Goods: Non-Durable	L + 9.25% (100% PIK)	9.25%	10/20/2021	10/20/2028	€ 4,700	5,312	5,167	0.54
Bubbles Bidco S.P.A. (Italy)	^	(2)(3)(7)(14)	Consumer Goods: Non-Durable	L + 6.25%	6.25%	10/20/2021	10/20/2028	€ —	(9)	(9)	—
Captive Resources Midco, LLC	^*	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	6/30/2015	5/31/2027	10,223	10,104	10,152	1.07
Chartis Holding, LLC	^*	(2)(3)(14)	Business Services	L + 5.50%	6.50%	5/1/2019	5/1/2025	694	686	694	0.07
Chemical Computing Group ULC (Canada)	^*	(2)(3)(7)(14)	Software	L + 4.50%	5.50%	8/30/2018	8/30/2024	466	465	464	0.05
Chudy Group, LLC	^	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	6/30/2021	6/30/2027	826	812	841	0.09
CircusTriX Holdings, LLC	^*	(2)(3)	Hotel, Gaming & Leisure	L + 5.50%, 2.50% PIK	9.00%	2/2/2018	1/16/2024	10,544	10,523	9,415	0.99
CircusTriX Holdings, LLC	^	(2)(3)	Hotel, Gaming & Leisure	L + 5.50%, 2.50% PIK	9.00%	1/8/2021	7/16/2023	697	640	697	0.07
Cobblestone Intermediate Holdco LLC	^	(2)(3)	Consumer Services	L + 5.50%	6.25%	1/29/2020	1/29/2026	723	718	712	0.08
Comar Holding Company, LLC	^*	(2)(3)(14)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/18/2018	6/18/2024	26,443	26,152	25,855	2.73
Cority Software Inc. (Canada)	^*	(2)(3)(7)(14)	Software	L + 5.00%	6.00%	7/2/2019	7/2/2026	10,515	10,334	10,510	1.11
Cority Software Inc. (Canada)	^	(2)(3)(7)	Software	L + 7.00%	8.00%	9/3/2020	7/2/2026	1,879	1,833	1,900	0.20
DCA Investment Holding, LLC	^*	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 6.25%	7.00%	3/11/2021	3/12/2027	10,841	10,680	10,777	1.14

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Investments—non-controlled/non-affiliated <sup>(1)</sup>	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets	
Derm Growth Partners III, LLC	^	(2)(3)(8)	Healthcare & Pharmaceuticals	L + 6.25%	7.25%	5/31/2016	5/31/2022	\$ 55,808	\$ 50,996	\$ 37,471	3.95 %
DermaRite Industries, LLC	^*	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 7.00%	8.00%	3/3/2017	3/3/2022	19,558	19,546	15,961	1.68
Designer Brands Inc.	^	(2)(3)(7)	Retail	L + 8.50%	9.75%	8/7/2020	8/7/2025	17,046	16,718	16,846	1.78
Diligent Corporation	^	(2)(3)(14)	Telecommunications	L + 6.25%	7.25%	8/4/2020	8/4/2025	603	588	615	0.06
DTI Holdco, Inc.	^	(2)(3)	High Tech Industries	L + 4.75%	5.75%	12/18/2018	9/30/2023	1,934	1,883	1,907	0.20
Dwyer Instruments, Inc	^*	(2)(3)(14)	Capital Equipment	L + 5.50%	6.25%	7/21/2021	7/21/2027	2,463	2,383	2,452	0.26
Ellkay, LLC	^	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	9/14/2021	9/14/2027	14,249	13,943	13,923	1.47
Emergency Communications Network, LLC	^*	(2)(3)	Telecommunications	L + 2.625%, 5.125% PIK	8.75%	6/1/2017	6/1/2023	25,261	25,201	21,814	2.30
EPS Nass Parent, Inc.	^	(2)(3)(14)	Utilities: Electric	L + 5.75%	6.75%	4/19/2021	4/19/2028	887	869	878	0.09
Ethos Veterinary Health LLC	^	(2)(3)	Consumer Services	L + 4.75%	4.85%	5/17/2019	5/15/2026	2,586	2,569	2,586	0.27
EvolveIP, LLC	^*	(2)(3)(14)	Telecommunications	L + 5.50%	6.50%	11/26/2019	6/7/2025	5,468	5,461	5,436	0.57
Frontline Technologies Holdings, LLC	^*	(2)(3)	Software	L + 5.25%	6.25%	9/18/2017	9/18/2023	3,068	3,056	3,068	0.32
Greenhouse Software, Inc.	^	(2)(3)(14)	Software	L + 6.50%	7.50%	3/1/2021	3/1/2027	15,196	14,858	14,870	1.57
Harbour Benefit Holdings, Inc.	^*	(2)(3)(14)	Business Services	L + 5.25%	6.25%	12/13/2017	12/13/2024	9,451	9,377	9,336	0.98
Heartland Home Services, Inc	^*	(2)(3)(14)	Consumer Services	L + 6.00%	7.00%	12/15/2020	12/15/2026	7,314	7,169	7,371	0.78
Hercules Borrower LLC	^*	(2)(3)(14)	Environmental Industries	L + 6.50%	7.50%	12/14/2020	12/14/2026	18,453	17,987	18,865	1.99
Higginbotham Insurance Agency, Inc.	^	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	11/25/2020	11/25/2026	4,978	4,916	4,978	0.52
Hoosier Intermediate, LLC	^*	(2)(3)(14)	Healthcare & Pharmaceuticals	L + 5.50%	6.50%	11/15/2021	11/15/2028	16,479	16,108	16,101	1.70
iCIMS, Inc.	^	(2)(3)	Software	L + 6.50%	7.50%	9/12/2018	9/12/2024	1,671	1,652	1,670	0.18
Individual FoodService Holdings, LLC	^*	(2)(3)(14)	Wholesale	L + 6.25%	7.25%	2/21/2020	11/22/2025	8,129	7,958	8,143	0.86
Infront Luxembourg Finance S.À R.L. (Luxembourg)	^	(2)(3)(7)	Hotel, Gaming & Leisure	L + 9.00%	9.00%	5/28/2021	5/28/2027	€ 8,250	9,777	9,134	0.96
Integrity Marketing Acquisition, LLC	*	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	1/15/2020	8/27/2025	4,920	4,864	4,896	0.52
Integrity Marketing Acquisition, LLC	^	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	12/3/2021	8/27/2025	—	(75)	(51)	(0.01)
Jeg's Automotive, LLC	^*	(2)(3)(14)	Automotive	L + 5.75%	6.75%	12/22/2021	12/22/2027	30,000	29,203	29,200	3.08
K2 Insurance Services, LLC	^*	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/3/2019	7/1/2026	3,364	3,305	3,357	0.35
Kaseya, Inc.	^	(2)(3)(14)	High Tech Industries	L + 5.50%, 1.00% PIK	7.50%	5/3/2019	5/3/2025	18,972	18,716	18,848	1.99
Lifelong Learner Holdings, LLC	^	(2)(3)(14)	Business Services	L + 5.75%	6.75%	10/18/2019	10/18/2026	26,210	25,830	24,035	2.53
LinQuest Corporation	*	(2)(3)	Aerospace & Defense	L + 5.75%	6.50%	7/28/2021	7/28/2028	9,975	9,785	9,816	1.03
Liqui-Box Holdings, Inc.	^	(2)(3)(14)	Containers, Packaging & Glass	L + 4.50%	5.50%	6/3/2019	6/3/2024	1,490	1,475	1,229	0.13
LVF Holdings, Inc.	^*	(2)(3)(14)	Beverage, Food & Tobacco	L + 6.25%	7.25%	6/10/2021	6/10/2027	41,227	40,356	40,056	4.22

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of December 31, 2021**  
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Investments—non-controlled/non-affiliated <sup>(1)</sup>	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets	
Material Holdings, LLC	^*	(2)(3)(14)	Business Services	L + 5.75%	6.50%	8/19/2021	8/19/2027	\$ 6,906	\$ 6,741	\$ 6,800	0.72 %
Maverick Acquisition, Inc.	^*	(2)(3)(14)	Aerospace & Defense	L + 6.00%	7.00%	6/1/2021	6/1/2027	35,962	35,192	35,061	3.70
Medical Manufacturing Technologies, LLC	^	(2)(3)(14)	Healthcare & Pharmaceuticals	SOFR + 6.00%	7.00%	12/23/2021	12/23/2027	21,280	20,654	20,652	2.18
MMIT Holdings, LLC	^	(2)(3)(14)	High Tech Industries	L + 6.25%	7.25%	9/15/2021	9/15/2027	11,087	10,858	10,853	1.14
National Technical Systems, Inc.	^	(2)(3)(14)	Aerospace & Defense	L + 5.50%	6.50%	10/28/2020	6/12/2023	1,167	1,151	1,167	0.12
NES Global Talent Finance US, LLC (United Kingdom)	^	(2)(3)(7)	Energy: Oil & Gas	L + 5.50%	6.50%	5/9/2018	5/11/2023	9,688	9,634	9,424	0.99
NMI AcquisitionCo, Inc.	^*	(2)(3)(14)	High Tech Industries	L + 5.75%	6.50%	9/6/2017	9/6/2025	40,335	40,206	39,822	4.20
Performance Health Holdings, Inc.	*	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%	7.00%	7/12/2021	7/12/2027	7,182	7,048	7,083	0.75
PF Atlantic Holdco 2, LLC	^*	(2)(3)(14)	Hotel, Gaming & Leisure	L + 6.00%	7.00%	11/12/2021	11/12/2027	27,723	26,941	26,923	2.84
PF Growth Partners, LLC	^*	(2)(3)	Hotel, Gaming & Leisure	L + 5.50%	6.50%	7/1/2019	7/11/2025	8,039	7,962	7,922	0.83
PPT Management Holdings, LLC	^	(2)(3)	Healthcare & Pharmaceuticals	L + 6.00%, 2.00% PIK	9.00%	12/15/2016	12/16/2022	28,366	28,326	24,166	2.55
Product Quest Manufacturing, LLC	^	(2)(3)(8)	Containers, Packaging & Glass	L + 6.75%	10.00%	9/21/2017	3/31/2021	840	840	840	0.09
Prophix Software Inc. (Canada)	^	(2)(3)(7)(14)	Software	L + 6.50%	7.50%	2/1/2021	2/1/2026	10,963	10,735	11,093	1.17
Quantic Electronics, LLC	^*	(2)(3)(14)	Aerospace & Defense	L + 6.25%	7.25%	11/19/2020	11/19/2026	14,625	14,333	14,418	1.52
Quantic Electronics, LLC	^*	(2)(3)(14)	Aerospace & Defense	L + 6.25%	7.25%	3/1/2021	3/1/2027	8,882	8,662	8,727	0.92
QW Holding Corporation	^*	(2)(3)	Environmental Industries	L + 6.25%	7.25%	8/31/2016	8/31/2024	42,671	42,530	41,933	4.42
Redwood Services Group, LLC	^*	(2)(3)	High Tech Industries	L + 6.00%	7.00%	11/13/2018	6/6/2024	30,885	30,562	30,884	3.26
Regency Entertainment, Inc.	^	(2)(3)	Media: Diversified & Production	L + 6.75%	7.75%	5/22/2020	10/22/2025	20,000	19,700	19,666	2.07
Riveron Acquisition Holdings, Inc.	*	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2019	5/22/2025	11,401	11,262	11,401	1.20
RSC Acquisition, Inc.	^	(2)(3)(14)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	11/1/2019	11/1/2026	8,533	8,395	8,577	0.90
Sapphire Convention, Inc.	^*	(2)(3)(14)	Telecommunications	L + 6.25%	7.25%	11/20/2018	11/20/2025	29,906	29,530	25,528	2.69
SPay, Inc.	^*	(2)(3)(14)	Hotel, Gaming & Leisure	L + 2.30%, 6.95% PIK	10.25%	6/15/2018	6/17/2024	23,005	22,809	20,218	2.13
Speedstar Holding, LLC	^*	(2)(3)(14)	Automotive	L + 7.00%	8.00%	1/22/2021	1/22/2027	27,225	26,686	27,535	2.90
Superior Health Linens, LLC	^*	(2)(3)(14)	Business Services	L + 6.50%	7.50%	9/30/2016	3/31/2022	16,211	16,205	16,211	1.71
TCFI Aevev LLC	^*	(2)(3)(14)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2020	3/18/2026	11,168	10,979	9,276	0.98
The Leaders Romans Bidco Limited (United Kingdom) Term Loan B	^	(2)(3)(7)	Banking, Finance, Insurance & Real Estate	SONIA + 6.25%, 2.50% PIK	9.50%	7/23/2019	6/30/2024	£ 21,299	26,328	28,830	3.04
The Leaders Romans Bidco Limited (United Kingdom) Term Loan C	^	(2)(3)(7)(14)	Banking, Finance, Insurance & Real Estate	SONIA + 6.25%, 2.50% PIK	9.50%	7/23/2019	6/30/2024	£ 6,164	7,855	9,847	1.04
Trafigura Trading LLC	^	(2)(3)(13)(14)	Metals & Mining	L + 8.40%	8.75%	7/26/2021	7/18/2022	2,236	2,237	2,086	0.22

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of December 31, 2021**  
**(dollar amounts in thousands)**

Investments—non-controlled/non-affiliated <sup>(1)</sup>	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets	
Turbo Buyer, Inc.	^*	(2)(3)(14)	Automotive	L + 6.00%	7.00%	12/2/2019	12/2/2025	\$ 20,377	\$ 20,002	\$ 19,945	2.10 %
Unifrutti Financing PLC (Cyprus)	^	(7)	Beverage, Food & Tobacco	7.50%, 1.00% PIK	8.50%	9/15/2019	9/15/2026	€ 4,621	4,917	5,353	0.56
Unifrutti Financing PLC (Cyprus)	^	(7)	Beverage, Food & Tobacco	11.00% PIK	11.00%	10/22/2020	9/15/2026	€ 756	858	887	0.09
US INFRA SVCS Buyer, LLC	^*	(2)(3)(14)	Environmental Industries	L + 6.50%	7.50%	4/13/2020	4/13/2026	9,137	8,677	8,387	0.88
USALCO, LLC	*	(2)(3)	Chemicals, Plastics & Rubber	L + 6.00%	7.00%	10/19/2021	10/19/2027	1,000	981	981	0.10
USLS Acquisition, Inc.	^	(2)(3)(14)	Business Services	L + 5.50%	6.50%	11/30/2018	11/30/2024	15,279	15,101	15,098	1.59
Westfall Technik, Inc.	^*	(2)(3)	Chemicals, Plastics & Rubber	L + 5.75%	6.75%	9/13/2018	9/13/2024	21,477	21,313	21,277	2.24
Westfall Technik, Inc.	^	(2)(3)	Chemicals, Plastics & Rubber	L + 6.25%	7.25%	7/1/2021	9/13/2024	4,958	4,865	4,929	0.52
Wineshipping.com LLC	^*	(2)(3)(14)	Beverage, Food & Tobacco	L + 5.75%	6.75%	10/29/2021	10/29/2027	14,459	14,111	14,111	1.49
Yellowstone Buyer Acquisition, LLC	^	(2)(3)	Consumer Goods: Durable	L + 5.75%	6.75%	9/13/2021	9/13/2027	449	440	440	0.05
YLG Holdings, Inc.	^	(2)(3)	Consumer Services	L + 5.25%	6.25%	9/30/2020	11/1/2025	1,980	1,930	1,980	0.21
First Lien Debt Total								\$ 1,219,219	\$ 1,188,862		125.30 %
<b>Second Lien Debt (17.9% of fair value)</b>											
11852604 Canada Inc. (Canada)	^	(2)(3)(7)	Healthcare & Pharmaceuticals	L+9.50% (100% PIK)	10.50%	9/30/2021	9/30/2028	\$ 6,590	\$ 6,432	\$ 6,425	0.68 %
AI Convoy S.A.R.L (United Kingdom)	^	(2)(3)(7)	Aerospace & Defense	L + 8.25%	9.25%	1/17/2020	1/17/2028	24,814	24,359	25,744	2.71
Aimbridge Acquisition Co., Inc.	^	(2)(3)	Hotel, Gaming & Leisure	L + 7.50%	7.60%	2/1/2019	2/1/2027	9,241	9,123	8,606	0.92
AP Plastics Acquisition Holdings, LLC	^	(2)(3)	Chemicals, Plastics & Rubber	L + 7.50%	8.25%	8/10/2021	8/10/2029	33,680	32,786	33,868	3.57
AQA Acquisition Holdings, Inc.	^*	(2)(3)	High Tech Industries	L + 7.50%	8.00%	3/3/2021	3/3/2029	35,000	34,190	35,027	3.69
Blackbird Purchaser, Inc.	^	(2)(3)(14)	Capital Equipment	L + 7.50%	8.25%	12/14/2021	4/8/2027	13,790	13,423	13,423	1.41
Brave Parent Holdings, Inc.	^*	(2)(3)	Software	L + 7.50%	7.60%	10/3/2018	4/19/2026	18,197	17,916	18,197	1.92
Drilling Info Holdings, Inc.	^	(2)(3)	Energy: Oil & Gas	L + 8.25%	8.35%	2/11/2020	7/30/2026	18,600	18,212	18,786	1.98
Jazz Acquisition, Inc.	^*	(2)(3)	Aerospace & Defense	L + 8.00%	8.10%	6/13/2019	6/18/2027	23,450	23,188	20,828	2.20
Outcomes Group Holdings, Inc.	^*	(2)(3)	Business Services	L + 7.50%	7.85%	10/23/2018	10/26/2026	1,731	1,728	1,731	0.18
PAI Holdco, Inc.	^	(2)(3)	Automotive	L + 5.50%, 2.00% PIK	8.50%	10/28/2020	10/28/2028	13,806	13,446	13,806	1.46
Peraton Corp.	^*	(2)(3)	Aerospace & Defense	L + 7.75%	8.50%	2/24/2021	2/1/2029	12,300	12,126	12,345	1.30
Quartz Holding Company	^	(2)(3)	Software	L + 8.00%	8.10%	4/2/2019	4/2/2027	7,048	6,945	7,048	0.74
Stonegate Pub Company Bidco Limited (United Kingdom)	^	(2)(3)(7)	Beverage, Food & Tobacco	SONIA + 8.50%	8.60%	3/12/2020	3/12/2028	£ 20,000	24,787	22,263	2.35
Tank Holding Corp.	^*	(2)(3)	Capital Equipment	L + 8.25%	8.35%	3/26/2019	3/26/2027	35,965	35,600	36,325	3.83
TruGreen Limited Partnership	^	(2)(3)	Consumer Services	L + 8.50%	9.25%	11/16/2020	11/2/2028	13,000	12,769	13,260	1.40

**CARLYLE SECURED LENDING, INC.**  
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**As of December 31, 2021**  
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Investments—non-controlled/non-affiliated <sup>(1)</sup>	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets
Watchfire Enterprises, Inc.	^ (2)(3)	Media: Advertising, Printing & Publishing	L + 8.25%	9.25%	10/2/2013	10/2/2024	\$ 7,000	\$ 7,000	\$ 7,000	0.74 %
World 50, Inc.	^ (9)	Business Services	11.50%	11.50%	1/10/2020	1/9/2027	18,552	18,215	18,405	1.94
WP CPP Holdings, LLC	^ (2)(3)	Aerospace & Defense	L + 7.75%	8.75%	7/18/2019	4/30/2026	29,500	29,293	28,689	3.02
Second Lien Debt Total								\$ 341,538	\$ 341,776	36.02 %

Investments—non-controlled/non-affiliated <sup>(1)</sup>	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value <sup>(5)</sup>	% of Net Assets
<b>Equity Investments (4.0% of fair value)</b>							
ANLG Holdings, LLC	^ (6)	Capital Equipment	6/22/2018	592	\$ 592	\$ 821	0.09 %
Appriss Health, LLC	^ (6)	Healthcare & Pharmaceuticals	5/6/2021	5	4,457	4,662	0.49
Atlas Ontario LP (Canada)	^ (6)(7)	Business Services	4/7/2021	5,114	5,114	5,114	0.54
Avenu Holdings, LLC	^ (6)	Sovereign & Public Finance	9/28/2018	172	172	491	0.05
Blackbird Holdco, Inc.	^ (6)	Capital Equipment	12/14/2021	10	9,461	9,461	1.00
Buckeye Parent, LLC	^ (6)	Automotive	12/22/2021	885	885	885	0.09
Chartis Holding, LLC	^ (6)	Business Services	5/1/2019	433	430	691	0.07
CIP Revolution Holdings, LLC	^ (6)	Media: Advertising, Printing & Publishing	8/19/2016	318	318	205	0.02
Cority Software Inc. (Canada)	^ (6)	Software	7/2/2019	250	250	454	0.05
Derm Growth Partners III, LLC	^ (6)	Healthcare & Pharmaceuticals	5/31/2016	1,000	1,000	—	—
Diligent Corporation	^ (6)	Telecommunications	4/5/2021	11	10,269	10,256	1.08
ECP Parent, LLC	^ (6)	Healthcare & Pharmaceuticals	3/29/2018	268	—	290	0.03
GB Vino Parent, L.P.	^ (6)	Beverage, Food & Tobacco	10/29/2021	4	351	351	0.04
Integrity Marketing Group, LLC	^ (6)	Banking, Finance, Insurance & Real Estate	12/21/2021	15,039	14,739	14,738	1.55
K2 Insurance Services, LLC	^ (6)	Banking, Finance, Insurance & Real Estate	7/3/2019	433	306	652	0.07
Legacy.com, Inc.	^ (6)	High Tech Industries	3/20/2017	1,500	1,500	1,178	0.12
Mailgun Technologies, Inc.	^ (6)	High Tech Industries	3/26/2019	104	—	1,328	0.14
North Haven Goldfinch Topco, LLC	^ (6)	Containers, Packaging & Glass	6/18/2018	2,315	2,315	2,412	0.25
Pascal Ultimate Holdings, L.P.	^ (6)	Capital Equipment	7/21/2021	36	364	364	0.04
Tailwind HMT Holdings Corp.	^ (6)	Energy: Oil & Gas	11/17/2017	22	1,558	1,719	0.18
Tank Holding Corp.	^ (6)	Capital Equipment	3/26/2019	850	482	1,261	0.13
Titan DI Preferred Holdings, Inc.	^ (6)	Energy: Oil & Gas	2/11/2020	12,843	12,587	12,971	1.37
Turbo Buyer, Inc.	^ (6)	Automotive	12/2/2019	1,925	933	2,773	0.29
Unifrutti Financing PLC (Cyprus)	^ (6)	Beverage, Food & Tobacco	10/22/2020	—	481	648	0.07
Unifrutti Financing PLC (Cyprus)	^ (6)	Beverage, Food & Tobacco	10/22/2020	1	133	209	0.02



**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of December 31, 2021**  
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Investments—non-controlled/non-affiliated <sup>(1)</sup>	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value <sup>(5)</sup>	% of Net Assets
USLS Acquisition, Inc.	^ (6)	Business Services	11/30/2018	641	\$ 641	\$ 940	0.10 %
W50 Parent LLC	^ (6)	Business Services	1/10/2020	500	190	763	0.08
Zenith American Holding, Inc.	^ (6)	Business Services	12/13/2017	1,564	782	1,456	0.15
Equity Investments Total					\$ 70,310	\$ 77,093	8.13 %
Total investments—non-controlled/non-affiliated					\$ 1,631,067	\$ 1,607,731	169.45 %

Investments—non-controlled/affiliated	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets
<b>First Lien Debt (1.6% of fair value)</b>										
Direct Travel, Inc.	^* (2)(3)(8)(12)	Hotel, Gaming & Leisure	L + 1.00%, 7.50% PIK	9.50%	10/14/2016	10/1/2023	\$ 36,711	\$ 35,859	\$ 27,555	2.9 %
Direct Travel, Inc.	^ (2)(3)(12)(14)	Hotel, Gaming & Leisure	L + 6.00%	7.00%	10/1/2020	10/1/2023	2,731	2,603	2,731	0.29
First Lien Debt Total								\$ 38,462	\$ 30,286	3.19 %

Investments—non-controlled/affiliated	Footnotes	Industry	Acquisition Date	Shares/Units	Cost	Fair Value <sup>(5)</sup>	% of Net Assets
<b>Equity Investments (0.0% of fair value)</b>							
Direct Travel, Inc.	^ (6)(12)	Hotel, Gaming & Leisure	10/1/2020	43	\$ —	\$ —	— %
Equity Investments Total				43	\$ —	\$ —	— %
Total investments—non-controlled/affiliated					\$ 38,462	\$ 30,286	3.19 %

Investments—controlled/affiliated	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par/Principal Amount <sup>**</sup>	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>	% of Net Assets
<b>First Lien Debt (0.7% of fair value)</b>										
SolAero Technologies Corp. (A1 Term Loan)	^ (2)(3)(8)(10)	Telecommunications	L + 8.00% (100% PIK)	9.00%	4/12/2019	10/12/2022	\$ 3,166	\$ 3,166	\$ 2,850	0.30 %
SolAero Technologies Corp. (A2 Term Loan)	^ (2)(3)(8)(10)	Telecommunications	L + 8.00% (100% PIK)	9.00%	4/12/2019	10/12/2022	8,707	8,707	7,835	0.83
SolAero Technologies Corp. (Priority Facilities)	^ (2)(3)(10)(14)	Telecommunications	L + 6.00%	7.00%	4/12/2019	10/12/2022	2,251	2,240	2,251	0.24
First Lien Debt Total								\$ 14,113	\$ 12,936	1.36 %

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of December 31, 2021**  
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Investments— controlled/affiliated	Footnotes	Industry	Acquisition Date	Shares/ Units	Cost	Fair Value <sup>(5)</sup>	% of Net Assets
<b>Equity Investments (0.0% of fair value)</b>							
SolAero Technologies Corp.	^ (6)(10)	Telecommunications	4/12/2019	3	\$ 2,815	\$ —	— %
Equity Investments Total					\$ 2,815	\$ —	— %

  

Investments— controlled/affiliated	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Acquisition Date	Maturity Date	Par Amount/ LLC Interest	Cost	Fair Value <sup>(7)</sup>	% of Net Assets
<b>Investment Funds (13.7% of fair value)</b>										
Middle Market Credit Fund II, LLC, Member's Interest	^ (7)(10)	Investment Funds	N/A	—%	11/3/2020	12/31/2030	\$ 78,122	\$ 78,096	\$ 77,958	8.22 %
Middle Market Credit Fund, LLC, Subordinated Loan and Member's Interest	^ (7)(10)	Investment Funds	N/A	—%	2/29/2016	12/31/2024	193,000	193,000	184,141	19.41
Middle Market Credit Fund, Mezzanine Loan	^ (2)(7)(9)(10)	Investment Funds	L + 9.00%	9.210%	6/30/2016	5/21/2022	—	—	—	—
Investment Funds Total								\$ 271,096	\$ 262,099	27.62 %
Total investments—controlled/affiliated								\$ 288,024	\$ 275,035	29.00 %
Total investments								\$ 1,957,553	\$ 1,913,052	201.63 %

^ Denotes that all or a portion of the assets are owned by Carlyle Secured Lending, Inc. (together with its consolidated subsidiaries, "we," "us," "our," "CSL" or the "Company"). The Company has entered into a senior secured revolving credit facility (as amended, the "Credit Facility"). The lenders of the Credit Facility have a first lien security interest in substantially all of the portfolio investments held by the Company (see Note 7, Borrowings, to these consolidated financial statements). Accordingly, such assets are not available to creditors of Carlyle Direct Lending CLO 2015-1R LLC (formerly known as Carlyle GMS Finance MM CLO 2015-1 LLC) (the "2015-1 Issuer").

\* Denotes that all or a portion of the assets are owned by the Company's wholly owned subsidiary, the 2015-1 Issuer, and secure the notes issued in connection with a term debt securitization completed by the Company on June 26, 2015 (see Note 8, Notes Payable, to these consolidated financial statements). Accordingly, such assets are not available to the creditors of the Company.

\*\* Par amount is denominated in USD ("\$\$") unless otherwise noted, as denominated in Euro ("€") or British Pound ("£")

- Unless otherwise indicated, issuers of debt and equity investments held by the Company are domiciled in the United States. Under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the "Investment Company Act"), the Company would be deemed to "control" a portfolio company if the Company owned more than 25% of its outstanding voting securities and/or held the power to exercise control over the management or policies of the portfolio company. As of December 31, 2021, the Company does not "control" any of these portfolio companies. Under the Investment Company Act, the Company would be deemed an "affiliated person" of a portfolio company if the Company owns 5% or more of the portfolio company's outstanding voting securities. As of December 31, 2021, the Company is not an "affiliated person" of any of these portfolio companies. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR ("L") or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, the Company has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 2021. As of December 31, 2021, the reference rates for our variable rate loans were the 30-day LIBOR at 0.10%, the 90-day LIBOR at 0.22% and the 180-day LIBOR at 0.33%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the Board of Directors of the Company (see Note 2, Significant Accounting Policies, and Note 3, Fair Value Measurements, to these consolidated financial statements), pursuant to the Company's valuation policy. The fair value of all first lien and second lien debt investments, equity investments and the investment fund was determined using significant unobservable inputs.
- Security acquired in transaction exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), and may be deemed to be "restricted securities" under the Securities Act, unless otherwise noted. As of December 31, 2021, the aggregate fair value of these securities is \$77,093, or 8.13% of the Company's net assets.

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of December 31, 2021**  
**(dollar amounts in thousands)**

- (7) The Company has determined the indicated investments are non-qualifying assets under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying assets unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (8) Loan was on non-accrual status as of December 31, 2021.
- (9) Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company/investment fund.
- (10) Under the Investment Company Act, the Company is deemed to be an "affiliated person" of and "control" this investment fund because the Company owns more than 25% of the investment fund's outstanding voting securities and/or has the power to exercise control over management or policies of such investment fund. See Notes 5, Middle Market Credit Fund, LLC and 6, Middle Market Credit Fund II, LLC, to these consolidated financial statements for more details. Transactions related to investments in controlled affiliates for the year ended December 31, 2021, were as follows:

Investments—controlled/affiliated	Fair Value as of December 31, 2020	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of December 31, 2021	Dividend and Interest Income
Middle Market Credit Fund, LLC, Mezzanine Loan	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Middle Market Credit Fund, LLC, Subordinated Loan and Member's Interest	205,891	—	(23,000)	—	1,250	184,141	20,000
Middle Market Credit Fund II, LLC, Member's Interest	77,395	—	—	—	563	77,958	10,063
Total investments—controlled/affiliated	\$ 283,286	\$ —	\$ (23,000)	\$ —	\$ 1,813	\$ 262,099	\$ 30,063

Investments—controlled/affiliated	Fair Value as of December 31, 2020	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of December 31, 2021	Dividend and Interest Income
SolAero Technologies Corp. (Priority Term Loan)	2,460	—	(189)	—	(20)	2,251	185
SolAero Technologies Corp. (A1 Term Loan)	1,214	—	—	—	1,636	2,850	—
SolAero Technologies Corp. (A2 Term Loan)	3,338	—	—	—	4,497	7,835	—
Solaero Technology Corp. (Equity)	—	—	—	—	—	—	—
Total investments—controlled/affiliated	\$ 7,012	\$ —	\$ (189)	\$ —	\$ 6,113	\$ 12,936	\$ 185

- (11) In addition to the interest earned based on the stated interest rate of this loan, which is the amount reflected in this schedule, the Company is entitled to receive additional interest as a result of an agreement among lenders. Pursuant to the agreement among lenders in respect of this loan, this investment represents a first lien/last out loan, which has a secondary priority behind the first lien/first out loan with respect to principal, interest and other payments.
- (12) Under the Investment Company Act, the Company is deemed an "affiliated person" of this portfolio company because the Company owns 5% or more of the portfolio company's outstanding voting securities. Transactions related to the portfolio company during the year ended December 31, 2021 were as follows:

Investments—non-controlled/affiliated	Fair Value as of December 31, 2020	Additions/Purchases	Reductions/Sales/Paydowns	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Fair Value as of December 31, 2021	Dividend and Interest Income
Direct Travel, Inc.	\$ 24,949	\$ —	\$ (484)	\$ 3	\$ 3,087	\$ 27,555	\$ —
Direct Travel, Inc.	1,231	1,372	—	—	128	2,731	173
Direct Travel, Inc. (Equity)	—	—	—	—	—	—	—
Total investments—non-controlled/affiliated	\$ 26,180	\$ 1,372	\$ (484)	\$ 3	\$ 3,215	\$ 30,286	\$ 173

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of December 31, 2021**  
**(dollar amounts in thousands)**

(13) The investment is secured by receivables purchased from the portfolio company, with an implied discount of 8.75%. The investment was made via a tranching participation arrangement between the purchaser of such receivables and the Company. The investment has a secondary priority behind the rights of such purchaser.

(14) As of December 31, 2021, the Company had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

<b>Investments—non-controlled/non-affiliated</b>	<b>Type</b>	<b>Unused Fee</b>	<b>Par/ Principal Amount</b>	<b>Fair Value</b>
<b>First and Second Lien Debt—unfunded delayed draw and revolving term loans commitments</b>				
Advanced Web Technologies Holding Company	Delayed Draw	1.00%	\$ 2,723	\$ 27
Advanced Web Technologies Holding Company	Delayed Draw	1.00	1,051	11
Advanced Web Technologies Holding Company	Revolver	0.50	906	9
Airnov, Inc.	Revolver	0.50	875	—
American Physician Partners, LLC	Revolver	0.50	550	—
Analogic Corporation	Revolver	0.50	72	(1)
Applied Technical Services, LLC	Revolver	0.50	40	—
Appriss Health, LLC	Revolver	0.50	2,963	3
Apptio, Inc.	Revolver	0.50	1,420	—
Ascend Buyer, LLC	Revolver	0.50	1,070	(17)
Associations, Inc.	Revolver	0.50	723	2
Blackbird Purchaser, Inc.	Delayed Draw	1.00	4,597	(92)
BMS Holdings III Corp.	Delayed Draw	1.00	9,688	(149)
Bubbles Bidco S.P.A. (Italy)	Delayed Draw	2.80	€ 873	(30)
Bubbles Bidco S.P.A. (Italy)	Delayed Draw	—	€ 537	(9)
Captive Resources Midco, LLC	Revolver	0.50	2,143	(12)
Chartis Holding, LLC	Revolver	0.50	217	—
Chemical Computing Group ULC (Canada)	Revolver	0.50	29	—
Chudy Group, LLC	Delayed Draw	1.00	138	2
Chudy Group, LLC	Revolver	0.50	34	1
Comar Holding Company, LLC	Revolver	0.50	2,935	(59)
Cority Software Inc. (Canada)	Revolver	0.50	3,000	(1)
DCA Investment Holding, LLC	Delayed Draw	1.00	1,495	(8)
DermaRite Industries, LLC	Revolver	0.50	579	(103)
Diligent Corporation	Delayed Draw	1.00	110	2
Diligent Corporation	Revolver	0.50	47	1
Direct Travel, Inc.	Delayed Draw	0.50	1,657	—
Dwyer Instruments, Inc	Delayed Draw	1.00	1,003	(3)
Dwyer Instruments, Inc	Revolver	0.50	411	(1)
Ellkay, LLC	Revolver	0.50	1,786	(36)
EPS Nass Parent, Inc.	Delayed Draw	1.00	85	(1)
EPS Nass Parent, Inc.	Revolver	0.50	25	—

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of December 31, 2021**  
**(dollar amounts in thousands)**

<b>Investments—non-controlled/non-affiliated</b>	<b>Type</b>	<b>Unused Fee</b>	<b>Par/ Principal Amount</b>	<b>Fair Value</b>
EvolveIP, LLC	Revolver	0.50	798	(4)
Greenhouse Software, Inc.	Revolver	0.50	1,471	(29)
Harbour Benefit Holdings, Inc.	Revolver	0.50	2,120	(21)
Heartland Home Services, Inc	Delayed Draw	1.00	6,902	27
Heartland Home Services, Inc	Revolver	0.50%	598	2
Hercules Borrower LLC	Revolver	0.50	2,160	43
Hoosier Intermediate, LLC	Revolver	0.50	2,400	(48)
Individual FoodService Holdings, LLC	Delayed Draw	1.00	48	—
Individual Foodservice Holdings, LLC	Delayed Draw	1.00	890	3
Individual FoodService Holdings, LLC	Delayed Draw	1.00	188	—
Individual FoodService Holdings, LLC	Revolver	0.50	706	—
Integrity Marketing Acquisition, LLC	Delayed Draw	—	5,000	(51)
Jeg's Automotive, LLC	Delayed Draw	1.00	6,667	(133)
Jeg's Automotive, LLC	Revolver	0.50	3,333	(67)
K2 Insurance Services, LLC	Revolver	0.50	1,120	(2)
Kaseya, Inc.	Delayed Draw	1.00	585	(3)
Kaseya, Inc.	Revolver	0.50	1,543	(9)
Lifelong Learner Holdings, LLC	Revolver	0.50	2	—
Liqui-Box Holdings, Inc.	Revolver	0.50	1,140	(113)
LVF Holdings, Inc.	Delayed Draw	1.00	4,670	(116)
LVF Holdings, Inc.	Revolver	0.50	1,459	(36)
Material Holdings, LLC	Delayed Draw	—	1,916	(21)
Material Holdings, LLC	Revolver	1.00	806	(9)
Maverick Acquisition, Inc.	Delayed Draw	1.00	4,679	(101)
Maverick Acquisition, Inc.	Delayed Draw	1.00	1,290	(28)
Medical Manufacturing Technologies, LLC	Delayed Draw	1.00	8,264	(165)
Medical Manufacturing Technologies, LLC	Revolver	0.50	1,859	(37)
MMIT Holdings, LLC	Revolver	0.50	857	(17)
National Technical Systems, Inc.	Revolver	0.50	835	—
NMI AcquisitionCo, Inc.	Revolver	0.50	1,280	(16)
PF Atlantic HoldCo 2, LLC	Delayed Draw	0.75	9,517	(190)
PF Atlantic HoldCo 2, LLC	Revolver	0.50	2,759	(55)
Prophix Software Inc. (Canada)	Revolver	0.50	1,993	20
Quantic Electronics, LLC	Revolver	0.50	557	(7)
Quantic Electronics, LLC	Delayed Draw	1.00	3,164	(41)
Quantic Electronics, LLC	Revolver	0.50	824	(11)
RSC Acquisition, Inc.	Delayed Draw	0.50	2,435	9

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of December 31, 2021**  
**(dollar amounts in thousands)**

<b>Investments—non-controlled/non-affiliated</b>	<b>Type</b>	<b>Unused Fee</b>	<b>Par/ Principal Amount</b>	<b>Fair Value</b>
RSC Acquisition, Inc.	Revolver	0.50	215	1
Sapphire Convention, Inc.	Revolver	0.50	2,561	(345)
SolAero Technologies Corp. (Priority Facilities)	Revolver	0.50	984	—
SolAero Technologies Corp. (Priority Facilities)	Revolver	0.50	1,084	—
Speedstar Holding, LLC	Delayed Draw	1.00%	3,775	38
Superior Health Linens, LLC	Revolver	0.50	417	—
TCFI Aevox LLC	Delayed Draw	1.00	1,835	(263)
TCFI Aevox LLC	Delayed Draw	1.00	214	(31)
The Leaders Romans Bideo Limited (United Kingdom)	Delayed Draw	1.60	£ 1,902	399
Trafigura Trading LLC	Revolver	0.50	7,762	(133)
Turbo Buyer, Inc.	Revolver	0.50	1,217	(24)
US INFRA SVCS Buyer, LLC	Delayed Draw	1.00	22,234	(527)
US INFRA SVCS Buyer, LLC	Revolver	0.50	263	(6)
USLS Acquisition, Inc.	Revolver	0.50	1,135	(12)
Wineshipping.com LLC	Delayed Draw	1.00	1,986	(39)
Wineshipping.com LLC	Revolver	0.50	1,430	(28)
<b>Total unfunded commitments</b>			<b>\$ 180,498</b>	<b>\$ (2,660)</b>

As of December 31, 2021, investments at fair value consisted of the following:

<b>Type</b>	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>% of Fair Value</b>
First Lien Debt	\$ 1,271,794	\$ 1,232,084	64.4 %
Second Lien Debt	341,538	341,776	17.9
Equity Investments	73,125	77,093	4.0
Investment Funds	271,096	262,099	13.7
<b>Total</b>	<b>\$ 1,957,553</b>	<b>\$ 1,913,052</b>	<b>100.0 %</b>

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of December 31, 2021**  
**(dollar amounts in thousands)**

The rate type of debt investments at fair value as of December 31, 2021 was as follows:

Rate Type	Amortized Cost	Fair Value	% of Fair Value of First and Second Lien Debt
Floating Rate	\$ 1,589,342	\$ 1,549,215	98.4 %
Fixed Rate	23,990	24,645	1.6
<b>Total</b>	<b>\$ 1,613,332</b>	<b>\$ 1,573,860</b>	<b>100.0 %</b>

The industry composition of investments at fair value as of December 31, 2021 was as follows:

Industry	Amortized Cost	Fair Value	% of Fair Value
Aerospace & Defense	\$ 169,068	\$ 166,071	8.7 %
Automotive	91,155	94,144	4.9
Banking, Finance, Insurance & Real Estate	91,999	97,377	5.1
Beverage, Food & Tobacco	85,994	83,878	4.4
Business Services	102,065	102,308	5.4
Capital Equipment	64,717	66,515	3.5
Chemicals, Plastics & Rubber	59,945	61,055	3.2
Construction & Building	11,277	11,450	0.6
Consumer Goods: Durable	440	440	—
Consumer Goods: Non-Durable	5,303	5,158	0.3
Consumer Services	25,155	25,909	1.4
Containers, Packaging & Glass	52,154	52,113	2.7
Energy: Oil & Gas	41,991	42,900	2.2
Environmental Industries	69,194	69,185	3.6
Healthcare & Pharmaceuticals	250,294	229,555	12.0
High Tech Industries	149,185	151,430	7.9
Hotel, Gaming & Leisure	126,237	113,201	5.9
Investment Funds	271,096	262,099	13.7
Media: Advertising, Printing & Publishing	7,318	7,205	0.4
Media: Diversified & Production	19,700	19,666	1.0
Metals & Mining	2,237	2,086	0.1
Retail	44,644	44,992	2.4
Software	105,958	104,673	5.5
Sovereign & Public Finance	13,623	14,036	0.7
Telecommunications	87,977	76,585	4.0
Utilities: Electric	869	878	—
Wholesale	7,958	8,143	0.4
<b>Total</b>	<b>\$ 1,957,553</b>	<b>\$ 1,913,052</b>	<b>100.0 %</b>

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)**  
**As of December 31, 2021**  
**(dollar amounts in thousands)**

The geographical composition of investments at fair value as of December 31, 2021 was as follows:

<b>Geography</b>	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>% of Fair Value</b>
Canada	\$ 46,433	\$ 47,543	2.5 %
Cyprus	6,389	7,097	0.4
Italy	5,303	5,158	0.3
Luxembourg	41,647	38,403	2.0
United Kingdom	92,963	96,108	5.0
United States	1,764,818	1,718,743	89.8
<b>Total</b>	<b>\$ 1,957,553</b>	<b>\$ 1,913,052</b>	<b>100.0 %</b>

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



**CARLYLE SECURED LENDING, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**  
**As of March 31, 2022**  
**(dollar amounts in thousands, except per share data)**

**1. ORGANIZATION**

Carlyle Secured Lending, Inc. (together with its consolidated subsidiaries, “we,” “us,” “our,” “CSL” or the “Company”) is a Maryland corporation formed on February 8, 2012, and structured as an externally managed, non-diversified closed-end investment company. The Company is managed by its investment adviser, Carlyle Global Credit Investment Management L.L.C. (“CGCIM” or “Investment Adviser”), a wholly owned subsidiary of The Carlyle Group Inc. The Company has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the “Investment Company Act”). In addition, the Company has elected to be treated, and intends to continue to comply with the requirements to qualify annually, as a regulated investment company (“RIC”) under Subchapter M of the Internal Revenue Code of 1986, as amended (together with the rules and regulations promulgated thereunder, the “Code”).

The Company’s investment objective is to generate current income and, to a lesser extent, capital appreciation primarily through secured debt investments in U.S. middle market companies. The Company’s core investment strategy focuses on lending to U.S. middle market companies supported by financial sponsors, which the Company defines as companies with approximately \$25 million to \$100 million of earnings before interest, taxes, depreciation and amortization (“EBITDA”), which the Company believes is a useful proxy for cash flow. This core strategy is supplemented with complementary specialty lending and opportunistic investing strategies, which take advantage of the broad capabilities of Carlyle’s Global Credit platform while offering risk diversifying portfolio benefits. The Company seeks to achieve its investment objective primarily through direct origination of secured debt instruments, including first lien senior secured loans (which may include stand-alone first lien loans, first lien/last out loans and “unitranche” loans) and second lien senior secured loans (collectively, “Middle Market Senior Loans”), with the balance of its assets invested in higher yielding investments (which may include unsecured debt, mezzanine debt and investments in equities). The Middle Market Senior Loans are generally made to private U.S. middle market companies that are, in many cases, controlled by private equity firms. Depending on market conditions, the Company expects that between 70% and 80% of the value of its assets will be invested in Middle Market Senior Loans. The Company expects that the composition of its portfolio will change over time given the Investment Adviser’s view on, among other things, the economic and credit environment (including with respect to interest rates) in which the Company is operating.

The Company invests primarily in loans to middle market companies whose debt, if rated, is rated below investment grade, and, if not rated, would likely be rated below investment grade if it were rated (that is, below BBB- or Baa3, which is often referred to as “junk”). Exposure to below investment grade instruments involves certain risks, including speculation with respect to the borrower’s capacity to pay interest and repay principal.

On May 2, 2013, the Company completed its initial closing of capital commitments (the “Initial Closing”) and subsequently commenced substantial investment operations. Effective March 15, 2017, the Company changed its name from “Carlyle GMS Finance, Inc.” to “TCG BDC, Inc.” On June 19, 2017, the Company closed its initial public offering, issuing 9,454,200 shares of its common stock (including shares issued pursuant to the exercise of the underwriters’ over-allotment option on July 5, 2017) at a public offering price of \$18.50 per share. Net of underwriting costs, the Company received cash proceeds of \$169,488. Shares of common stock of the Company began trading on the Nasdaq Global Select Market under the symbol “CGBD” on June 14, 2017.

Effective April 12, 2022, the Company changed its name from “TCG BDC, Inc.” to “Carlyle Secured Lending, Inc.”

Until December 31, 2017, the Company was an “emerging growth company,” as that term is used in the Jumpstart Our Business Startups Act of 2012. As of June 30, 2017, the market value of the common stock held by non-affiliates exceeded \$700,000. Accordingly, the Company ceased to be an emerging growth company as of December 31, 2017.

The Company is externally managed by the Investment Adviser, an investment adviser registered under the Investment Advisers Act of 1940 (“Advisers Act”), as amended. Carlyle Global Credit Administration L.L.C. (the “Administrator”) provides the administrative services necessary for the Company to operate. Both the Investment Adviser and the Administrator are wholly owned subsidiaries of Carlyle Investment Management L.L.C. (“CIM”), a subsidiary of The Carlyle Group Inc. “Carlyle” refers to The Carlyle Group Inc. and its affiliates and its consolidated subsidiaries (other than portfolio companies of its affiliated funds), a global alternative asset manager publicly traded on the Nasdaq Global Select Market under the symbol “CG”. Refer to the sec.gov website for further information on Carlyle.

TCG BDC SPV LLC (the “SPV”) is a Delaware limited liability company that was formed on January 3, 2013. Prior to the termination of its senior secured credit facility on December 11, 2020, the SPV invested in first and second lien senior secured loans. The SPV is a wholly owned subsidiary of the Company and is consolidated in these consolidated financial statements commencing from the date of its formation, January 3, 2013. Effective March 15, 2017, the SPV changed its name from “Carlyle GMS Finance SPV LLC” to “TCG BDC SPV LLC”.

On June 26, 2015, the Company completed a \$400,000 term debt securitization (the “2015-1 Debt Securitization”). The notes offered in the 2015-1 Debt Securitization (the “2015-1 Notes”) were issued by Carlyle Direct Lending CLO 2015-1R LLC (formerly known as Carlyle GMS Finance MM CLO 2015-1 LLC) (the “2015-1 Issuer”), a wholly owned and consolidated subsidiary of the Company. On August 30, 2018, the 2015-1 Issuer refinanced the 2015-1 Debt Securitization (the “2015-1 Debt Securitization Refinancing”) by redeeming in full the 2015-1 Notes and issuing new notes (the “2015-1R Notes”). The 2015-1R Notes are secured by a diversified portfolio of the 2015-1 Issuer consisting primarily of first and second lien senior secured loans. Refer to Note 8, Notes Payable, for details. The 2015-1 Issuer is consolidated in these consolidated financial statements commencing from the date of its formation, May 8, 2015.

On February 29, 2016, the Company and Credit Partners USA LLC (“Credit Partners”) entered into an amended and restated limited liability company agreement, which was subsequently amended on June 24, 2016 and February 22, 2021 (as amended, the “Limited Liability Company Agreement”) to co-manage Middle Market Credit Fund, LLC (“Credit Fund”). Credit Fund primarily invests in first lien loans of middle market companies. Credit Fund is managed by a six-member board of managers, on which the Company and Credit Partners each have equal representation. The Company and Credit Partners each have 50% economic ownership of Credit Fund and have commitments to fund, from time to time, capital of up to \$250,000 each. Refer to Note 5, Middle Market Credit Fund, LLC, for details.

On May 5, 2020, the Company issued and sold 2,000,000 shares of cumulative convertible preferred stock, par value \$0.01 per share (the “Preferred Stock”), to an affiliate of Carlyle in a private placement at a price of \$25 per share. See Note 10, Net Assets, for further information about the Preferred Stock.

On November 3, 2020, the Company and Cliffwater Corporate Lending Fund (“CCLF”), an investment vehicle managed by Cliffwater LLC, entered into a limited liability company agreement to co-manage Middle Market Credit Fund II, LLC (“Credit Fund II”). Credit Fund II invests in senior secured loans of middle market companies. Credit Fund II is managed by a four-member board of managers, on which the Company and CCLF each have equal representation. The Company and CCLF have approximately 84.13% and 15.87% economic ownership of Credit Fund II, respectively. The Company contributed certain senior secured debt investments with an aggregate principal balance of approximately \$250 million to Credit Fund II in exchange for its 84.13% economic interest and gross cash proceeds of approximately \$170 million. See Note 6, Middle Market Credit Fund II, LLC, to these consolidated financial statements for details.

As a BDC, the Company is required to comply with certain regulatory requirements. As part of these requirements, the Company must not acquire any assets other than “qualifying assets” specified in the Investment Company Act unless, at the time the acquisition is made, at least 70% of its total assets are qualifying assets (with certain limited exceptions).

To qualify as a RIC, the Company must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute to its stockholders generally at least 90% of its investment company taxable income, as defined by the Code, for each year. Pursuant to this election, the Company generally does not have to pay corporate level taxes on any income that it distributes to stockholders, provided that the Company satisfies those requirements.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### ***Basis of Presentation***

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). The Company is an investment company for the purposes of accounting and financial reporting in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, *Financial Services—Investment Companies* (“ASC 946”). The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, the SPV and the 2015-1 Issuer. All significant intercompany balances and transactions have been eliminated. U.S. GAAP for an investment company requires investments to be recorded at fair value. The carrying value for all other assets and liabilities approximates their fair value.

The interim financial statements have been prepared in accordance with U.S. GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6 and 10 of Regulation S-X. Accordingly, certain disclosures accompanying the annual consolidated financial statements prepared in accordance with U.S. GAAP are omitted. In the opinion of management, all adjustments considered necessary for the fair presentation of consolidated financial statements for the interim periods presented have been included. These adjustments are of a normal, recurring nature. This Form 10-Q should be read in conjunction with the Company's annual report on Form 10-K for the year ended December 31, 2021. The results of operations for the three month period ended March 31, 2022 are not necessarily indicative of the operating results to be expected for the full year.

### ***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make assumptions and estimates 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. Management's estimates are based on historical experiences and other factors, including expectations of future events that management believes to be reasonable under the circumstances. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Assumptions and estimates regarding the valuation of investments and their resulting impact on base management and incentive fees involve a higher degree of judgment and complexity and these assumptions and estimates may be significant to the consolidated financial statements. Actual results could differ from these estimates and such differences could be material.

### ***Investments***

Investment transactions are recorded on the trade date. Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment using the specific identification method without regard to unrealized appreciation or depreciation previously recognized, and includes investments charged off during the period, net of recoveries. Net change in unrealized appreciation or depreciation on investments as presented in the accompanying Consolidated Statements of Operations reflects the net change in the fair value of investments, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized. See Note 3 for further information about fair value measurements.

### ***Cash, Cash Equivalents and Restricted Cash***

Cash, cash equivalents and restricted cash consist of demand deposits and highly liquid investments (e.g., money market funds, U.S. treasury notes) with original maturities of three months or less. Cash equivalents are carried at amortized cost, which approximates fair value. The Company's cash, cash equivalents and restricted cash are held with two large financial institutions and cash held in such financial institutions may, at times, exceed the Federal Deposit Insurance Corporation insured limit. As of March 31, 2022 and December 31, 2021, the Company had restricted cash balances of \$21,226 and \$70,081, respectively, which represent amounts that are collected by trustees who have been appointed as custodians of the assets securing certain of the Company's financing transactions, and held for payment of interest expense and principal on the outstanding borrowings, or reinvestment into new assets.

### ***Revenue Recognition***

#### ***Interest from Investments and Realized Gain/Loss on Investments***

Interest income is recorded on an accrual basis and includes the accretion of discounts and amortization of premiums. Discounts from and premiums to par value on debt investments purchased are accreted/amortized into interest income over the life of the respective security using the effective interest method. The amortized cost of debt investments represents the original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion of discounts and amortization of premiums, if any. At time of exit, the realized gain or loss on an investment is the difference between the amortized cost at time of exit and the cash received at exit using the specific identification method.

The Company may have loans in its portfolio that contain payment-in-kind ("PIK") provisions. PIK represents interest that is accrued and recorded as interest income at the contractual rates, increases the loan principal on the respective capitalization dates, and is generally due at maturity. Such income is included in interest income in the Consolidated Statements of Operations. As of March 31, 2022 and December 31, 2021, the fair value of the loans in the portfolio with PIK provisions was \$230,543 and \$243,220, respectively, which represents approximately 12.3% and 12.7% of total investments at fair value, respectively. For the three month periods ended March 31, 2022 and 2021, the Company earned \$3,721 and \$2,125 in PIK income, respectively. PIK income is included in interest income in the accompanying Consolidated Statements of Operations.

### *Dividend Income*

Dividend income from the investment funds, Credit Fund and Credit Fund II, is recorded on the record date for the investment fund to the extent that such amounts are payable by the investment funds and are expected to be collected.

### *Other Income*

Other income may include income such as consent, waiver, amendment, unused, underwriting, arranger and prepayment fees associated with the Company's investment activities as well as any fees for managerial assistance services rendered by the Company to the portfolio companies. Such fees are recognized as income when earned or the services are rendered. The Company may receive fees for guaranteeing the outstanding debt of a portfolio company. Such fees are amortized into other income over the life of the guarantee. The unamortized amount, if any, is included in other assets in the accompanying Consolidated Statements of Assets and Liabilities. For the three month periods ended March 31, 2022 and 2021, the Company earned \$2,236 and \$1,470, respectively, in other income, primarily from prepayment, amendment, and underwriting fees.

### *Non-Accrual Income*

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest are paid current and, in management's judgment, are likely to remain current. Management may not place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection. As of March 31, 2022 and December 31, 2021, the fair value of the loans in the portfolio on non-accrual status was \$69,957 and \$76,551, respectively. The remaining first and second lien debt investments were performing and current on their interest payments as of March 31, 2022 and December 31, 2021.

### ***The Credit Facility, Senior Notes, and 2015-1R Notes – Related Costs, Expenses and Deferred Financing Costs***

The Company entered into a senior secured revolving credit facility (as amended, the "Credit Facility"). Interest expense and unused commitment fees on the Credit Facility are recorded on an accrual basis. Unused commitment fees are included in credit facility fees in the accompanying Consolidated Statements of Operations.

On December 30, 2019, the Company closed a private offering of \$115.0 million in aggregate principal amount of 4.750% Senior Unsecured Notes due December 31, 2024 (the "2019 Notes"). On December 11, 2020, the Company issued \$75.0 million in aggregate principal amount of 4.500% Senior Unsecured Notes due December 31, 2024 (the "2020 Notes", and together with the 2019 Notes, the "Senior Notes"). The Credit Facility, the 2015-1R Notes and the Senior Notes are recorded at carrying value, which approximates fair value.

Deferred financing costs include capitalized expenses related to the closing or amendments of the Credit Facility. Amortization of deferred financing costs for the Credit Facility is computed on the straight-line basis over its term. The unamortized balance of such costs is included in deferred financing costs in the accompanying Consolidated Statements of Assets and Liabilities. The amortization of such costs is included in credit facility fees in the accompanying Consolidated Statements of Operations.

Debt issuance costs include capitalized expenses including structuring and arrangement fees related to the offering of the 2015-1R Notes and Senior Notes. Amortization of debt issuance costs for the notes is computed on the effective yield method over the term of the notes. The unamortized balance of such costs is presented as a direct deduction to the carrying amount of the notes in the accompanying Consolidated Statements of Assets and Liabilities. The amortization of such costs is included in interest expense in the accompanying Consolidated Statements of Operations.

### ***Income Taxes***

For federal income tax purposes, the Company has elected to be treated as a RIC under the Code, and intends to make the required distributions to its stockholders as specified therein. In order to qualify as a RIC, the Company must meet certain minimum distribution, source-of-income and asset diversification requirements. If such requirements are met, then the Company is generally required to pay income taxes only on the portion of its taxable income and gains it does not distribute.

The minimum distribution requirements applicable to RICs require the Company to distribute to its stockholders at least 90% of its investment company taxable income (“ICTI”), as defined by the Code, each year, although depending on the level of ICTI earned in a tax year, the Company may choose to carry forward ICTI in excess of current year distributions into the next tax year. Any such carryover ICTI must be distributed before the end of that next tax year through a dividend declared prior to filing the final tax return related to the year which generated such ICTI.

In addition, based on the excise distribution requirements, the Company is subject to a 4% nondeductible federal excise tax on undistributed income unless the Company distributes in a timely manner an amount at least equal to the sum of (1) 98% of its ordinary income for each calendar year, (2) 98.2% of capital gain net income (both long-term and short-term) for the one-year period ending October 31 in that calendar year and (3) any income realized, but not distributed, in the preceding year. For this purpose, however, any ordinary income or capital gain net income retained by the Company that is subject to corporate income tax is considered to have been distributed. The Company intends to make sufficient distributions each taxable year to satisfy the excise distribution requirements.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated financial statements to determine whether the tax positions are “more likely than not” to be sustained by the applicable tax authority. The SPV and the 2015-1 Issuer are disregarded entities for tax purposes and are consolidated with the tax return of the Company. All penalties and interest associated with income taxes, if any, are included in income tax expense. For the three month periods ended March 31, 2022 and 2021, the Company incurred \$353 and \$124 in excise tax expense, respectively.

#### ***Dividends and Distributions to Common Stockholders***

To the extent that the Company has taxable income available, the Company intends to make quarterly distributions to its common stockholders. Dividends and distributions to common stockholders are recorded on the record date. The amount to be distributed is determined by the Board of Directors each quarter and is generally based upon the taxable earnings estimated by management and available cash. Net realized capital gains, if any, are generally distributed at least annually, although the Company may decide to retain such capital gains for investment.

Prior to July 5, 2017, the Company had an “opt in” dividend reinvestment plan. Effective on July 5, 2017, the Company converted the “opt in” dividend reinvestment plan to an “opt out” dividend reinvestment plan that provides for reinvestment of dividends and other distributions on behalf of the common stockholders, other than those common stockholders who have “opted out” of the plan. As a result of adopting the plan, if the Board of Directors authorizes, and the Company declares, a cash dividend or distribution, the common stockholders who have not elected to “opt out” of the dividend reinvestment plan will have their cash dividends or distributions automatically reinvested in additional shares of the Company’s common stock, rather than receiving cash. Each registered stockholder may elect to have such stockholder’s dividends and distributions distributed in cash rather than participate in the plan. For any registered stockholder that does not so elect, distributions on such stockholder’s shares will be reinvested by State Street Bank and Trust Company, the Company’s plan administrator, in additional shares. The number of shares to be issued to the stockholder will be determined based on the total dollar amount of the cash distribution payable, net of applicable withholding taxes. The Company intends to use primarily newly issued shares to implement the plan so long as the market value per share is equal to or greater than the net asset value per share on the relevant valuation date. If the market value per share is less than the net asset value per share on the relevant valuation date, the plan administrator would implement the plan through the purchase of common stock on behalf of participants in the open market, unless the Company instructs the plan administrator otherwise.

#### ***Functional Translations***

The functional currency of the Company is the U.S. Dollar. Investments are generally made in the local currency of the country in which the investments are domiciled and are translated into U.S. Dollars with foreign currency translation gains or losses recorded within net change in unrealized appreciation (depreciation) on investments in the accompanying Consolidated Statements of Operations. Foreign currency translation gains and losses on non-investment assets and liabilities are separately reflected in the accompanying Consolidated Statements of Operations.

#### ***Earnings Per Common Share***

The Company computes earnings per common share in accordance with ASC 260, *Earnings Per Share* (“ASC 260”). Basic earnings per common share is calculated by dividing the net increase (decrease) in net assets resulting from operations attributable to common stock by the weighted average number of shares of common stock outstanding. Diluted earnings per common share reflects the assumed conversion of all dilutive securities.

### **Recent Accounting Standards Updates**

In March 2020, the FASB issued ASU No. 2020-04, “Reference Rate Reform (Topic 848),” which provides 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 amendments apply only to contracts, hedging relationships, and other transactions that reference London Interbank Offered Rate (“LIBOR”) or another reference rate expected to be discontinued because of reference rate reform. In January 2021, the FASB issued ASU No. 2021-01, Reference Rate Reform (Topic 848), which expanded the scope of Topic 848 to include derivative instruments impacted by discounting transition. ASU 2020-04 and ASU 2021-01 are effective for all entities through December 31, 2022. The expedients and exceptions provided by the amendments do not apply to contract modifications and hedging relationships entered into or evaluated after December 31, 2022, except for hedging transactions as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. The Company is currently evaluating the impact of the adoption of ASU 2020-04 and 2021-01 on its consolidated financial statements.

### **3. FAIR VALUE MEASUREMENTS**

The Company applies fair value accounting in accordance with the terms of FASB ASC Topic 820, *Fair Value Measurement* (“ASC 820”). ASC 820 defines fair value as the amount that would be exchanged to sell an asset or transfer a liability in an orderly transfer between market participants at the measurement date. The Company values securities/instruments traded in active markets on the measurement date by multiplying the closing price of such traded securities/instruments by the quantity of shares or amount of the instrument held. The Company may also obtain quotes with respect to certain of its investments, such as its securities/instruments traded in active markets and its liquid securities/instruments that are not traded in active markets, from pricing services, brokers, or counterparties (i.e., “consensus pricing”). When doing so, the Company determines whether the quote obtained is sufficient according to U.S. GAAP to determine the fair value of the security. The Company may use the quote obtained or alternative pricing sources may be utilized including valuation techniques typically utilized for illiquid securities/instruments.

Securities/instruments that are illiquid or for which the pricing source does not provide a valuation or methodology or provides a valuation or methodology that, in the judgment of the Investment Adviser or the Company’s Board of Directors, does not represent fair value shall each be valued as of the measurement date using all techniques appropriate under the circumstances and for which sufficient data is available. These valuation techniques may vary by investment and include comparable public market valuations, comparable precedent transaction valuations and/or discounted cash flow analyses. The process generally used to determine the applicable value is as follows: (i) the value of each portfolio company or investment is initially reviewed by the investment professionals responsible for such portfolio company or investment and, for non-traded investments, a standardized template designed to approximate fair market value based on observable market inputs, updated credit statistics and unobservable inputs is used to determine a preliminary value, which is also reviewed alongside consensus pricing, where available; (ii) preliminary valuation conclusions are documented and reviewed by a valuation committee comprised of members of senior management; (iii) the Board of Directors engages a third-party valuation firm to provide positive assurance on portions of the Middle Market Senior Loans and equity investments portfolio each quarter (such that each non-traded investment other than Credit Fund is reviewed by a third-party valuation firm at least once on a rolling twelve month basis) including a review of management’s preliminary valuation and conclusion on fair value; (iv) if applicable, the Audit Committee of the Board of Directors (the “Audit Committee”) reviews the assessments of the Investment Adviser and the third-party valuation firm and provides the Board of Directors with any recommendations with respect to changes to the fair value of each investment in the portfolio; and (v) if applicable, the Board of Directors discusses the valuation recommendations of the Audit Committee and determines the fair value of each investment in the portfolio in good faith based on the input of the Investment Adviser and, where applicable, the third-party valuation firm.

All factors that might materially impact the value of an investment are considered, including, but not limited to the assessment of the following factors, as relevant:

- the nature and realizable value of any collateral;
- call features, put features and other relevant terms of debt;
- the portfolio company’s leverage and ability to make payments;
- the portfolio company’s public or private credit rating;
- the portfolio company’s actual and expected earnings and discounted cash flow;
- prevailing interest rates and spreads for similar securities and expected volatility in future interest rates;

- the markets in which the portfolio company does business and recent economic and/or market events; and
- comparisons to comparable transactions and publicly traded securities.

Investment performance data utilized are the most recently available financial statements and compliance certificate received from the portfolio companies as of the measurement date which in many cases may reflect a lag in information.

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

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the realized gains or losses on investments to be different from the net change in unrealized appreciation or depreciation currently reflected in the consolidated financial statements as of March 31, 2022 and December 31, 2021.

U.S. GAAP establishes a hierarchical disclosure framework which ranks the level of observability of market price inputs used in measuring investments at fair value. The observability of inputs is impacted by a number of factors, including the type of investment and the characteristics specific to the investment and state of the marketplace, including the existence and transparency of transactions between market participants. Investments with readily available quoted prices or for which fair value can be measured from quoted prices in active markets generally have a higher degree of market price observability and a lesser degree of judgment applied in determining fair value.

Investments measured and reported at fair value are classified and disclosed based on the observability of inputs used in determination of fair values, as follows:

- Level 1—inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date. Financial instruments in this category generally include unrestricted securities, including equities and derivatives, listed in active markets. The Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.
- Level 2—inputs to the valuation methodology are either directly or indirectly observable as of the reporting date and are those other than quoted prices in active markets. Financial instruments in this category generally include less liquid and restricted securities listed in active markets, securities traded in other than active markets, government and agency securities, and certain over-the-counter derivatives where the fair value is based on observable inputs.
- 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 in this category generally include investments in privately-held entities, collateralized loan obligations, and certain over-the-counter derivatives where the fair value is based on unobservable inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the overall fair value measurement. The Investment Adviser's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Investments in Credit Fund and Credit Fund II are valued based on the legal form of investment. For those structured through LLC membership interest, the practical expedient, or net asset value method, is used. For those structured through subordinated notes, a discounted cash flow method is used.

Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfers occur. For the three month periods ended March 31, 2022 and 2021, there were no transfers between levels.

The following tables summarize the Company's investments measured at fair value on a recurring basis by the above fair value hierarchy levels as of March 31, 2022 and December 31, 2021:

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
First Lien Debt	\$ —	\$ —	\$ 1,224,117	\$ 1,224,117
Second Lien Debt	—	—	304,202	304,202
Equity Investments	—	—	78,699	78,699
<b>Investment Funds</b>				
Mezzanine Loan	—	—	—	—
Subordinated Loan and Member's Interest	—	—	189,285	189,285
Total	\$ —	\$ —	\$ 1,796,303	\$ 1,796,303
Investments measured at net asset value <sup>(1)</sup>				76,880
Total				\$ 1,873,183

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
First Lien Debt	\$ —	\$ —	\$ 1,232,084	\$ 1,232,084
Second Lien Debt	—	—	341,776	341,776
Equity Investments	—	—	77,093	77,093
<b>Investment Funds</b>				
Mezzanine Loan	—	—	—	—
Subordinated Loan and Member's Interest	—	—	184,141	184,141
Total	\$ —	\$ —	\$ 1,835,094	\$ 1,835,094
Investments measured at net asset value <sup>(1)</sup>				77,958
Total				\$ 1,913,052

(1) Amount represents the Company's investment in Credit Fund II. The Company, as a practical expedient, estimates the fair value of this investment using the net asset value of the Company's member's interest in Credit Fund II. As such, the fair value of the Company's investment in Credit Fund II has not been categorized within the fair value hierarchy.



The changes in the Company's investments at fair value for which the Company has used Level 3 inputs to determine fair value and net change in unrealized appreciation (depreciation) included in earnings for Level 3 investments still held are as follows:

<b>Financial Assets</b>					
<b>For the three month period ended March 31, 2022</b>					
	<b>First Lien Debt</b>	<b>Second Lien Debt</b>	<b>Equity Investments</b>	<b>Investment Fund - Subordinated Loan and Member's Interest</b>	<b>Total</b>
Balance, beginning of period	\$ 1,232,084	\$ 341,776	\$ 77,093	\$ 184,141	\$ 1,835,094
Purchases	111,329	250	2,387	—	113,966
Sales	(12,059)	—	(4,003)	—	(16,062)
Paydowns	(105,973)	(36,325)	(1,083)	—	(143,381)
Accretion of discount	1,772	559	7	—	2,338
Net realized gains (losses)	3,455	—	2,384	—	5,839
Net change in unrealized appreciation (depreciation)	(6,491)	(2,058)	1,914	5,144	(1,491)
Balance, end of period	<u>\$ 1,224,117</u>	<u>\$ 304,202</u>	<u>\$ 78,699</u>	<u>\$ 189,285</u>	<u>\$ 1,796,303</u>
Net change in unrealized appreciation (depreciation) included in earnings related to investments still held at the reporting date included in net change in unrealized appreciation (depreciation) on investments on the Consolidated Statements of Operations	<u>\$ (2,944)</u>	<u>\$ (1,333)</u>	<u>\$ (901)</u>	<u>\$ 5,144</u>	<u>\$ (34)</u>

<b>Financial Assets</b>					
<b>For the three month period ended March 31, 2021</b>					
	<b>First Lien Debt</b>	<b>Second Lien Debt</b>	<b>Equity Investments</b>	<b>Investment Fund - Subordinated Loan and Member's Interest</b>	<b>Total</b>
Balance, beginning of period	\$ 1,224,063	\$ 284,523	\$ 33,877	\$ 205,891	\$ 1,748,354
Purchases	97,145	51,184	598	—	148,927
Sales	(75,754)	—	(1,392)	—	(77,146)
Paydowns	(31,924)	(41,531)	—	—	(73,455)
Accretion of discount	1,581	433	12	—	2,026
Net realized gains (losses)	992	—	681	—	1,673
Net change in unrealized appreciation (depreciation)	10,550	4,713	1,254	(3,196)	13,321
Balance, end of period	<u>\$ 1,226,653</u>	<u>\$ 299,322</u>	<u>\$ 35,030</u>	<u>\$ 202,695</u>	<u>\$ 1,763,700</u>
Net change in unrealized appreciation (depreciation) included in earnings related to investments still held at the reporting date included in net change in unrealized appreciation (depreciation) on investments on the Consolidated Statements of Operations	<u>\$ 10,170</u>	<u>\$ 4,957</u>	<u>\$ 1,334</u>	<u>\$ (3,196)</u>	<u>\$ 13,265</u>

The Company generally uses the following framework when determining the fair value of investments that are categorized as Level 3:

Investments in debt securities are initially evaluated to determine whether the enterprise value of the portfolio company is greater than the applicable debt. The enterprise value of the portfolio company is estimated using a market approach and an income approach. The market approach utilizes market value (EBITDA) multiples of publicly traded comparable companies and available precedent sales transactions of comparable companies. The Company carefully considers numerous

factors when selecting the appropriate companies whose multiples are used to value its portfolio companies. These factors include, but are not limited to, the type of organization, similarity to the business being valued, relevant risk factors, as well as size, profitability and growth expectations. The income approach typically uses a discounted cash flow analysis of the portfolio company.

Investments in debt securities that do not have sufficient coverage through the enterprise value analysis are valued based on an expected probability of default and discount recovery analysis.

Investments in debt securities with sufficient coverage through the enterprise value analysis are generally valued using a discounted cash flow analysis of the underlying security. Projected cash flows in the discounted cash flow typically represent the relevant security's contractual interest, fees and principal payments plus the assumption of full principal recovery at the security's expected maturity date. The discount rate to be used is determined using an average of two market-based methodologies. Investments in debt securities may also be valued using consensus pricing.

Investments in equities are generally valued using a market approach and/or an income approach. The market approach utilizes market value (EBITDA) multiples of publicly traded comparable companies and available precedent sales transactions of comparable companies. The income approach typically uses a discounted cash flow analysis of the portfolio company.

Investments in Credit Fund's mezzanine loan are valued using collateral analysis with the expected recovery rate of principal and interest. Investments in Credit Fund's subordinated loan and member's interest are valued using discounted cash flow analysis with the expected discount rate, default rate and recovery rate of principal and interest.

The following tables summarize the quantitative information related to the significant unobservable inputs for Level 3 instruments which are carried at fair value as of March 31, 2022 and December 31, 2021:

	Fair Value as of March 31, 2022	Valuation Techniques	Significant Unobservable Inputs	Range		Weighted Average
				Low	High	
Investments in First Lien Debt	\$ 1,023,730	Discounted Cash Flow	Discount Rate	4.07 %	15.63 %	8.23 %
	131,271	Consensus Pricing	Indicative Quotes	97.00	100.00	98.05
	69,116	Income Approach	Discount Rate	11.56 %	13.07 %	12.17 %
		Market Approach	Comparable Multiple	6.78x	8.45x	7.77x
<b>Total First Lien Debt</b>	<b>1,224,117</b>					
Investments in Second Lien Debt	275,543	Discounted Cash Flow	Discount Rate	7.26 %	14.69 %	9.53 %
	28,659	Consensus Pricing	Indicative Quotes	97.15	97.15	97.15
<b>Total Second Lien Debt</b>	<b>304,202</b>					
Investments in Equity	78,699	Income Approach	Discount Rate	7.22 %	11.56 %	8.36 %
		Market Approach	Comparable Multiple	8.45x	17.79x	10.97x
<b>Total Equity Investments</b>	<b>78,699</b>					
Investments in Investment Fund						
Subordinated Loan and Member's Interest	189,285	Discounted Cash Flow	Discount Rate	8.50 %	8.50 %	8.50 %
		Discounted Cash Flow	Default Rate	3.00 %	3.00 %	3.00 %
		Discounted Cash Flow	Recovery Rate	65.00 %	65.00 %	65.00 %
<b>Total Investments in Investment Fund</b>	<b>189,285</b>					
<b>Total Level 3 Investments</b>	<b>\$ 1,796,303</b>					

	Fair Value as of December 31, 2021	Valuation Techniques	Significant Unobservable Inputs	Range		
				Low	High	Weighted Average
Investments in First Lien Debt	\$ 981,627	Discounted Cash Flow	Discount Rate	3.90 %	14.21 %	7.70 %
	185,432	Consensus Pricing	Indicative Quotes	90.00	100.00	97.69
	65,025	Income Approach	Discount Rate	11.55 %	13.18 %	12.24 %
		Market Approach	Comparable Multiple	6.68x	8.16x	7.53x
<b>Total First Lien Debt</b>	<b>1,232,084</b>					
Investments in Second Lien Debt	299,664	Discounted Cash Flow	Discount Rate	7.11 %	15.83 %	9.46 %
	42,112	Consensus Pricing	Indicative Quotes	97.25	98.00	97.49
<b>Total Second Lien Debt</b>	<b>341,776</b>					
Investments in Equity	77,093	Income Approach	Discount Rate	7.22 %	11.55 %	8.38 %
		Market Approach	Comparable Multiple	8.16x	16.43x	11.26x
<b>Total Equity Investments</b>	<b>77,093</b>					
Investment in Investment Fund						
Subordinated Loan and Member's Interest	184,141	Discounted Cash Flow	Discount Rate	8.50 %	8.50 %	8.50 %
		Discounted Cash Flow	Default Rate	3.00 %	3.00 %	3.00 %
		Discounted Cash Flow	Recovery Rate	65.00 %	65.00 %	65.00 %
<b>Total Investments in Investment Fund</b>	<b>184,141</b>					
<b>Total Level 3 Investments</b>	<b>\$ 1,835,094</b>					

The significant unobservable inputs used in the fair value measurement of the Company's investments in first and second lien debt securities are discount rates, indicative quotes and comparable EBITDA multiples. Significant increases in discount rates in isolation would result in a significantly lower fair value measurement. Significant decreases in indicative quotes or comparable EBITDA multiples in isolation may result in a significantly lower fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Company's investments in equities are discount rates and comparable EBITDA multiples. Significant increases in discount rates in isolation would result in a significantly lower fair value measurement. Significant decreases in comparable EBITDA multiples in isolation would result in a significantly lower fair value measurement.

The significant unobservable input used in the fair value measurement of the Company's investment in the mezzanine loan of Credit Fund is the recovery rate of principal and interest. A significant decrease in the recovery rate would result in a significantly lower fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Company's investments in the subordinated loan and member's interest of Credit Fund are the discount rate, default rate and recovery rate. Significant increases in the discount rate or default rate in isolation would result in a significantly lower fair value measurement. A significant decrease in the recovery rate in isolation would result in a significantly lower fair value measurement.

#### **Financial instruments disclosed but not carried at fair value**

The following table presents the carrying value and fair value of the Company's secured borrowings and senior unsecured notes disclosed but not carried at fair value as of March 31, 2022 and December 31, 2021:

	March 31, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Secured borrowings	\$ 359,679	\$ 359,679	\$ 407,655	\$ 407,655
2019 Notes	115,000	112,685	115,000	117,300
2020 Notes	75,000	73,084	75,000	75,530
<b>Total</b>	<b>\$ 549,679</b>	<b>\$ 545,448</b>	<b>\$ 597,655</b>	<b>\$ 600,485</b>

The carrying values of the secured borrowings and Senior Notes approximate their respective fair values and are categorized as Level 3 within the hierarchy. Secured borrowings are valued generally using discounted cash flow analysis. The significant unobservable inputs used in the fair value measurement of the Company's secured borrowings and senior unsecured

notes are discount rates. Significant increases in discount rates in isolation would result in a significantly lower fair value measurement.

The following table represents the carrying values (before debt issuance costs) and fair values of the Company's 2015-1R Notes disclosed but not carried at fair value as of March 31, 2022 and December 31, 2021:

	March 31, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Aaa/AAA Class A-1-1-R Notes	\$ 234,800	\$ 234,190	\$ 234,800	\$ 234,941
Aaa/AAA Class A-1-2-R Notes	50,000	49,870	50,000	50,075
Aaa/AAA Class A-1-3-R Notes	25,000	23,773	25,000	24,680
AA Class A-2-R Notes	66,000	65,597	66,000	66,003
A Class B Notes	46,400	46,401	46,400	46,430
BBB- Class C Notes	27,000	26,106	27,000	26,714
<b>Total</b>	<b>\$ 449,200</b>	<b>\$ 445,937</b>	<b>\$ 449,200</b>	<b>\$ 448,843</b>

The fair value determination of the Company's notes payable was based on the market quotation(s) received from broker/dealer(s). These fair value measurements were based on significant inputs not observable and thus represent Level 3 measurements as defined in the accounting guidance for fair value measurement.

The carrying value of other financial assets and liabilities approximates their fair value based on the short term nature of these items.

#### 4. RELATED PARTY TRANSACTIONS

##### *Investment Advisory Agreement*

On April 3, 2013, the Company's Board of Directors, including a majority of the directors who are not "interested persons" as defined in Section 2(a)(19) of the Investment Company Act (the "Independent Directors"), approved an investment advisory agreement (the "Original Investment Advisory Agreement") between the Company and the Investment Adviser in accordance with, and on the basis of an evaluation satisfactory to such directors as required by, Section 15(c) of the Investment Company Act. The Original Investment Advisory Agreement was amended on September 15, 2017 and August 6, 2018 after receipt of requisite Board and stockholders' approvals, as applicable (as amended, the "Investment Advisory Agreement"). Unless terminated earlier, the Investment Advisory Agreement renews automatically for successive annual periods, provided that such continuance is specifically approved at least annually by the vote of the Board of Directors and by the vote of a majority of the Independent Directors. On May 26, 2021, the Company's Board of Directors, including a majority of the Independent Directors, approved the continuance of the Company's Investment Advisory Agreement with the Adviser for an additional one year term. Pursuant to relief granted by the SEC in light of the COVID-19 pandemic (the "Order") and a determination by the Board of Directors that reliance on the order was appropriate due to circumstances related to the current or potential side-effects of COVID-19, the May 26 meeting was held by video- and telephone-conference. The Investment Advisory Agreement will automatically terminate in the event of an assignment and may be terminated by either party without penalty upon at least 60 days' written notice to the other party. Subject to the overall supervision of the Board of Directors, the Adviser provides investment advisory services to the Company. For providing these services, the Adviser receives fees from the Company consisting of two components—a base management fee and an incentive fee.

The base management fee has been calculated and payable quarterly in arrears at an annual rate of 1.50% of the average value of the gross assets at the end of the two most recently completed fiscal quarters; provided, however, effective July 1, 2018, the base management fee is calculated at an annual rate of 1.00% of the average value of the gross assets as of the end of the two most recently completed calendar quarters that exceeds the product of (A) 200% and (B) the average value of the Company's net asset value at the end of the two most recently completed calendar quarters. The base management fee will be appropriately adjusted for any share issuances or repurchases during such fiscal quarter and the base management fees for any partial month or quarter will be pro-rated. The Company's gross assets exclude any cash and cash equivalents and include assets acquired through the incurrence of debt from the use of leverage. For purposes of this calculation, cash and cash equivalents include any temporary investments in cash-equivalents, U.S. government securities and other high quality investment grade debt investments that mature in 12 months or less from the date of investment.

The incentive fee has two parts. The first part is calculated and payable quarterly in arrears based on the pre-incentive fee net investment income for the immediately preceding calendar quarter. The second part is determined and payable in arrears based on capital gains as of the end of each calendar year.

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 operating expenses accrued for the quarter (including the base management fee, expenses payable under the administration agreement, and any interest expense or fees on any credit facilities or outstanding debt 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, accrued income that the Company has not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

Pre-incentive fee net investment income, expressed as a rate of return on the value of the Company's net assets at the end of the immediately preceding calendar quarter, has been compared to a "hurdle rate" of 1.50% per quarter (6% annualized) or a "catch-up rate" of 1.82% per quarter (7.28% annualized), as applicable.

Pursuant to the Investment Advisory Agreement, the Company pays its Investment Adviser an incentive fee with respect to its pre-incentive fee net investment income in each calendar quarter as follows:

- no incentive fee based on pre-incentive fee net investment income in any calendar quarter in which its pre-incentive fee net investment income does not exceed the hurdle rate of 1.50%;
- 100% of pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 1.82% in any calendar quarter (7.28% annualized). The Company refers to this portion of the pre-incentive fee net investment income (which exceeds the hurdle rate but is less than 1.82%) as the "catch-up." The "catch-up" is meant to provide the Investment Adviser with approximately 17.5% of the Company's pre-incentive fee net investment income as if a hurdle rate did not apply if this net investment income exceeds 1.82% in any calendar quarter; and
- 17.5% of the amount of pre-incentive fee net investment income, if any, that exceeds 1.82% in any calendar quarter (7.28% annualized) will be payable to the Investment Adviser. This reflects that once the hurdle rate is reached and the catch-up is achieved, 17.5% of all pre-incentive fee net investment income thereafter is allocated to the Investment Adviser.

The second part of the incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), and equals 17.5% of realized capital gains, if any, on a cumulative basis from inception through the date of determination, computed net of all realized capital losses on a cumulative basis and unrealized capital depreciation, less the aggregate amount of any previously paid capital gain incentive fees, provided that, the incentive fee determined at the end of the first calendar year of operations may be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses on a cumulative basis and unrealized capital depreciation.

Below is a summary of the base management fees and incentive fees incurred during the three month periods ended March 31, 2022 and 2021.

	For the three month periods ended	
	March 31, 2022	March 31, 2021
Base management fees	\$ 7,050	\$ 6,800
Incentive fees on pre-incentive fee net investment income	5,228	4,257
Realized capital gains incentive fees	—	—
Accrued capital gains incentive fees	—	—
Total capital gains incentive fees	—	—
Total incentive fees	5,228	4,257
Total base management fees and incentive fees	\$ 12,278	\$ 11,057

Accrued capital gains incentive fees are based upon the cumulative net realized and unrealized appreciation (depreciation) from inception. Accordingly, the accrual for any capital gains incentive fee under U.S. GAAP in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reduction of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual.

As of March 31, 2022 and December 31, 2021, \$12,304 and \$11,819, respectively, was included in base management and incentive fees payable in the accompanying Consolidated Statements of Assets and Liabilities.

On April 3, 2013, the Investment Adviser entered into a personnel agreement with The Carlyle Group Employee Co., L.L.C. (“Carlyle Employee Co.”), an affiliate of the Investment Adviser, pursuant to which Carlyle Employee Co. provides the Investment Adviser with access to investment professionals.

#### **Administration Agreement**

On April 3, 2013, the Company's Board of Directors approved the Administration Agreement. Pursuant to the Administration Agreement, the Administrator provides services and receives reimbursements equal to an amount that reimburses the Administrator for its costs and expenses and the Company's allocable portion of overhead incurred by the Administrator in performing its obligations under the Administration Agreement, including the Company's allocable portion of the compensation paid to or compensatory distributions received by the Company's officers (including the Chief Financial Officer, Chief Compliance Officer, and Treasurer) and respective staff who provide services to the Company, operations staff who provide services to the Company, and any internal audit staff, to the extent internal audit performs a role in the Company's Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”), internal control assessment. Reimbursement under the Administration Agreement occurs quarterly in arrears.

Unless terminated earlier, the Administration Agreement will renew automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (i) the vote of the Board of Directors or by a majority vote of the outstanding voting securities of the Company and (ii) the vote of a majority of the Company's Independent Directors. On May 26, 2021, the Company's Board of Directors, including a majority of the Independent Directors, approved the continuance of the Administration Agreement for a one-year period. The Administration Agreement may not be assigned by a party without the consent of the other party and may be terminated by either party without penalty upon at least 60 days' written notice to the other party.

For the three month periods ended March 31, 2022 and 2021, the Company incurred \$406 and \$282, respectively, in fees under the Administration Agreement. These fees are included in administrative service fees in the accompanying Consolidated Statements of Operations. As of March 31, 2022 and December 31, 2021, \$825 and \$482, respectively, was unpaid and included in administrative service fees payable in the accompanying Consolidated Statements of Assets and Liabilities.

### ***Sub-Administration Agreements***

On April 3, 2013, the Administrator entered into a sub-administration agreement with Carlyle Employee Co. (the “Carlyle Sub-Administration Agreement”). Pursuant to the Carlyle Sub-Administration Agreement, Carlyle Employee Co. provides the Administrator with access to personnel.

On April 3, 2013, the Administrator entered into a sub-administration agreement with State Street Bank and Trust Company (“State Street” and, such agreement, the “State Street Sub-Administration Agreement” and, together with the Carlyle Sub-Administration Agreement, the “Sub-Administration Agreements”). Unless terminated earlier, the State Street Sub-Administration Agreement renew automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (i) the vote of the Board of Directors or by the vote of a majority of the outstanding voting securities of the Company and (ii) the vote of a majority of the Company’s Independent Directors. On May 26, 2021, the Company's Board of Directors, including a majority of the Independent Directors, approved the continuance of the State Street Sub-Administration Agreement for a one-year period. The State Street Sub-Administration Agreement may be terminated upon at least 60 days’ written notice and without penalty by the vote of a majority of the outstanding securities of the Company, or by the vote of the Board of Directors or by either party to the State Street Sub-Administration Agreement.

For the three month periods ended March 31, 2022 and 2021, the Company incurred \$175 and \$170, respectively, in fees under the State Street Sub-Administration Agreement, which are included in other general and administrative expenses in the accompanying Consolidated Statements of Operations. As of March 31, 2022 and December 31, 2021, \$169 and \$682, respectively, was unpaid and included in other accrued expenses and liabilities in the accompanying Consolidated Statements of Assets and Liabilities.

### ***License Agreement***

The Company has entered into a royalty free license agreement with CIM, which wholly owns our Adviser and is a wholly owned subsidiary of Carlyle, pursuant to which CIM has granted the Company a non-exclusive, revocable and non-transferable license to use the name and mark “Carlyle.”

### ***Board of Directors***

The Company’s Board of Directors currently consists of eight members, five of whom are Independent Directors. The Board of Directors has established an Audit Committee, a Pricing Committee, a Nominating and Governance Committee and a Compensation Committee, the members of each of which consist entirely of the Company’s Independent Directors. The Board of Directors may establish additional committees in the future. For the three month periods ended March 31, 2022 and 2021, the Company incurred \$160 and \$116, respectively, in fees and expenses associated with its Independent Directors' services on the Company's Board of Directors and its committees. As of March 31, 2022 and December 31, 2021, \$1 and \$142, respectively, in fees or expenses associated with its Independent Directors were payable, and included in other accrued expenses and liabilities in the accompanying Consolidated Statements of Assets and Liabilities.

### ***Transactions with Investment Funds***

For the three month period ended March 31, 2022, the Company sold no investments to Credit Fund. For the three month period ended March 31, 2021, the Company sold 1 investment to Credit Fund for proceeds of \$23,591 and realized gain (loss) of \$228. See Note 5, Middle Market Credit Fund, LLC, for further information about Credit Fund. For the three month period ended March 31, 2022, the Company sold no investments to Credit Fund II. For the three month period ended March 31, 2021, the Company sold 1 investment to Credit Fund II for proceeds of \$5,119 and realized gain (loss) of \$12. See Note 6, Middle Market Credit Fund II, LLC, for further information about Credit Fund II.

### ***Cumulative Convertible Preferred Stock***

On May 5, 2020, the Company issued and sold 2,000,000 shares of the Preferred Stock to an affiliate of Carlyle in a private placement at a price of \$25 per share. For the three month period ended March 31, 2022, the Company declared and paid a dividend on the Preferred Stock of \$875, respectively. For the three month period ended March 31, 2021, the Company declared and paid a dividend on the Preferred Stock of \$875. See Note 10, Net Assets, for further information about the Preferred Stock.

## 5. MIDDLE MARKET CREDIT FUND, LLC

### *Overview*

On February 29, 2016, the Company and Credit Partners entered into an amended and restated limited liability company agreement, which was subsequently amended and restated on June 24, 2016 and February 22, 2021 (as amended, the “Limited Liability Company Agreement”) to co-manage Credit Fund, a Delaware limited liability company that is not consolidated in the Company’s consolidated financial statements. Credit Fund primarily invests in first lien loans of middle market companies. Credit Fund is managed by a six-member board of managers, on which the Company and Credit Partners each have equal representation. Establishing a quorum for Credit Fund’s board of managers requires at least four members to be present at a meeting, including at least two of the Company’s representatives and two of Credit Partners’ representatives. The Company and Credit Partners each have 50% economic ownership of Credit Fund and have commitments to fund, from time to time, capital of up to \$250,000 each. Funding of such commitments generally requires the approval of the board of Credit Fund, including the board members appointed by the Company. By virtue of its membership interest, the Company and Credit Partners each indirectly bear an allocable share of all expenses and other obligations of Credit Fund.

Together with Credit Partners, the Company co-invests through Credit Fund. Investment opportunities for Credit Fund are sourced primarily by the Company and its affiliates. Portfolio and investment decisions with respect to Credit Fund must be unanimously approved by a quorum of Credit Fund’s investment committee consisting of an equal number of representatives of the Company and Credit Partners. Therefore, although the Company owns more than 25% of the voting securities of Credit Fund, the Company does not believe that it has control over Credit Fund (other than for purposes of the Investment Company Act). Middle Market Credit Fund SPV, LLC (the “Credit Fund Sub”), MMCF CLO 2019-2, LLC (the “2019-2 Issuer”) and MMCF Warehouse II, LLC (the “Credit Fund Warehouse II”), each a Delaware limited liability company, were formed on April 5, 2016, November 26, 2018 and August 16, 2019, respectively. Credit Fund Sub, the 2019-2 Issuer, and Credit Fund Warehouse II are wholly owned subsidiaries of Credit Fund and are consolidated in Credit Fund’s consolidated financial statements commencing from the date of their respective formations. In August 2021, the 2019-2 Notes, as defined below, were redeemed and repaid in full. Credit Fund Sub and Credit Fund Warehouse II primarily invest in first lien loans of middle market companies. Credit Fund and its wholly owned subsidiaries follow the same Internal Risk Rating System as the Company. Refer to “Debt” below for discussions regarding the credit facilities entered into and the notes issued by such wholly-owned subsidiaries.

Credit Fund, the Company and Credit Partners entered into an administration agreement with Carlyle Global Credit Administration L.L.C., the administrative agent of Credit Fund (in such capacity, the “Credit Fund Administrative Agent”), pursuant to which the Credit Fund Administrative Agent is delegated certain administrative and non-discretionary functions, is authorized to enter into sub-administration agreements at the expense of Credit Fund with the approval of the board of managers of Credit Fund, and is reimbursed by Credit Fund for its costs and expenses and Credit Fund’s allocable portion of overhead incurred by the Credit Fund Administrative Agent in performing its obligations thereunder.



### Selected Financial Data

Since inception of Credit Fund and through March 31, 2022 and December 31, 2021, the Company and Credit Partners each made capital contributions of \$1 and \$1 in members' equity, respectively, and \$216,000 and \$216,000 in subordinated loans, respectively, to Credit Fund. On May 25, 2021, the Company and Credit Partners received an aggregate return of capital on the subordinated loans of \$46,000, of which the Company received \$23,000. Below is certain summarized consolidated financial information for Credit Fund as of March 31, 2022 and December 31, 2021.

	As of	
	March 31, 2022 (unaudited)	December 31, 2021
<b>Selected Consolidated Balance Sheet Information</b>		
<b>ASSETS</b>		
Investments, at fair value (amortized cost of \$920,819 and \$940,092, respectively)	\$ 897,817	\$ 926,959
Cash, cash equivalents and restricted cash <sup>(1)</sup>	20,268	54,041
Other assets	8,264	7,698
<b>Total assets</b>	<b>\$ 926,349</b>	<b>\$ 988,698</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Secured borrowings	\$ 554,329	\$ 600,651
Other liabilities	13,534	19,828
Subordinated loans and members' equity <sup>(2)</sup>	358,486	368,219
<b>Liabilities and members' equity</b>	<b>\$ 926,349</b>	<b>\$ 988,698</b>

<sup>(1)</sup> As of March 31, 2022 and December 31, 2021, \$10,072 and \$10,816, respectively, of Credit Fund's cash and cash equivalents was restricted.

<sup>(2)</sup> As of March 31, 2022 and December 31, 2021, the fair value of Company's ownership interest in the subordinated loans and members' equity was \$189,285 and \$205,891, respectively.

	For the three month periods ended	
	March 31, 2022 (unaudited)	March 31, 2021
<b>Selected Consolidated Statement of Operations Information:</b>		
Total investment income	\$ 14,679	\$ 16,105
<b>Expenses</b>		
Interest and credit facility expenses	4,046	5,415
Other expenses	497	468
<b>Total expenses</b>	<b>4,543</b>	<b>5,883</b>
<b>Net investment income (loss)</b>	<b>10,136</b>	<b>10,222</b>
Net realized gain (loss) on investments	—	(1,578)
Net change in unrealized appreciation (depreciation) on investments	(9,869)	13,498
<b>Net increase (decrease) resulting from operations</b>	<b>\$ 267</b>	<b>\$ 22,142</b>

Below is a summary of Credit Fund's portfolio, followed by a listing of the loans in Credit Fund's portfolio as of March 31, 2022 and December 31, 2021:

	As of	
	March 31, 2022	December 31, 2021
Senior secured loans <sup>(1)</sup>	\$ 923,100	\$ 942,930
Weighted average yields of senior secured loans based on amortized cost <sup>(2)</sup>	6.13 %	6.04 %
Weighted average yields of senior secured loans based on fair value <sup>(2)</sup>	6.25 %	6.09 %
Number of portfolio companies in Credit Fund	44	45
Average amount per portfolio company <sup>(1)</sup>	\$ 20,980	\$ 20,954
Number of loans on non-accrual status	—	—
Fair value of loans on non-accrual status	\$ —	\$ —
Percentage of portfolio at floating interest rates <sup>(3)(4)</sup>	100.0 %	100.0 %
Percentage of portfolio at fixed interest rates <sup>(4)</sup>	— %	— %
Fair value of loans with PIK provisions	\$ 4,576	\$ —
Percentage of portfolio with PIK provisions <sup>(4)</sup>	0.5 %	— %

(1) At par/principal amount.

(2) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of March 31, 2022 and December 31, 2021. Weighted average yield on debt and income producing securities at fair value is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount ("OID") and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at fair value included in such securities. Weighted average yield on debt and income producing securities at amortized cost is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at amortized cost included in such securities. Actual yields earned over the life of each investment could differ materially from the yields presented above.

(3) Floating rate debt investments are generally subject to interest rate floors.

(4) Percentages based on fair value.

**Consolidated Schedule of Investments as of March 31, 2022**

<b>Investments <sup>(1)</sup></b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread <sup>(2)</sup></b>	<b>Interest Rate <sup>(2)</sup></b>	<b>Maturity Date</b>	<b>Par/ Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>	
<b>First Lien Debt (100.0% of fair value)</b>									
ACR Group Borrower, LLC	^+	(2)(3)(6)	Aerospace & Defense	L + 4.25%	5.25%	3/31/2028	\$ 36,070	\$ 35,529	\$ 36,070
Acrisure, LLC	+#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.72%	2/13/2027	25,311	25,289	24,884
Acrisure, LLC	+	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	4.75%	2/13/2027	6,683	6,636	6,646
Analogic Corporation	^+	(2)(3)(6)	Capital Equipment	L + 5.25%	6.25%	6/22/2024	20,030	20,017	19,626
Anchor Packaging, Inc.	+#	(2)(3)	Containers, Packaging & Glass	L + 4.00%	4.10%	7/18/2026	24,409	24,327	24,167
API Technologies Corp.	+#	(2)(3)	Aerospace & Defense	L + 4.25%	4.35%	5/9/2026	14,588	14,540	14,262
Aptean, Inc.	+#	(2)(3)	Software	L + 4.25%	4.35%	4/23/2026	12,125	12,084	12,051
Avalign Technologies, Inc.	^+#	(2)(3)	Healthcare & Pharmaceuticals	L + 4.50%	4.63%	12/22/2025	14,406	14,322	13,938
BMS Holdings III Corp.	+	(2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	11,216	11,119	11,054
Chartis Holding, LLC	^+	(2)(3)(6)	Business Services	L + 5.50%	6.50%	5/1/2025	6,946	6,946	6,917
Chemical Computing Group ULC (Canada)	^+	(2)(3)(6)	Software	L + 4.50%	5.50%	8/30/2024	13,876	13,507	13,713
Chudy Group, LLC	^+	(2)(3)(6)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	6/30/2027	32,938	32,405	33,098
Diligent Corporation	^+	(2)(3)(6)	Telecommunications	L + 6.25%	7.25%	8/4/2025	9,743	9,537	9,705
Divisions Holding Corporation	+#	(2)(3)	Business Services	L + 4.75%	5.50%	5/27/2028	24,875	24,651	24,676
DTI Holdco, Inc.	+	(2)(3)	High Tech Industries	L + 4.75%	5.75%	9/30/2023	18,446	18,400	18,130
Eliassen Group, LLC	+	(2)(3)	Business Services	L + 5.25%	5.35%	11/5/2024	15,140	15,089	15,117
EPS Nass Parent, Inc.	^+	(2)(3)(6)	Utilities: Electric	L + 5.75%	6.75%	4/19/2028	32,955	32,304	32,482
EvolveIP, LLC	^+	(2)(3)(6)(7)	Telecommunications	SOFR + 5.50%	6.50%	6/7/2025	40,094	40,036	39,994
Exactech, Inc.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 3.75%	4.75%	2/14/2025	21,251	21,171	20,312
Excel Fitness Holdings, Inc.	+#	(2)(3)	Hotel, Gaming & Leisure	L + 5.25%	6.25%	10/7/2025	24,437	24,283	23,989
Frontline Technologies Holdings, LLC	+	(2)(3)	Software	L + 5.25%	6.25%	9/18/2023	14,698	14,288	14,683
GSM Acquisition Corp.	^+	(2)(3)(6)(7)	Hotel, Gaming & Leisure	SOFR + 5.00%	6.00%	11/16/2026	26,868	26,579	26,542
Heartland Home Services, Inc.	+	(2)(3)(6)	Consumer Services	L + 6.00%	7.00%	12/15/2026	17,651	17,651	17,619
HMT Holding Inc.	^+	(2)(3)(6)(7)	Energy: Oil & Gas	SOFR + 6.25%	7.25%	11/17/2025	32,400	32,191	30,097
Integrity Marketing Acquisition, LLC	^+	(2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	8/27/2025	32,772	32,269	31,647
Jensen Hughes, Inc.	^+	(2)(3)(6)	Utilities: Electric	L + 4.50%	5.50%	3/22/2024	34,305	34,264	33,375
K2 Insurance Services, LLC	^+	(2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	12,896	12,896	12,880
KAMC Holdings, Inc.	+#	(2)(3)	Energy: Electricity	L + 4.00%	4.18%	8/14/2026	13,650	13,605	11,511
KBP Investments, LLC	+	(2)(3)(6)	Beverage, Food & Tobacco	L + 5.00%	5.75%	5/25/2027	36,934	36,594	35,307
Odyssey Logistics & Technology Corp.	+	(2)(3)	Transportation: Cargo	L + 4.00%	5.00%	10/12/2024	9,580	9,557	9,382
Output Services Group	^+	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	3/27/2024	19,172	19,146	14,666
Premise Health Holding Corp.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 3.50%	3.72%	7/10/2025	13,411	13,377	13,369
Q Holding Company	+#	(2)(3)	Automotive	L + 5.00%	6.00%	12/31/2023	21,460	21,377	20,589
QW Holding Corporation	^+	(2)(3)(6)	Environmental Industries	L + 5.75%	6.75%	8/31/2026	15,184	14,984	14,923

**Consolidated Schedule of Investments as of March 31, 2022**

<b>Investments <sup>(1)</sup></b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread <sup>(2)</sup></b>	<b>Interest Rate <sup>(2)</sup></b>	<b>Maturity Date</b>	<b>Par/ Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>
Radiology Partners, Inc.	+# (2)(3)	Healthcare & Pharmaceuticals	L + 4.25%	4.36%	7/9/2025	\$ 27,686	\$ 27,608	\$ 27,291
RevSpring Inc.	+# (2)(3)	Media: Advertising, Printing & Publishing	L + 4.25%	4.47%	10/11/2025	29,074	28,936	28,529
Striper Buyer, LLC	+ (2)(3)	Containers, Packaging & Glass	L + 5.50%	6.25%	12/30/2026	14,812	14,688	14,813
Turbo Buyer, Inc.	+ (2)(3)(6)	Automotive	L + 6.00%	7.00%	12/2/2025	13,924	13,924	13,696
U.S. TelePacific Holdings Corp.	+ (2)(3)(7)	Telecommunications	SOFR + 8.25% (1.00%, 7.25% PIK)	9.25%	5/2/2026	6,660	6,646	4,576
USALCO, LLC	+ (2)(3)	Chemicals, Plastics & Rubber	L + 6.00%	7.00%	10/19/2027	14,958	14,678	14,505
VRC Companies, LLC	^+ (2)(3)(6)	Business Services	L + 5.50%	6.25%	6/29/2027	26,608	26,208	26,155
Welocalize, Inc.	^+ (2)(3)(6)	Business Services	L + 4.75%	5.75%	12/23/2024	34,115	33,801	33,387
WRE Holding Corp.	^+ (2)(3)(6)(7)	Environmental Industries	SOFR + 5.25%	6.25%	1/3/2025	8,943	8,931	8,817
Yellowstone Buyer Acquisition, LLC	+ (2)(3)	Consumer Goods: Durable	L + 5.75%	6.75%	9/13/2027	39,800	39,065	38,627
<b>First Lien Debt Total</b>							<b>\$ 915,455</b>	<b>\$ 897,817</b>
<b>Equity Investments (0.0% of fair value)</b>								
DBI Holding, LLC	^	Transportation: Cargo				2,961	\$ —	\$ —
DBI Holding, LLC	^	Transportation: Cargo				13,996	5,364	—
<b>Equity Investments Total</b>							<b>\$ 5,364</b>	<b>\$ —</b>
<b>Total Investments</b>							<b>\$ 920,819</b>	<b>\$ 897,817</b>

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into a revolving credit facility with the Company (the "Credit Fund Facility"). Accordingly, such assets are not available to creditors of Credit Fund Sub or Credit Fund Warehouse II.

+ Denotes that all or a portion of the assets are owned by Credit Fund Sub. Credit Fund Sub has entered into a revolving credit facility (the "Credit Fund Sub Facility"). The lenders of the Credit Fund Sub Facility have a first lien security interest in substantially all of the assets of Credit Fund Sub. Accordingly, such assets are not available to creditors of Credit Fund or Credit Fund Warehouse II.

# Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse II. Credit Fund Warehouse II has entered into a revolving credit facility (the "Credit Fund Warehouse II Facility"). The lenders of the Credit Fund Warehouse II Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse II. Accordingly, such assets are not available to creditors of Credit Fund, or the Credit Fund Sub.

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of March 31, 2022, the geographical composition of investments as a percentage of fair value was 1.5% in Canada and 98.5% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR, the Secured Overnight Financing Rate ("SOFR") or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund has indicated the reference rate used and provided the spread and the interest rate in effect as of March 31, 2022. As of March 31, 2022, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 0.45%, the 90-day LIBOR at 0.96%, the 180-day LIBOR at 1.47%, the 30-day SOFR at 0.30%, and the 90-day SOFR at 0.68%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund, pursuant to Credit Fund's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements, to these consolidated financial statements.

(6) As of March 31, 2022, Credit Fund and Credit Fund Sub had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

First Lien Debt – unfunded delayed draw and revolving term loans commitments	Type	Unused Fee	Par/ Principal Amount	Fair Value
ACR Group Borrower, LLC	Revolver	0.40%	\$ 5,670	\$ —
Analogic Corporation	Revolver	0.50	564	(11)
Chartis Holding, LLC	Revolver	0.50	2,183	(7)
Chemical Computing Group ULC (Canada)	Revolver	0.50	873	(10)
Chudy Group, LLC	Delayed Draw	1.00	5,517	22
Chudy Group, LLC	Revolver	0.50	1,379	6
Diligent Corporation	Revolver	0.50	703	(3)
EPS Nass Parent, Inc.	Delayed Draw	1.00	3,136	(40)
EPS Nass Parent, Inc.	Revolver	0.50	753	(10)
EvolveIP, LLC	Revolver	0.50	3,361	(8)
GSM Acquisition Corp.	Delayed Draw	1.00	4,313	(45)
Heartland Home Services, Inc	Revolver	0.50	713	(1)
HMT Holding Inc.	Revolver	0.50	6,173	(369)
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	4,453	(113)
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	7,000	(178)
Jensen Hughes, Inc.	Revolver	0.50	2,000	(51)
K2 Insurance Services, LLC	Revolver	0.50	1,170	(1)
KBP Investments, LLC	Delayed Draw	1.00	2,415	(99)
KBP Investments, LLC	Delayed Draw	1.00	503	(21)
QW Holding Corporation	Delayed Draw	1.00	9,338	(90)
QW Holding Corporation	Revolver	0.50	2,694	(26)
Turbo Buyer, Inc.	Revolver	0.50	933	(14)
VRC Companies, LLC	Delayed Draw	0.80	2,450	(37)
VRC Companies, LLC	Revolver	0.50	750	(11)
Welocalize, Inc.	Revolver	0.50	2,250	(41)
Welocalize, Inc.	Revolver	0.50	3,375	(62)
WRE Holding Corp.	Revolver	0.50	399	(5)
Total unfunded commitments			\$ 75,068	\$ (1,225)

(7) Loans include a credit spread adjustment that ranges from 0.10% to 0.43%

**Consolidated Schedule of Investments as of December 31, 2021**

<b>Investments <sup>(1)</sup></b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread <sup>(2)</sup></b>	<b>Interest Rate <sup>(2)</sup></b>	<b>Maturity Date</b>	<b>Par/Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>
<b>First Lien Debt (97.5% of fair value)</b>								
ACR Group Borrower, LLC	^+ (2)(3)(6)	Aerospace & Defense	L + 4.25%	5.50%	3/31/2028	\$ 34,477	\$ 33,913	\$ 34,477
Acrisure, LLC	+ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.78%	2/13/2027	25,376	25,353	25,203
Acrisure, LLC	+ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	4.75%	2/13/2027	6,700	6,650	6,687
Analogic Corporation	^+ (2)(3)(6)	Capital Equipment	L + 5.25%	6.25%	6/22/2024	19,796	19,781	19,587
Anchor Packaging, Inc.	+ (2)(3)	Containers, Packaging & Glass	L + 4.00%	4.10%	7/18/2026	24,472	24,385	24,215
API Technologies Corp.	+ (2)(3)	Aerospace & Defense	L + 4.25%	4.35%	5/9/2026	14,625	14,575	14,251
Aptean, Inc.	+ (2)(3)	Software	L + 4.25%	4.35%	4/23/2026	12,157	12,113	12,087
Avalign Technologies, Inc.	+ (2)(3)	Healthcare & Pharmaceuticals	L + 4.50%	4.63%	12/22/2025	14,443	14,354	14,320
Avenu Holdings, LLC	+ (2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2024	23,350	23,350	23,350
BMS Holdings III Corp.	+ (2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	11,244	11,143	11,071
Chartis Holding, LLC	+ (2)(3)(6)	Business Services	L + 5.50%	6.50%	5/1/2025	6,964	6,964	6,964
Chemical Computing Group ULC (Canada)	^+ (2)(3)(6)	Software	L + 4.50%	5.50%	8/30/2024	13,912	13,480	13,845
Chudy Group, LLC	^+ (2)(3)(6)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	6/30/2027	33,021	32,465	33,657
Diligent Corporation	^+ (2)(3)(6)	Telecommunications	L + 6.25%	7.25%	8/4/2025	9,049	8,816	9,228
Divisions Holding Corporation	+ (2)(3)	Business Services	L + 4.75%	5.50%	5/27/2028	24,938	24,706	24,953
DTI Holdco, Inc.	+ (2)(3)	High Tech Industries	L + 4.75%	5.75%	9/30/2023	18,495	18,442	18,237
Eliassen Group, LLC	+ (2)(3)	Business Services	L + 4.50%	4.60%	11/5/2024	15,159	15,103	15,152
EPS Nass Parent, Inc.	^+ (2)(3)(6)	Utilities: Electric	L + 5.75%	6.75%	4/19/2028	32,846	32,169	32,507
EvolvIP, LLC	^+ (2)(3)(6)	Telecommunications	L + 5.50%	6.50%	6/7/2025	40,196	40,126	39,973
Exactech, Inc.	+ (2)(3)	Healthcare & Pharmaceuticals	L + 3.75%	4.75%	2/14/2025	21,307	21,221	21,073
Excel Fitness Holdings, Inc.	+ (2)(3)	Hotel, Gaming & Leisure	L + 5.25%	6.25%	10/7/2025	24,500	24,336	24,500
Frontline Technologies Holdings, LLC	+ (2)(3)	Software	L + 5.25%	6.25%	9/18/2023	14,736	14,269	14,736
GSM Acquisition Corp.	^+ (2)(3)(6)	Hotel, Gaming & Leisure	L + 5.00%	6.00%	11/16/2026	25,623	25,331	25,396
Heartland Home Services, Inc	+ (2)(3)(6)	Consumer Services	L + 6.00%	7.00%	12/15/2026	17,664	17,664	17,735
HMT Holding Inc.	^+ (2)(3)(6)	Energy: Oil & Gas	L + 5.75%	6.75%	11/17/2023	32,484	32,245	31,086
Integrity Marketing Acquisition, LLC	^+ (2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	8/27/2025	32,853	32,309	32,403
Jensen Hughes, Inc.	+ (2)(3)(6)	Utilities: Electric	L + 4.50%	5.50%	3/22/2024	34,392	34,347	33,395
K2 Insurance Services, LLC	+ (2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	12,929	12,929	12,906
KAMC Holdings, Inc.	+ (2)(3)	Energy: Electricity	L + 4.00%	4.18%	8/14/2026	13,685	13,638	11,450
KBP Investments, LLC	+ (2)(3)(6)	Beverage, Food & Tobacco	L + 5.00%	5.75%	5/25/2027	36,973	36,599	36,570
Odyssey Logistics & Technology Corp.	+ (2)(3)	Transportation: Cargo	L + 4.00%	5.00%	10/12/2024	9,605	9,580	9,509
Output Services Group	^+ (2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	3/27/2024	19,222	19,194	16,467
Premise Health Holding Corp.	+ (2)(3)	Healthcare & Pharmaceuticals	L + 3.50%	3.72%	7/10/2025	13,445	13,409	13,419
Q Holding Company	+ (2)(3)	Automotive	L + 5.00%	6.00%	12/31/2023	21,515	21,421	21,098
QW Holding Corporation	^+ (2)(3)(6)	Environmental Industries	L + 6.25%	7.25%	8/31/2024	14,116	13,887	13,645

**Consolidated Schedule of Investments as of December 31, 2021**

Investments <sup>(1)</sup>		Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Maturity Date	Par/Principal Amount	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>
Radiology Partners, Inc.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 4.25%	4.36%	7/9/2025	\$ 27,686	\$ 27,603	\$ 27,245
RevSpring Inc.	+#	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.25%	4.47%	10/11/2025	29,149	29,001	29,067
Striper Buyer, LLC	+	(2)(3)	Containers, Packaging & Glass	L + 5.50%	6.25%	12/30/2026	14,850	14,720	14,850
Turbo Buyer, Inc.	+	(2)(3)(6)	Automotive	L + 6.00%	7.00%	12/2/2025	13,960	13,960	13,661
U.S. TelePacific Holdings Corp.	+	(2)(3)	Telecommunications	L + 5.50%	6.50%	5/2/2023	6,660	6,643	4,995
USALCO, LLC	+	(2)(3)	Chemicals, Plastics & Rubber	L + 6.00%	7.00%	10/19/2027	14,995	14,704	14,704
VRC Companies, LLC	^+	(2)(3)(6)	Business Services	L + 5.50%	6.25%	6/29/2027	26,520	26,103	26,162
Welocalize, Inc.	+	(2)(3)(6)	Business Services	L + 4.75%	5.75%	12/23/2024	34,201	33,868	33,444
WRE Holding Corp.	^+	(2)(3)(6)	Environmental Industries	SOFR + 5.50%	6.50%	1/3/2025	8,740	8,724	8,584
Yellowstone Buyer Acquisition, LLC	+	(2)(3)	Consumer Goods: Durable	L + 5.75%	6.75%	9/13/2027	39,900	39,135	39,095
<b>First Lien Debt Total</b>								\$ 934,728	\$ 926,959
<b>Equity Investments (0.2% of fair value)</b>									
DBI Holding, LLC	^		Transportation: Cargo				2,961	\$ —	\$ —
DBI Holding, LLC	^		Transportation: Cargo				13,996	5,364	—
Equity Investments Total								\$ 5,364	\$ —
<b>Total Investments</b>								\$ 940,092	\$ 926,959

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into a revolving credit facility (the "Credit Fund Facility"). Accordingly, such assets are not available to creditors of Credit Fund Sub, the 2019-2 Issuer or Credit Fund Warehouse II.

+ Denotes that all or a portion of the assets are owned by Credit Fund Sub. Credit Fund Sub has entered into a revolving credit facility (the "Credit Fund Sub Facility"). The lenders of the Credit Fund Sub Facility have a first lien security interest in substantially all of the assets of Credit Fund Sub. Accordingly, such assets are not available to creditors of Credit Fund, the 2019-2 Issuer or Credit Fund Warehouse II.

\ Denotes that all or a portion of the assets are owned by the 2019-2 Issuer and secure the notes issued in connection with a \$399,900 term debt securitization completed by Credit Fund on May 21, 2019 (the "2019-2 Debt Securitization"). Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, or Credit Fund Warehouse II.

# Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse II. Credit Fund Warehouse II has entered into a revolving credit facility (the "Credit Fund Warehouse II"). The lenders of the Credit Fund Warehouse II Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse II. Accordingly, such assets are not available to creditors of Credit Fund, Credit Fund Sub, or 2019-2 Issuer.

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of December 31, 2021, the geographical composition of investments as a percentage of fair value was 2.8% in Canada and 97.2% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 2021. As of December 31, 2021, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 0.15%, the 90-day LIBOR at 0.25% and the 180-day LIBOR at 0.26%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund, pursuant to Credit Fund's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements, to these consolidated financial statements.
- As of December 31, 2021, Credit Fund and Credit Fund Sub had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

First Lien Debt—unfunded delayed draw and revolving term loans commitments	Type	Unused Fee	Par/ Principal Amount	Fair Value
ACR Group Borrower, LLC	Revolver	0.38 %	\$ 7,350	\$ —
Analogic Corporation	Revolver	0.50	847	(9)
Chartis Holding, LLC	Revolver	0.50	2,183	—
Chemical Computing Group ULC (Canada)	Revolver	0.50	873	(4)
Chudy Group, LLC	Delayed Draw	1.00	5,517	88
Chudy Group, LLC	Revolver	0.50	1,379	22
Diligent Corporation	Delayed Draw	1.00	1,653	26
Diligent Corporation	Revolver	0.50	703	11
EPS Nass Parent, Inc.	Delayed Draw	1.00	3,136	(29)
EPS Nass Parent, Inc.	Revolver	0.50	941	(9)
EvolveIP, LLC	Revolver	0.50	3,360	(17)
GSM Acquisition Corp.	Delayed Draw	1.00	4,313	(33)
Heartland Home Services, Inc	Revolver	0.50	746	3
HMT Holding Inc.	Revolver	0.50	6,173	(223)
Integrity Marketing Acquisition, LLC	Delayed Draw	—	7,000	(71)
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	4,453	(45)
Jensen Hughes, Inc.	Revolver	0.50	2,000	(55)
K2 Insurance Services, LLC	Revolver	0.50	1,170	(2)
KBP Investments, LLC	Delayed Draw	1.00	503	(5)
KBP Investments, LLC	Delayed Draw	1.00	2,415	(24)
QW Holding Corporation	Delayed Draw	1.00	9,338	(162)
QW Holding Corporation	Revolver	0.50	3,794	(66)
Turbo Buyer, Inc.	Revolver	0.50	933	(19)
VRC Companies, LLC	Delayed Draw	0.75	2,521	(30)
VRC Companies, LLC	Revolver	0.50	833	(10)
Welocalize, Inc.	Revolver	0.50	3,375	(64)
Welocalize, Inc.	Revolver	0.50	2,250	(43)
WRE Holding Corp.	Revolver	0.50	624	(10)
<b>Total unfunded commitments</b>			<b>\$ 80,383</b>	<b>\$ (780)</b>

### Debt

The Credit Fund, Credit Fund Sub and Credit Fund Warehouse II are party to separate credit facilities as described below. As of March 31, 2022 and December 31, 2021, Credit Fund, Credit Fund Sub and Credit Fund Warehouse II were in compliance with all covenants and other requirements of their respective credit facility agreements. Below is a summary of the borrowings and repayments under the credit facilities for the three month periods ended March 31, 2022 and 2021, and the outstanding balances under the credit facilities for the respective periods.

	Credit Fund Facility		Credit Fund Sub Facility		Credit Fund Warehouse II Facility	
	2022	2021	2022	2021	2022	2021
<b>Three Month Periods Ended March 31,</b>						
Outstanding Borrowing, beginning of period	\$ —	\$ —	\$ 514,621	\$ 420,859	\$ 86,030	\$ 93,402
Borrowings	—	—	—	63,000	—	—
Repayments	—	—	(37,000)	(120,738)	(9,322)	(10,222)
Outstanding Borrowing, end of period	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 477,621</u>	<u>\$ 363,121</u>	<u>\$ 76,708</u>	<u>\$ 83,180</u>

**Credit Fund Facility.** On June 24, 2016, Credit Fund entered into the Credit Fund Facility with the Company, which was subsequently amended on June 5, 2017, October 2, 2017, November 3, 2017, June 22, 2018, June 29, 2018, February 21, 2019, March 20, 2020 and February 22, 2021, pursuant to which Credit Fund may from time to time request mezzanine loans from the Company. The maximum principal amount of the Credit Fund Facility is \$175,000. The maturity date of the Credit Fund Facility is May 21, 2022. Amounts borrowed under the Credit Fund Facility bear interest at a rate of LIBOR plus 9.00%.



Credit Fund Sub Facility. On June 24, 2016, Credit Fund Sub closed on the Credit Fund Sub Facility with lenders, which was subsequently amended on May 31, 2017, October 27, 2017, August 24, 2018, December 12, 2019, March 11, 2020 and May 3, 2021. The Credit Fund Sub Facility provides for secured borrowings during the applicable revolving period up to an amount equal to \$640,000. The facility is secured by a first lien security interest in substantially all of the portfolio investments held by Credit Fund Sub. The maturity date of the Credit Fund Sub Facility is May 22, 2024. Amounts borrowed under the Credit Fund Sub Facility bear interest at a rate of LIBOR plus 2.25%.

Credit Fund Warehouse II Facility. On August 16, 2019, Credit Fund Warehouse II closed on a revolving credit facility (the “Credit Fund Warehouse II Facility”) with lenders. The Credit Fund Warehouse II Facility provides for secured borrowings during the applicable revolving period up to an amount equal to \$150,000. The Credit Fund Warehouse II Facility is secured by a first lien security interest in substantially all of the portfolio investments held by Credit Fund Warehouse II Facility. The maturity date of the Credit Fund Warehouse II Facility is August 16, 2022. Amounts borrowed under the Credit Fund Warehouse II Facility bear interest at a rate of LIBOR plus 1.50%. Amounts borrowed under the Credit Fund Warehouse II Facility during the first 12 months bore interest at a rate of LIBOR plus 1.05%, and amounts borrowed in the second 12 months bore interest at LIBOR plus 1.15%.

#### *2019-2 Notes*

On May 21, 2019, Credit Fund completed the 2019-2 Debt Securitization. The notes offered in the 2019-2 Debt Securitization (the “2019-2 Notes”) were issued by the 2019-2 Issuer, a wholly owned and consolidated subsidiary of Credit Fund, and were secured by a diversified portfolio of the 2019-2 Issuer consisting primarily of first and second lien senior secured loans. The 2019-2 Debt Securitization was executed through a private placement of the 2019-2 Notes, consisting of:

- \$233,000 of Aaa/AAA Class A-1 Notes, which bore interest at the three-month LIBOR plus 1.50%;
- \$48,000 of Aa2/AA Class A-2 Notes, which bore interest at the three-month LIBOR plus 2.40%;
- \$23,000 of A2/A Class B Notes, which bore interest at the three-month LIBOR plus 3.45%;
- \$27,000 of Baa2/BBB- Class C Notes which bore interest at the three-month LIBOR plus 4.55%; and
- \$21,000 of Ba2/BB- Class D Notes which bore interest at the three-month LIBOR plus 8.03%.

The 2019-2 Notes were scheduled to mature on April 15, 2029. Credit Fund received 100% of the preferred interests issued by the 2019-2 Issuer (the “2019-2 Issuer Preferred Interests”) on the closing date of the 2019-2 Debt Securitization in exchange for Credit Fund’s contribution to the 2019-2 Issuer of the initial closing date loan portfolio. The 2019-2 Issuer Preferred Interests did not bear interest and had a nominal value of \$48,300 at closing.

The 2019-2 Notes were fully redeemed during the year ended December 31, 2021. As of the redemption date and as of December 31, 2020, the 2019-2 Issuer was in compliance with all covenants and other requirements of the indenture.

## **6. MIDDLE MARKET CREDIT FUND II, LLC**

### ***Overview***

On November 3, 2020, the Company and CCLF entered into a limited liability company agreement to co-manage Credit Fund II, a Delaware limited liability company that is not consolidated in the Company’s consolidated financial statements. Credit Fund II primarily invests in senior secured loans of middle market companies. Credit Fund II is managed by a four-member board, on which the Company and CCLF have equal representation. Establishing a quorum for Credit Fund II’s board requires at least one of the Company’s representatives and one of CCLF’s representatives. The Company and CCLF have 84.13% and 15.87% economic ownership of Credit Fund II, respectively. By virtue of its membership interest, each of the Company and CCLF indirectly bears an allocable share of all expenses and other obligations of Credit Fund II.

Credit Fund II’s initial portfolio consisted of 45 senior secured loans of middle market companies with an aggregate principal balance of approximately \$250 million. Credit Fund II’s initial portfolio was funded on November 3, 2020 with existing senior secured debt investments contributed by the Company and as part of the transaction, the Company determined that the contribution met the requirements under ASC 860, *Transfers and Servicing*.

Credit Fund II is expected to make only limited new investments in senior secured loans of middle market companies. Portfolio and investment decisions with respect to Credit Fund II must be unanimously approved by a quorum of Credit Fund II’s board members consisting of at least one of the Company’s representatives and one of CCLF’s representatives. Therefore,

although the Company owns more than 25% of the voting securities of Credit Fund II, the Company does not believe that it has control over Credit Fund II (other than for purposes of the Investment Company Act).

Middle Market Credit Fund II SPV, LLC (“Credit Fund II Sub”), a Delaware limited liability company, was formed on September 4, 2020. Credit Fund II Sub is a wholly owned subsidiary of Credit Fund II and is consolidated in Credit Fund II’s consolidated financial statements commencing from the date of its formation. Credit Fund II Sub primarily holds investments in first lien loans of middle market companies, which are pledged as security for the Credit Fund II Senior Notes (see below).

Credit Fund II, the Company and CCLF entered into an administration agreement with Carlyle Global Credit Administration L.L.C., the administrative agent of Credit Fund II (in such capacity, the “Credit Fund II Administrative Agent”), pursuant to which the Credit Fund II Administrative Agent is delegated certain administrative and non-discretionary functions, is authorized to enter into sub-administration agreements at the expense of Credit Fund II with the approval of the board of managers of Credit Fund II, and is reimbursed by Credit Fund II for its costs and expenses and Credit Fund II’s allocable portion of overhead incurred by the Credit Fund II Administrative Agent in performing its obligations thereunder.

#### ***Credit Fund II Senior Notes***

On November 3, 2020 and as amended on December 29, 2021, Credit Fund II Sub closed on the Credit Fund II Senior Notes (the “Credit Fund II Senior Notes”) with lenders. The Credit Fund II Senior Notes provides for secured borrowings totaling \$157,500 with two tranches, A-1 and A-2 outstanding. The facility is secured by a first lien security interest in substantially all of the portfolio investments held by Credit Fund II Sub. The maturity date of the Credit Fund II Senior Notes Sub Facility is November 3, 2030. Amounts issued for the Class A-1 notes totaled \$147,500 and bear interest at a rate of LIBOR plus 2.70%, and amounts issued for the Class A-2 notes totaled \$10,000 and bear interest at LIBOR plus 3.20%. The A-1 Notes were rated AAA, and the A-2 Notes were rated AA by DBRS Morningstar. The terms of the Credit Fund II Senior Notes provide that as loans pay down, up to \$50,000 is available from principal proceeds for reinvestment, and then the investment principal proceeds are used to directly pay down the principal balance on the Credit Fund II Senior Notes. As of March 31, 2022 and December 31, 2021, Credit Fund II Sub was in compliance with all covenants and other requirements of its respective credit agreements.

#### ***Selected Financial Data***

Since inception of Credit Fund II and through March 31, 2022, the Company and CCLF made capital contributions of \$78,096 and \$12,709 in members’ equity, respectively, to Credit Fund II. Below is certain summarized consolidated information for Credit Fund II as of March 31, 2022 and December 31, 2021.

	As of	
	March 31, 2022	December 31, 2021
<b>ASSETS</b>		
Investments, at fair value (amortized cost of \$225,068 and \$238,615, respectively)	\$ 224,313	\$ 23
Cash and cash equivalents <sup>(1)</sup>	21,800	1
Other assets	8,374	
Total assets	<u>\$ 254,487</u>	<u>\$ 25</u>
<b>LIABILITIES AND MEMBERS’ EQUITY</b>		
Notes payable, net of unamortized debt issuance costs of \$782 and \$802, respectively	\$ 156,717	\$ 15
Other liabilities	6,386	
Total members’ equity <sup>(2)</sup>	91,384	9
Total liabilities and members’ equity	<u>\$ 254,487</u>	<u>\$ 25</u>

(1) As of March 31, 2022 and December 31, 2021, all of Credit Fund II’s cash and cash equivalents was restricted.

(2) As of March 31, 2022 and December 31, 2021, the fair value of Company’s ownership interest in the members’ equity was \$76,880 and \$77,958, respectively.

	For the three month period ended	
	March 31, 2022	March 31, 2021
	(unaudited)	
<b>Selected Consolidated Statement of Operations Information:</b>		
Total investment income	4,486	\$ 4,563
<b>Expenses</b>		
Interest and credit facility expenses	1,219	1,201
Other expenses	186	191
Total expenses	1,405	1,392
Net investment income (loss)	3,081	3,171
Net change in unrealized appreciation (depreciation) on investments	(1,429)	494
Net increase (decrease) resulting from operations	1,652	\$ 3,665

Below is a summary of Credit Fund II's portfolio, followed by a listing of the loans in Credit Fund II's portfolio as of March 31, 2022 and December 31, 2021:

	As of	
	March 31, 2022	December 31, 2021
Senior secured loans <sup>(1)</sup>	\$ 227,129	\$ 240,878
Weighted average yields of senior secured loans based on amortized cost <sup>(2)</sup>	7.35 %	7.26 %
Weighted average yields of senior secured loans based on fair value <sup>(2)</sup>	7.37 %	7.24 %
Number of portfolio companies in Credit Fund II	33	36
Average amount per portfolio company <sup>(1)</sup>	\$ 6,883	\$ 6,691
Percentage of portfolio at floating interest rates <sup>(3)(4)</sup>	97.7 %	97.7 %
Percentage of portfolio at fixed interest rates <sup>(4)</sup>	2.3 %	2.3 %
Fair value of loans with PIK provisions	\$ 17,486	\$ 17,453
Percentage of portfolio with PIK provisions <sup>(4)</sup>	7.8 %	7.3 %

(1) At par/principal amount.

(2) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of March 31, 2022 and December 31, 2021. Weighted average yield on debt and income producing securities at fair value is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at fair value included in such securities. Weighted average yield on debt and income producing securities at amortized cost is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at amortized cost included in such securities. Actual yields earned over the life of each investment could differ materially from the yields presented above.

(3) Floating rate debt investments are generally subject to interest rate floors.

(4) Percentages based on fair value.

#### Consolidated Schedule of Investments as of March 31, 2022

Investments <sup>(1)</sup>	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Maturity Date	Par/Principal Amount	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>
<b>First Lien Debt (88.7% of fair value)</b>								
Airnov, Inc.	^ (2)(3)	Containers, Packaging & Glass	L + 5.00%	6.00%	12/19/2025	\$ 9,920	\$ 9,906	\$ 9,913
American Physician Partners, LLC	^ (2)(3)	Healthcare & Pharmaceuticals	L + 10.25% (8.75%, 1.50% PIK)	11.25%	4/8/2022	8,447	8,447	8,447

**Consolidated Schedule of Investments as of March 31, 2022**

<b>Investments <sup>(1)</sup></b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread <sup>(2)</sup></b>	<b>Interest Rate <sup>(2)</sup></b>	<b>Maturity Date</b>	<b>Par/ Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>
Appriss Health, LLC	^(2)(3)	Healthcare & Pharmaceuticals	L + 7.25%	8.25%	5/6/2027	1,197	1,178	1,176
Apptio, Inc.	^(2)(3)	Software	L + 7.25%	8.25%	1/10/2025	5,357	5,299	5,357
Aurora Lux FinCo S.A.R.L. (Luxembourg)	^(2)(3)	Software	L + 6.00%	7.00%	12/24/2026	4,344	4,265	3,943
BMS Holdings III Corp.	^(2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	3,266	3,211	3,219
Captive Resources Midco, LLC	^(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	5/31/2027	8,193	8,114	8,113
Chartis Holding, LLC	^(2)(3)	Business Services	L + 5.50%	6.50%	5/1/2025	9,899	9,883	9,866
Comar Holding Company, LLC	^(2)(3)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/18/2024	8,687	8,616	8,431
Cority Software Inc. (Canada)	^(2)(3)	Software	L + 5.00%	6.00%	7/2/2026	8,689	8,574	8,662
Dwyer Instruments, Inc	^(2)(3)	Capital Equipment	L + 5.50%	6.25%	7/21/2027	9,975	9,916	9,948
Ethos Veterinary Health LLC	^(2)(3)	Consumer Services	L + 4.75%	4.85%	5/15/2026	8,122	8,071	8,122
EvolveIP, LLC	^(2)(3)(7)	Telecommunications	SOFR + 5.50%	6.50%	6/7/2025	8,688	8,680	8,668
Harbour Benefit Holdings, Inc.	^(2)(3)	Business Services	L + 5.25%	6.25%	12/13/2024	4,698	4,690	4,692
K2 Insurance Services, LLC	^(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	8,990	8,900	8,979
Kaseya, Inc.	^(2)(3)	High Tech Industries	L + 6.50% (5.50%, 1.00% PIK)	7.50%	5/3/2025	9,116	9,018	9,039
Material Holdings, LLC	^(2)(3)	Business Services	L + 5.75%	6.50%	8/19/2027	\$ 7,960	\$ 7,879	\$ 7,720
Maverick Acquisition, Inc.	^(2)(3)	Aerospace & Defense	L + 6.00%	7.00%	6/1/2027	7,960	7,800	7,627
National Technical Systems, Inc.	^(2)(3)	Aerospace & Defense	L + 5.50%	6.50%	6/12/2023	8,711	8,700	8,688
NMI AcquisitionCo, Inc.	^(2)(3)	High Tech Industries	L + 5.75%	6.50%	9/6/2025	8,685	8,668	8,563
Redwood Services Group, LLC	^(2)(3)	High Tech Industries	L + 6.00%	7.00%	6/6/2024	8,715	8,704	8,634
Riveron Acquisition Holdings, Inc.	^(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2025	8,153	8,060	8,152
RSC Acquisition, Inc.	^(2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	11/1/2026	8,380	8,262	8,106
TCFI Aevox LLC	^(2)(3)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2026	1,697	1,673	1,424
Turbo Buyer, Inc.	^(2)(3)	Automotive	L + 6.00%	7.00%	12/2/2025	8,071	7,938	7,946
US INFRA SVCS Buyer, LLC	^(2)(3)	Environmental Industries	L + 6.50%	7.50%	4/13/2026	3,258	3,212	3,161
U.S. Legal Support, Inc.	^(2)(3)(7)	Business Services	SOFR + 5.25%	6.25%	11/30/2024	6,218	6,208	6,093
Westfall Technik, Inc.	^(2)(3)	Chemicals, Plastics & Rubber	L + 5.75%	6.75%	9/13/2024	6,402	6,328	6,300
<b>First Lien Debt Total</b>							<b>\$ 200,200</b>	<b>\$ 198,989</b>
<b>Second Lien Debt (11.3% of fair value)</b>								
AI Convoy S.A.R.L (United Kingdom)	^(2)(3)	Aerospace & Defense	L + 8.25%	9.25%	1/17/2028	\$ 5,514	\$ 5,416	\$ 5,734
AP Plastics Acquisition Holdings, LLC	^(2)(3)	High Tech Industries	L + 7.50%	8.25%	8/10/2029	4,500	4,412	4,504
AQA Acquisition Holdings, Inc.	^(2)(3)	Software	L + 7.50%	8.00%	3/3/2029	5,000	4,884	4,996
Quartz Holding Company	^(2)(3)	Capital Equipment	L + 8.00%	8.10%	4/2/2027	4,852	4,784	4,852
World 50, Inc.	^(6)	Business Services	11.50%	11.50%	1/9/2027	5,465	5,372	5,238
<b>Second Lien Debt Total</b>							<b>\$ 24,868</b>	<b>\$ 25,324</b>
<b>Total Investments</b>							<b>\$ 225,068</b>	<b>\$ 224,313</b>

^ Denotes that all or a portion of the assets are owned by Credit Fund II Sub. Credit Fund II Sub has entered into the Credit Fund II Sub Notes. The lenders of the Credit Fund II Sub Notes have a first lien security interest in substantially all of the assets of Credit Fund II Sub. Accordingly, such assets are not available to creditors of Credit Fund II.

- (1) Unless otherwise indicated, issuers of investments held by Credit Fund II are domiciled in the United States. As of March 31, 2022, the geographical composition of investments as a percentage of fair value was 3.9% in Canada, 1.8% in Luxembourg, 2.6% in the United Kingdom and 91.7% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- (2) Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR, the Secured Overnight Financing Rate (“SOFR”) or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund II has indicated the reference rate used and provided the spread and the interest rate in effect as of March 31, 2022. As of March 31, 2022, the reference rates for Credit Fund II's variable rate loans were the 30-day LIBOR at 0.45%, the 90-day LIBOR at 0.96%, the 180-day LIBOR at 1.47%, the 30-day SOFR at 0.30%, and the 90-day SOFR at 0.68%.
- (3) Loan includes interest rate floor feature, which is generally 1.00%.
- (4) Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- (5) Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund II, pursuant to Credit Fund II's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements, to these consolidated financial statements.
- (6) Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company.
- (7) Loans include a credit spread adjustment that ranges from 0.10% to 0.25%

**Consolidated Schedule of Investments as of December 31, 2021**

<b>Investments (1)</b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread (2)</b>	<b>Interest Rate (2)</b>	<b>Maturity Date</b>	<b>Par/ Principal Amount</b>	<b>Amortized Cost (4)</b>	<b>Fair Value (5)</b>
<b>First Lien Debt (87.0%) of fair value</b>								
Airnov, Inc.	^ (2)(3)	Containers, Packaging & Glass	L + 5.00%	6.00%	12/19/2025	\$ 9,946	\$ 9,930	\$ 9,946
American Physician Partners, LLC	^ (2)(3)	Healthcare & Pharmaceuticals	L + 6.75%, 1.50% PIK	9.25%	2/21/2022	8,415	8,415	8,415
Appriss Health, LLC	^ (2)(3)	Healthcare & Pharmaceuticals	L + 7.25%	8.25%	5/6/2027	1,197	1,178	1,198
Apptio, Inc.	^ (2)(3)	Software	L + 7.25%	8.25%	1/10/2025	5,357	5,295	5,357
Aurora Lux FinCo S.A.R.L. (Luxembourg)	^ (2)(3)	Software	L + 6.00%	7.00%	12/24/2026	4,355	4,273	3,924
Avenu Holdings, LLC	^ (2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2024	987	980	987
BMS Holdings III Corp.	^ (2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	3,275	3,216	3,224
Captive Resources Midco, LLC	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	5/31/2027	8,193	8,108	8,147
Chartis Holding, LLC	^ (2)(3)	Business Services	L + 5.50%	6.50%	5/1/2025	9,924	9,907	9,924
Comar Holding Company, LLC	^ (2)(3)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/18/2024	8,710	8,632	8,536
Cority Software Inc. (Canada)	^ (2)(3)	Software	L + 5.00%	6.00%	7/2/2026	8,712	8,591	8,707
Dwyer Instruments, Inc.	^ (2)(3)	Capital Equipment	L + 5.50%	6.25%	7/21/2027	10,000	9,939	9,974
Ethos Veterinary Health LLC	^ (2)(3)	Consumer Services	L + 4.75%	4.85%	5/15/2026	8,134	8,080	8,134
EvolveIP, LLC	^ (2)(3)	Telecommunications	L + 5.50%	6.50%	6/7/2025	8,710	8,701	8,666
Harbour Benefit Holdings, Inc.	^ (2)(3)	Business Services	L + 5.25%	6.25%	12/13/2024	4,717	4,707	4,669
K2 Insurance Services, LLC	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	9,012	8,914	8,998
Kaseya, Inc.	^ (2)(3)	High Tech Industries	L + 5.50%, 1.00% PIK	7.50%	5/3/2025	9,092	8,987	9,038
Material Holdings, LLC	^ (2)(3)	Business Services	L + 5.75%	6.50%	8/19/2027	7,980	7,896	7,891
Maverick Acquisition, Inc.	^ (2)(3)	Aerospace & Defense	L + 6.00%	7.00%	6/1/2027	7,980	7,814	7,808
National Technical Systems, Inc.	^ (2)(3)	Aerospace & Defense	L + 5.50%	6.50%	6/12/2023	8,733	8,720	8,733
NMI AcquisitionCo, Inc.	^ (2)(3)	High Tech Industries	L + 5.75%	6.50%	9/6/2025	8,708	8,680	8,601
Redwood Services Group, LLC	^ (2)(3)	High Tech Industries	L + 6.00%	7.00%	6/6/2024	8,736	8,724	8,737
Riveron Acquisition Holdings, Inc.	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2025	8,173	8,074	8,173
RSC Acquisition, Inc.	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	11/1/2026	8,401	8,277	8,434
Superior Health Linens, LLC	^ (2)(3)	Business Services	L + 6.50%	7.50%	3/31/2022	6,875	6,875	6,875
TCFI Aevex LLC	^ (2)(3)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2026	1,701	1,676	1,458
Turbo Buyer, Inc.	^ (2)(3)	Automotive	L + 6.00%	7.00%	12/2/2025	8,091	7,950	7,929
US INFRA SVCS Buyer, LLC	^ (2)(3)	Environmental Industries	L + 6.50%	7.50%	4/13/2026	3,267	3,217	3,189
U.S. Legal Support, Inc.	^ (2)(3)	Business Services	L + 5.50%	6.50%	11/30/2024	6,234	6,223	6,165
Westfall Technik, Inc.	^ (2)(3)	Chemicals, Plastics & Rubber	L + 5.75%	6.75%	9/13/2024	6,418	6,337	6,359
<b>First Lien Debt Total</b>							<b>\$ 208,316</b>	<b>\$ 208,196</b>
<b>Second Lien Debt (13.0%) of fair value</b>								
AI Convoy S.A.R.L (United Kingdom)	^ (2)(3)	Aerospace & Defense	L + 8.25%	9.25%	1/17/2028	\$ 5,514	\$ 5,413	\$ 5,720
AP Plastics Acquisition Holdings, LLC	^ (2)(3)	Chemicals, Plastics & Rubber	L + 7.50%	8.25%	8/10/2029	4,500	4,410	4,526

**Consolidated Schedule of Investments as of December 31, 2021**

<b>Investments (1)</b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread (2)</b>	<b>Interest Rate (2)</b>	<b>Maturity Date</b>	<b>Par/Principal Amount</b>	<b>Amortized Cost (4)</b>	<b>Fair Value (5)</b>
AQA Acquisition Holdings, Inc. ^	(2)(3)	High Tech Industries	L + 7.50%	8.00%	3/3/2029	\$ 5,000	\$ 4,881	\$ 5,004
Quartz Holding Company ^	(2)(3)	Software	L + 8.00%	8.10%	4/2/2027	4,852	4,781	4,852
Tank Holding Corp. ^	(2)(3)	Capital Equipment	L + 8.25%	8.35%	3/26/2027	5,514	5,446	5,569
World 50, Inc. ^	(6)	Business Services	11.50%	11.50%	1/9/2027	5,465	5,368	5,422
<b>Second Lien Debt Total</b>							<b>\$ 30,299</b>	<b>\$ 31,093</b>
<b>Total Investments</b>							<b>\$ 238,615</b>	<b>\$ 239,289</b>

^ Denotes that all or a portion of the assets are owned by Credit Fund II Sub. Credit Fund II Sub has entered into the Credit Fund II Sub Notes. The lenders of the Credit Fund II Sub Notes have a first lien security interest in substantially all of the assets of Credit Fund II Sub. Accordingly, such assets are not available to creditors of Credit Fund II.

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of December 31, 2021, the geographical composition of investments as a percentage of fair value was 3.6% in Canada, 1.6% in Luxembourg, 2.4% in the United Kingdom and 92.4% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund II has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 2021. As of December 31, 2021, the reference rates for Credit Fund II's variable rate loans were the 30-day LIBOR at 0.10%, the 90-day LIBOR at 0.22% and the 180-day LIBOR at 0.33%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund II, pursuant to Credit Fund II's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements, to these consolidated financial statements.
- Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company.

## 7. BORROWINGS

The Company is party to the Credit Facility as described below. In accordance with the Investment Company Act, the Company is currently only allowed to borrow amounts such that its asset coverage, as defined in the Investment Company Act, is at least 150% after such borrowing. For the purposes of the asset coverage ratio under the Investment Company Act, the Preferred Stock, as defined in Note 1, is considered a senior security and is included in the denominator of the calculation. As of March 31, 2022 and December 31, 2021, asset coverage was 185.86% and 181.94%, respectively.

Below is a summary of the borrowings and repayments under the Credit Facility for the three month periods ended March 31, 2022 and 2021, and the outstanding balances under the Facilities for the respective periods.

	<b>For the three month periods ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Outstanding Borrowing, beginning of period	\$ 407,655	\$ 347,949
Borrowings	58,500	40,286
Repayments	(104,246)	(79,000)
Foreign currency translation	(2,230)	162
<b>Outstanding Borrowing, end of period</b>	<b>\$ 359,679</b>	<b>\$ 309,397</b>

### **Credit Facility**

The Company closed on the Credit Facility on March 21, 2014, which was subsequently amended on January 8, 2015, May 25, 2016, March 22, 2017, September 25, 2018, June 14, 2019, and October 28, 2020. The maximum principal amount of the Credit Facility is \$688,000, subject to availability under the Credit Facility, which is based on certain advance rates multiplied by the value of the Company's portfolio investments (subject to certain concentration limitations) net of certain other indebtedness that the Company may incur in accordance with the terms of the Credit Facility. Proceeds of the Credit Facility may be used for general corporate purposes, including the funding of portfolio investments. Maximum capacity under the Credit Facility may be increased to \$900,000 through the exercise by the Company of an uncommitted accordion feature through which existing and new lenders may, at their option, agree to provide additional financing. The Credit Facility includes a \$50,000 limit for swingline loans and a \$20,000 limit for letters of credit. The Company may borrow amounts in U.S. dollars

or certain other permitted currencies. Amounts drawn under the Credit Facility, including amounts drawn in respect of letters of credit, bear interest at either LIBOR plus an applicable spread of 2.25%, or an “alternative base rate” (which is the highest of a prime rate, the federal funds effective rate plus 0.50%, or one month LIBOR plus 1.00%) plus an applicable spread of 1.25%. The Company may elect either the LIBOR or the “alternative base rate” at the time of drawdown, and loans may be converted from one rate to another at any time, subject to certain conditions. The Company also pays a fee of 0.375% on undrawn amounts under the Credit Facility and, in respect of each undrawn letter of credit, a fee and interest rate equal to the then-applicable margin under the Credit Facility while the letter of credit is outstanding. The availability period under the Credit Facility will terminate on October 28, 2024 and the Credit Facility will mature on October 28, 2025. During the period from October 29, 2024 to October 28, 2025, the Company will be obligated to make mandatory prepayments under the Credit Facility out of the proceeds of certain asset sales, other recovery events and equity and debt issuances.

Subject to certain exceptions, the Credit Facility is secured by a first lien security interest in substantially all of the portfolio investments held by the Company. The Credit Facility includes customary covenants, including certain financial covenants related to asset coverage, shareholders’ equity and liquidity, certain limitations on the incurrence of additional indebtedness and liens, and other maintenance covenants, as well as usual and customary events of default for senior secured revolving credit facilities of this nature. As of March 31, 2022 and December 31, 2021, the Company was in compliance with all covenants and other requirements of the Credit Facility.

### Summary of the Credit Facility

The Credit Facility consisted of the following as of March 31, 2022 and December 31, 2021:

	March 31, 2022			
	Total Facility	Borrowings Outstanding	Unused Portion <sup>(1)</sup>	Amount Available <sup>(2)</sup>
Credit Facility	\$ 688,000	\$ 359,679	\$ 328,321	\$ 328,518
<b>Total</b>	<b>\$ 688,000</b>	<b>\$ 359,679</b>	<b>\$ 328,321</b>	<b>\$ 328,518</b>

  

	December 31, 2021			
	Total Facility	Borrowings Outstanding	Unused Portion <sup>(1)</sup>	Amount Available <sup>(2)</sup>
Credit Facility	\$ 688,000	\$ 407,655	\$ 280,345	\$ 280,706
<b>Total</b>	<b>\$ 688,000</b>	<b>\$ 407,655</b>	<b>\$ 280,345</b>	<b>\$ 280,706</b>

(1) The unused portion is the amount upon which commitment fees are based.

(2) Available for borrowing based on the computation of collateral to support the borrowings and subject to compliance with applicable covenants and financial ratios.

For the three month periods ended March 31, 2022 and 2021, the components of interest expense and credit facility fees were as follows:

	For the three month periods ended	
	March 31, 2022	March 31, 2021
Interest expense	\$ 2,209	\$ 2,033
Facility unused commitment fee	333	328
Amortization of deferred financing costs	184	191
Other fees	—	—
<b>Total interest expense and credit facility fees</b>	<b>\$ 2,726</b>	<b>\$ 2,552</b>
Cash paid for interest expense	\$ 2,224	\$ 1,985
Average principal debt outstanding	\$ 348,452	\$ 340,357
Weighted average interest rate	2.54 %	2.39 %



As of March 31, 2022 and December 31, 2021, the components of interest and credit facilities payable were as follows:

	As of	
	March 31, 2022	December 31, 2021
Interest expense payable	\$ 560	\$ 264
Unused commitment fees payable	20	3
Other credit facility fees payable	—	—
Interest and credit facilities payable	<u>\$ 580</u>	<u>\$ 267</u>
Weighted average interest rate (based on floating LIBOR rates)	2.95 %	2.37 %

## 8. NOTES PAYABLE

### Senior Notes

On December 30, 2019, the Company closed a private offering of \$115.0 million in aggregate principal amount of 4.750% Senior Unsecured Notes due December 31, 2024. Interest is payable quarterly, beginning March 31, 2020. On December 11, 2020, the Company issued an additional \$75.0 million aggregate principal amount of senior unsecured notes due December 31, 2024. The 2020 Notes bear interest at an interest rate of 4.500% and the interest is payable quarterly, beginning December 31, 2020.

The interest rate on the Senior Notes is subject to increase (up to an additional 1.00% over the stated rate of such notes) in the event that, subject to certain exceptions, the Senior Notes cease to have an investment grade rating. The Company is obligated to offer to repay the notes at par if certain change in control events occur. The Senior Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company. Interest expense on the Senior Notes for the three month periods ended March 31, 2022 and 2021 was \$2,209 and \$2,209, respectively.

The note purchase agreement, as supplemented by the first supplement, for the Senior Notes contains customary terms and conditions for senior unsecured notes issued in a private placement, including, without limitation, affirmative and negative covenants such as information reporting, maintenance of the Company's status as a business development company within the meaning of the Investment Company Act and a regulated investment company under the Code, minimum asset coverage ratio and interest coverage ratio, and prohibitions on certain fundamental changes at the Company or any subsidiary guarantor, as well as customary events of default with customary cure and notice, including, without limitation, nonpayment, breach of covenant, material breach of representation or warranty under the note purchase agreement, cross-acceleration under other indebtedness of the Company or certain significant subsidiaries, certain judgments and orders, and certain events of bankruptcy. As of March 31, 2022, the Company was in compliance with these terms and conditions.

### 2015-1R Notes

On June 26, 2015, the Company completed the 2015-1 Debt Securitization. The 2015-1 Notes were issued by the 2015-1 Issuer, a wholly-owned and consolidated subsidiary of the Company. The 2015-1 Debt Securitization was executed through a private placement of the 2015-1 Notes, consisting of:

- \$160,000 of Aaa/AAA Class A-1A Notes;
- \$40,000 of Aaa/AAA Class A-1B Notes;
- \$27,000 of Aaa/AAA Class A-1C Notes; and
- \$46,000 of Aa2 Class A-2 Notes.

The 2015-1 Notes were issued at par and were scheduled to mature on July 15, 2027. The Company received 100% of the preferred interests issued by the 2015-1 Issuer (the "2015-1 Issuer Preferred Interests") on the closing date of the 2015-1 Debt Securitization in exchange for the Company's contribution to the 2015-1 Issuer of the initial closing date loan portfolio. The 2015-1 Issuer Preferred Interests do not bear interest and had a nominal value of \$125,900 at closing. In connection with the contribution, the Company made customary representations, warranties and covenants to the 2015-1 Issuer in the purchase agreement. The Class A-1A, Class A-1B and Class A-1C and Class A-2 Notes are included in these consolidated financial statements. The 2015-1 Issuer Preferred Interests were eliminated in consolidation.

On the closing date of the 2015-1 Debt Securitization, the 2015-1 Issuer effected a one-time distribution to the Company of a substantial portion of the proceeds of the private placement of the 2015-1 Notes, net of expenses, which distribution was used to repay a portion of certain amounts outstanding under the SPV Credit Facility (which terminated on December 11, 2020) and the Credit Facility. As part of the 2015-1 Debt Securitization, certain first and second lien senior secured loans were distributed by the SPV to the Company pursuant to a distribution and contribution agreement.

On August 30, 2018, the Company and the 2015-1 Issuer closed the 2015-1 Debt Securitization Refinancing. On the closing date of the 2015-1 Debt Securitization Refinancing, the 2015-1 Issuer, among other things:

- (a) refinanced the issued Class A-1A Notes by redeeming in full the Class A-1A Notes and issuing new AAA Class A-1-1-R Notes in an aggregate principal amount of \$234,800 which bear interest at the three-month LIBOR plus 1.55%;
- (b) refinanced the issued Class A-1B Notes by redeeming in full the Class A-1B Notes and issuing new AAA Class A-1-2-R Notes in an aggregate principal amount of \$50,000 which bear interest at the three-month LIBOR plus 1.48% for the first 24 months and the three-month LIBOR plus 1.78% thereafter;
- (c) refinanced the issued Class A-1C Notes by redeeming in full the Class A-1C Notes and issuing new AAA Class A-1-3-R Notes in an aggregate principal amount of \$25,000 which bear interest at 4.56%;
- (d) refinanced the issued Class A-2 Notes by redeeming in full the Class A-2 Notes and issuing new Class A-2-R Notes in an aggregate principal amount of \$66,000 which bear interest at the three-month LIBOR plus 2.20%;
- (e) issued new single-A Class B Notes and BBB- Class C Notes in aggregate principal amounts of \$46,400 and \$27,000, respectively, which bear interest at the three-month LIBOR plus 3.15% and the three-month LIBOR plus 4.00%, respectively;
- (f) reduced the 2015-1 Issuer Preferred Interests by approximately \$21,375 from a nominal value of \$125,900 to approximately \$104,525 at close; and
- (g) extended the reinvestment period end date and maturity date applicable to the 2015-1 Issuer to October 15, 2023 and October 15, 2031, respectively.

Following the 2015-1 Debt Securitization Refinancing, the Company retained the 2015-1 Issuer Preferred Interests. The 2015-1R Notes in the 2015-1 Debt Securitization Refinancing were issued by the 2015-1 Issuer and are secured by a diversified portfolio of the 2015-1 Issuer consisting primarily of first and second lien senior secured loans.

On the closing date of the 2015-1 Debt Securitization Refinancing, the 2015-1 Issuer effected a one-time distribution to the Company of a substantial portion of the proceeds of the private placement of the 2015-1R Notes, net of expenses, which distribution was used to repay a portion of certain amounts outstanding under the SPV Credit Facility and the Credit Facility. As part of the 2015-1 Debt Securitization Refinancing, certain first and second lien senior secured loans were distributed by the SPV to the Company pursuant to a distribution and contribution agreement. The Company contributed the loans that comprised the initial closing date loan portfolio (including the loans distributed to the Company from the SPV) to the 2015-1 Issuer pursuant to a contribution agreement. Future loan transfers from the Company to the 2015-1 Issuer will be made pursuant to a sale agreement and are subject to the approval of the Company's Board of Directors. Assets of the 2015-1 Issuer are not available to the creditors of the SPV or the Company. In connection with the issuance and sale of the 2015-1R Notes, the Company made customary representations, warranties and covenants in the purchase agreement.

During the reinvestment period, pursuant to the indenture governing the 2015-1R Notes, all principal collections received on the underlying collateral may be used by the 2015-1 Issuer to purchase new collateral under the direction of Investment Adviser in its capacity as collateral manager of the 2015-1 Issuer and in accordance with the Company's investment strategy.

The Investment Adviser serves as collateral manager to the 2015-1 Issuer under a collateral management agreement (the "Collateral Management Agreement"). Pursuant to the Collateral Management Agreement, the 2015-1 Issuer pays management fees (comprised of base management fees, subordinated management fees and incentive management fees) to the Investment Adviser for rendering collateral management services. As per the Collateral Management Agreement, for the period the Company retains all of the 2015-1 Issuer Preferred Interests, the Investment Adviser does not earn management fees for providing such collateral management services. The Company currently retains all of the 2015-1 Issuer Preferred Interests, thus the Investment Adviser did not earn any management fees from the 2015-1 Issuer for the three month periods ended March 31, 2022 and 2021. Any such waived fees may not be recaptured by the Investment Adviser.

Pursuant to an undertaking by the Company in connection with the 2015-1 Debt Securitization Refinancing, the Company has agreed to hold on an ongoing basis the 2015-1 Issuer Preferred Interests with an aggregate dollar purchase price at least equal to 5% of the aggregate outstanding amount of all collateral obligations by the 2015-1 Issuer for so long as any securities of the 2015-1 Issuer remain outstanding. As of March 31, 2022, the Company was in compliance with its undertaking.

The 2015-1 Issuer pays ongoing administrative expenses to the trustee, independent accountants, legal counsel, rating agencies and independent managers in connection with developing and maintaining reports, and providing required services in connection with the administration of the 2015-1 Issuer.

As of March 31, 2022, the 2015-1R Notes were secured by 64 first lien and second lien senior secured loans with a total fair value of approximately \$520,588 and cash of \$21,226. The pool of loans in the securitization must meet certain requirements, including asset mix and concentration, term, agency rating, collateral coverage, minimum coupon, minimum spread and sector diversity requirements in the indenture governing the 2015-1R Notes.

For the three month periods ended March 31, 2022 and 2021, the effective annualized weighted average interest rates, which include amortization of debt issuance costs on the 2015-1R Notes, were 2.39% and 2.43%, respectively, based on floating LIBOR rates. As of March 31, 2022 and December 31, 2021 the weighted average interest rates were 2.38% and 2.37% respectively, based on floating LIBOR rates.

For the for the three month periods ended March 31, 2022 and 2021, the components of interest expense on the 2015-1R Notes were as follows:

	<b>For the three month periods ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Interest expense	\$ 2,619	\$ 2,671
Amortization of deferred financing costs	62	62
<b>Total interest expense and credit facility fees</b>	<b>\$ 2,681</b>	<b>\$ 2,733</b>
Cash paid for interest expense	\$ 2,673	\$ 2,720

As of March 31, 2022 and December 31, 2021, \$2,147 and \$2,200, respectively, of interest expense was included in interest and credit facility fees payable.

## 9. COMMITMENTS AND CONTINGENCIES

A summary of significant contractual payment obligations was as follows as of March 31, 2022 and December 31, 2021:

<b>Payment Due by Period</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Less than one year	\$ —	\$ —
1-3 years	190,000	190,000
3-5 years	359,679	407,655
More than 5 years	449,200	449,200
Total	<b>\$ 998,879</b>	<b>\$ 1,046,855</b>

In the ordinary course of its business, the Company enters into contracts or agreements that contain indemnification or warranties. Future events could occur that lead to the execution of these provisions against the Company. The Company believes that the likelihood of such an event is remote; however, the maximum potential exposure is unknown. No accrual has been made in the consolidated financial statements as of March 31, 2022 and December 31, 2021 for any such exposure.

The company has in the past, currently is and may in the future become obligated to fund commitments such as revolving credit facilities, bridge financing commitments, or delayed draw commitments.

The Company had the following unfunded commitments to fund delayed draw and revolving senior secured loans as of the indicated dates:

	Par Value as of	
	March 31, 2022	December 31, 2021
Unfunded delayed draw commitments	\$ 173,121	\$ 112,985
Unfunded revolving loan commitments	64,775	67,513
Total unfunded commitments	\$ 237,896	\$ 180,498

## 10. NET ASSETS

The Company has the authority to issue 198,000,000 shares of common stock, par value \$0.01 per share, and 2,000,000 shares of preferred stock, par value \$0.01 per share.

### *Cumulative Convertible Preferred Stock*

On May 5, 2020, the Company issued and sold 2,000,000 shares of Preferred Stock to an affiliate of Carlyle in a private placement at a price of \$25 per share. The Preferred Stock has a liquidation preference equal to \$25 per share (the "Liquidation Preference") plus any accumulated but unpaid dividends up to but excluding the date of distribution. Dividends are payable on a quarterly basis in an initial amount equal to 7.00% per annum of the Liquidation Preference per share, payable in cash, or at the Company's option, 9.00% per annum of the Liquidation Preference payable in additional shares of Preferred Stock. After May 5, 2027, the dividend rate will increase annually, in each case by 1.00% per annum.

The Preferred Stock is convertible, in whole or in part, at the option of the holder of the Preferred Stock into the number of shares of common stock equal to the Liquidation Preference plus any accumulated but unpaid dividends, divided by an initial conversion price of \$9.50, subject to certain adjustments to prevent dilution as set forth in the Company's Articles Supplementary. The conversion price as of March 31, 2022 was \$9.43. At any time after May 5, 2023, the Company, with the approval of the Board of Directors, including a majority of the Independent Directors, will have the option to redeem all of the Preferred Stock for cash consideration equal to the Liquidation Preference plus any accumulated but unpaid dividends. The holders of the Preferred Stock will have the right to convert all or a portion of their shares of Preferred Stock prior to the date fixed for such redemption. At any time after May 5, 2027, the holders of the Preferred Stock will have the option to require the Company to redeem any or all of the then-outstanding Preferred Stock upon 90 days' notice. The form of consideration used in any such redemption is at the option of the Board of Directors, including a majority of the Independent Directors, and may be cash consideration equal to the Liquidation Preference plus any accumulated but unpaid dividends, or shares of common stock. Holders also have the right to redeem the Preferred Stock upon a Change in Control (as defined in the Article Supplementary).

The following table summarizes the Company's dividends declared on its preferred stock during the prior year and the current fiscal year to-date. Unless otherwise noted, dividends were declared and paid, or are payable, in cash.

Date Declared	Record Date	Payment Date	Per Share Amount
March 31, 2021	March 31, 2021	March 31, 2021	0.438
June 30, 2021	June 30, 2021	June 30, 2021	0.438
September 30, 2021	September 30, 2021	September 30, 2021	0.438
December 29, 2021	December 31, 2021	December 31, 2021	0.438
March 25, 2022	March 31, 2022	March 31, 2022	0.438
<b>Total</b>			<b>\$ 2.190</b>

### *Company Stock Repurchase Program*

On November 1, 2021, the Company's Board of Directors approved the continuation of the Company's \$150 million stock repurchase program (the "Company Stock Repurchase Program") until November 5, 2022, or until the approved dollar amount has been used to repurchase shares of common stock. This program may be suspended, extended, modified or discontinued by the Company at any time, subject to applicable law. The Company's Stock Repurchase Program was originally approved by the Company's Board of Directors on November 5, 2018 and announced on November 6, 2018. Since the inception of the Company Stock Repurchase Program through March 31, 2022, the Company has repurchased 9,921,501 shares of the Company's common stock at an average cost of \$13.33 per share, or \$132,295 in the aggregate, resulting in accretion to net assets per share of \$0.54.

### Changes in Net Assets

For the three month period ended March 31, 2022, the Company repurchased and extinguished 495,296 shares for \$7,008. The following table summarizes capital activity for the three month period ended March 31, 2022:

	Preferred Stock		Common Stock		Capital in Excess of Par Value	Offering Costs	Accumulated Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss)	Accumulated Net Unrealized Appreciation (Depreciation)	Total Net Assets
	Shares	Amount	Shares	Amount						
Balance, January 1, 2022	2,000,000	\$ 50,000	53,142,454	\$ 532	\$ 1,052,427	\$ (1,633)	\$ 19,562	\$ (123,297)	\$ (48,787)	\$ 948,804
Repurchase of common stock	—	—	(495,296)	(5)	(7,003)	—	—	—	—	(7,008)
Net investment income (loss)	—	—	—	—	—	—	25,519	—	—	25,519
Net realized gain (loss)	—	—	—	—	—	—	—	5,471	—	5,471
Net change in unrealized appreciation (depreciation)	—	—	—	—	—	—	—	—	(307)	(307)
Dividends declared on common stock and preferred stock	—	—	—	—	—	—	(21,939)	—	—	(21,939)
Balance, March 31, 2022	2,000,000	\$ 50,000	52,647,158	\$ 527	\$ 1,045,424	\$ (1,633)	\$ 23,142	\$ (117,826)	\$ (49,094)	\$ 950,540

For the three month period ended March 31, 2021, the Company repurchased and extinguished 511,047 shares for \$5,570. The following table summarizes capital activity for the three month period ended March 31, 2021:

	Preferred Stock		Common Stock		Capital in Excess of Par Value	Offering Costs	Accumulated Net Investment Income (Loss)	Accumulated Net Realized Gain (Loss)	Accumulated Net Unrealized Appreciation (Depreciation)	Total Net Assets
	Shares	Amount	Shares	Amount						
Balance, January 1, 2021	2,000,000	\$ 50,000	55,320,309	\$ 553	\$ 1,081,436	\$ (1,633)	\$ 14,568	\$ (140,133)	\$ (103,428)	\$ 901,363
Repurchase of common stock	—	—	(511,047)	(5)	(5,565)	—	—	—	—	(5,570)
Issuance of Preferred Stock	—	—	—	—	—	—	—	—	—	—
Net investment income (loss)	—	—	—	—	—	—	20,679	—	—	20,679
Net realized gain (loss)	—	—	—	—	—	—	—	1,591	—	1,591
Net change in unrealized appreciation (depreciation)	—	—	—	—	—	—	—	—	13,634	13,634
Dividends declared	—	—	—	—	—	—	(21,177)	—	—	(21,177)
Balance, March 31, 2021	2,000,000	\$ 50,000	54,809,262	\$ 548	\$ 1,075,871	\$ (1,633)	\$ 14,070	\$ (138,542)	\$ (89,794)	\$ 910,520

### Earnings Per Share

The Company calculates earnings per share in accordance with ASC 260. Basic earnings per share is calculated by dividing the net increase (decrease) in net assets resulting from operations, less preferred dividends, by the weighted average number of common shares outstanding. Diluted earnings per share gives effect to all dilutive potential common shares

outstanding using the if-converted method for the convertible Preferred Stock. Diluted earnings per share excludes all dilutive potential common shares if their effect is anti-dilutive. Basic and diluted earnings per common share were as follows:

	For the three month period ended March 31, 2022	
	Basic	Diluted
Net increase (decrease) in net assets resulting from operations attributable to Common Stockholders	\$ 29,808	\$ 30,683
Weighted-average common shares outstanding	52,892,054	58,194,422
Basic and diluted earnings per share	\$ 0.56	\$ 0.53

	For the three month period ended March 31, 2021	
	Basic	Diluted
Net increase (decrease) in net assets resulting from operations attributable to Common Stockholders	\$ 35,029	\$ 35,904
Weighted-average common shares outstanding	55,039,010	60,306,312
Basic and diluted earnings per share	\$ 0.64	\$ 0.60

### Common Stock Dividends

The following table summarizes the Company's dividends declared on its common stock during the two most recent fiscal years and the current fiscal year to-date:

Date Declared	Record Date	Payment Date	Per Common Share Amount
February 24, 2020	March 31, 2020	April 17, 2020	\$ 0.37
May 4, 2020	June 30, 2020	July 17, 2020	\$ 0.37
August 3, 2020	September 30, 2020	October 16, 2020	\$ 0.32
August 3, 2020	September 30, 2020	October 16, 2020	\$ 0.05
November 2, 2020	December 31, 2020	January 15, 2021	\$ 0.32
November 2, 2020	December 31, 2020	January 15, 2021	\$ 0.04
February 22, 2021	March 31, 2021	April 16, 2021	\$ 0.32
February 22, 2021	March 31, 2021	April 16, 2021	\$ 0.05
May 3, 2021	June 30, 2021	July 15, 2021	\$ 0.32
May 3, 2021	June 30, 2021	July 15, 2021	\$ 0.04
August 2, 2021	September 30, 2021	October 15, 2021	\$ 0.32
August 2, 2021	September 30, 2021	October 15, 2021	\$ 0.06
November 1, 2021	December 31, 2021	January 14, 2022	\$ 0.32
November 1, 2021	December 31, 2021	January 14, 2022	\$ 0.07
February 18, 2022	March 31, 2022	April 15, 2022	\$ 0.32
February 18, 2022	March 31, 2022	April 15, 2022	\$ 0.08

(1) Represents a special/supplemental dividend.

(2) The Company updated its dividend policy such that the base dividend is \$0.32 per share of common stock, effective with the third quarter 2020 dividend.

## 11. CONSOLIDATED FINANCIAL HIGHLIGHTS

The following is a schedule of consolidated financial highlights for the three month periods ended March 31, 2022 and 2021:

	For the three month periods ended	
	March 31, 2022	March 31, 2021
<b>Per Common Share Data:</b>		
Net asset value per common share, beginning of period	\$ 16.91	\$ 15.39
Net investment income (loss) <sup>(1)</sup>	0.47	0.36
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and non-investment assets and liabilities	0.09	0.29
Net increase (decrease) in net assets resulting from operations	0.56	0.65
Dividends declared <sup>(2)</sup>	(0.40)	(0.37)
Other	0.01	—
Accretion due to share repurchases	0.03	0.03
Net asset value per common share, end of period	\$ 17.11	\$ 15.70
Market price per common share, end of period	\$ 14.39	\$ 13.20
Number of common shares outstanding, end of period	52,647,158	54,809,262
Total return based on net asset value <sup>(3)</sup>	3.55 %	4.42 %
Total return based on market price <sup>(4)</sup>	7.72 %	32.26 %
Net assets attributable to Common Stockholders, end of period	\$ 900,540	\$ 860,520
<b>Ratio to average net assets attributable to Common Stockholders<sup>(5)</sup>:</b>		
Expenses before incentive fees	1.86 %	1.76 %
Expenses after incentive fees	2.44 %	2.23 %
Net investment income (loss)	2.84 %	2.28 %
Interest expense and credit facility fees	0.85 %	0.83 %
<b>Ratios/Supplemental Data:</b>		
Asset coverage, end of period	185.86 %	186.17 %
Portfolio turnover	6.00 %	8.05 %
Weighted-average shares outstanding	52,892,054	55,039,010

- (1) Net investment income (loss) per common share was calculated as net investment income (loss) less the preferred dividend for the period divided by the weighted average number of common shares outstanding for the period.
- (2) Dividends declared per common share was calculated as the sum of dividends on common stock declared during the period divided by the number of common shares outstanding at each respective quarter-end date (refer to Note 10, Net Assets).
- (3) Total return based on net asset value (not annualized) is based on the change in net asset value per common share during the period plus the declared dividends on common stock, assuming reinvestment of dividends in accordance with the dividend reinvestment plan, divided by the beginning net asset value for the period.
- (4) Total return based on market value (not annualized) is calculated as the change in market value per common share during the period plus the declared dividends on common stock, assuming reinvestment of dividends in accordance with the dividend reinvestment plan, divided by the beginning market price for the period.
- (5) These ratios to average net assets attributable to Common Stockholders have not been annualized.

## 12. LITIGATION

The Company may become party to certain lawsuits in the ordinary course of business. The Company does not believe that the outcome of current matters, if any, will materially impact the Company or its consolidated financial statements. As of March 31, 2022 and December 31, 2021, the Company was not subject to any material legal proceedings, nor, to the Company's knowledge, is any material legal proceeding threatened against the Company.

In addition, portfolio investments of the Company could be the subject of litigation or regulatory investigations in the ordinary course of business. The Company does not believe that the outcome of any current contingent liabilities of its portfolio investments, if any, will materially affect the Company or these consolidated financial statements.

### 13. TAX

The Company has not recorded a liability for any uncertain tax positions pursuant to the provisions of ASC 740, *Income Taxes*, as of March 31, 2022 and December 31, 2021.

In the normal course of business, the Company is subject to examination by federal and certain state, local and foreign tax regulators. As of March 31, 2022 and December 31, 2021, the Company had filed tax returns and therefore is subject to examination.

The Company's taxable income for each period is an estimate and will not be finally determined until the Company files its tax return for each year. Therefore, the final taxable income, and the taxable income earned in each period and carried forward for distribution in the following period, may be different than this estimate. The estimated tax character of dividends declared on preferred stock and common stock for three month periods ended March 31, 2022 and 2021 was as follows:

	For the three month periods ended	
	March 31, 2022	March 31, 2021
Ordinary income	\$ 21,939	\$ 21,177
Tax return of capital	\$ —	\$ —

### 14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date the consolidated financial statements were issued. There have been no subsequent events that require recognition or disclosure through the date the consolidated financial statements were issued, except as disclosed below and elsewhere in the consolidated financial statements.

On May 2, 2022, the Board of Directors declared a base quarterly common dividend of \$0.32 plus a supplemental common dividend of \$0.08, which are payable on July 15, 2022 to common stockholders of record on June 30, 2022.



**Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**  
**(dollar amounts in thousands, except per share data, unless otherwise indicated)**

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

We have included or incorporated by reference in this Form 10-Q, and from time to time our management may make, “forward-looking statements”. These forward-looking statements are not historical facts, but instead relate to future events or the future performance or financial condition of Carlyle Secured Lending, Inc. (together with its consolidated subsidiaries, “we,” “us,” “our,” “CSL” or the “Company”). These statements are based on current expectations, estimates and projections about us, our current or prospective portfolio investments, our industry, our beliefs, and our assumptions. The forward-looking statements contained in this Form 10-Q involve a number of risks and uncertainties, including statements concerning:

- our, or our portfolio companies’, future business, operations, operating results or prospects, including our and their ability to achieve our respective objectives as a result of the current COVID-19 pandemic;
- the return or impact of current and future investments;
- the general economy and its impact on the industries in which we invest and the impact of the COVID-19 pandemic thereon;
- the impact of any protracted decline in the liquidity of credit markets on our business and the impact of the COVID-19 pandemic thereon;
- the impact of fluctuations in interest rates on our business, including from the discontinuation of LIBOR and the implementation of alternatives to LIBOR;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market, and the impact of the COVID-19 pandemic thereon;
- the impact of supply chain constraints on our portfolio companies and the global economy;
- the elevating levels of inflation, and its impact on our portfolio companies and on the industries in which we invest;
- the impact on our business of changes in laws, policies or regulations (including the interpretation thereof) affecting our operations or the operations of our portfolio companies;
- our ability to recover unrealized losses;
- market conditions and our ability to access alternative debt markets and additional debt and equity capital, and the impact of the COVID-19 pandemic thereon;
- our contractual arrangements and relationships with third parties;
- uncertainty surrounding the financial stability of the United States, Europe and China;
- the social, geopolitical, financial, trade and legal implications of the exit of the United Kingdom from the European Union, or Brexit;
- competition with other entities and our affiliates for investment opportunities;
- the speculative and illiquid nature of our investments;
- the use of borrowed money to finance a portion of our investments;
- our expected financings and investments;
- the adequacy of our cash resources and working capital;
- the timing, form and amount of any dividend distributions;
- the timing of cash flows, if any, from the operations of our portfolio companies and the impact of the COVID-19 pandemic thereon;
- the ability to consummate acquisitions;
- the ability of Carlyle Global Credit Investment Management L.L.C., our investment adviser (the “Investment Adviser”), to locate suitable investments for us and to monitor and administer our investments;
- currency fluctuations could adversely affect the results of our investments in foreign companies, particularly to the extent that we receive payments denominated in foreign currency rather than U.S. dollars;

- the impact of information technology system failures, data security breaches, data privacy compliance, network disruptions, and cybersecurity attacks;
- the ability of The Carlyle Group Employee Co., L.L.C. to attract and retain highly talented professionals that can provide services to our investment adviser and administrator;
- our ability to maintain our status as a business development company (“BDC”); and
- our intent to satisfy the requirements of a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

We use words such as “anticipates,” “believes,” “expects,” “intends,” “will,” “should,” “may,” “plans,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “targets,” “projects,” “outlook,” “potential,” “predicts” and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. Our actual results and condition could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in “Risk Factors” in Part II, Item 1A of our annual report on Form 10-K for the year ended December 31, 2021 (our “2021 Form 10-K”).

We have based the forward-looking statements included in this Form 10-Q on information available to us on the date of this Form 10-Q, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the Securities and Exchange Commission (the “SEC”), including our annual reports on Form 10-K, registration statements on Form N-2, quarterly reports on Form 10-Q and current reports on Form 8-K.

## OVERVIEW

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with Part I, Item 1 of this Form 10-Q “Financial Statements.” This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to those described in “Risk Factors” in Part I, Item 1A of our 2021 Form 10-K. Our actual results could differ materially from those anticipated by such forward-looking statements due to factors discussed under “Risk Factors” in our 2021 Form 10-K and “Cautionary Statements Regarding Forward-Looking Statements” appearing elsewhere in this Form 10-Q.*

We are a Maryland corporation formed on February 8, 2012, and structured as an externally managed, non-diversified closed-end investment company. We have elected to be regulated as a BDC under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the “Investment Company Act”). We have elected to be treated, and intend to continue to comply with the requirements to qualify annually, as a RIC under Subchapter M of the Internal Revenue Code (the “Code”).

Our investment objective is to generate current income and, to a lesser extent, capital appreciation primarily through secured debt investments in U.S. middle market companies. Our core investment strategy focuses on lending to U.S. middle market companies supported by financial sponsors, which we define as companies with approximately \$25 million to \$100 million of earnings before interest, taxes, depreciation and amortization, which we believe is a useful proxy for cash flow. This core strategy is supplemented with complementary specialty lending and opportunistic investing strategies, which take advantage of the broad capabilities of Carlyle’s Global Credit platform while offering risk diversifying portfolio benefits. We seek to achieve our investment objective primarily through direct origination of secured debt instruments, including first lien senior secured loans (which may include stand-alone first lien loans, first lien/last out loans and “unitranche” loans) and second lien senior secured loans (collectively, “Middle Market Senior Loans”), with the balance of our assets invested in higher yielding investments (which may include unsecured debt, mezzanine debt and investments in equities). We generally make Middle Market Senior Loans to private U.S. middle market companies that are, in many cases, controlled by private equity firms. Depending on market conditions, we expect that between 70% and 80% of the value of our assets will be invested in Middle Market Senior Loans. We expect that the composition of our portfolio will change over time given our Investment Adviser’s view on, among other things, the economic and credit environment (including with respect to interest rates) in which we are operating.

On June 19, 2017, we closed our initial public offering, issuing 9,454,200 shares of our common stock (including shares issued pursuant to the exercise of the underwriters’ over-allotment option on July 5, 2017) at a public offering price of \$18.50 per share. Net of underwriting costs, we received cash proceeds of \$169,488. Shares of common stock of CSL began trading on the Nasdaq Global Select Market under the symbol “CGBD” on June 14, 2017.

On June 9, 2017, we acquired NF Investment Corp. (“NFIC”), a BDC managed by our Investment Adviser (the “NFIC Acquisition”). As a result, we issued 434,233 shares of common stock to the NFIC stockholders and approximately \$145,602 in cash, and acquired approximately \$153,648 in net assets.

We are externally managed by our Investment Adviser, an investment adviser registered under the Investment Advisers Act of 1940 (the “Advisers Act”), as amended. Our Administrator provides the administrative services necessary for us to operate. Both our Investment Adviser and our Administrator are wholly owned subsidiaries of Carlyle Investment Management L.L.C., a subsidiary of Carlyle. Our Investment Adviser’s five-person investment committee is responsible for reviewing and approving our investment opportunities. The members of the investment committee have experience investing through different credit cycles. Our Investment Adviser’s investment committee comprises five of the most senior credit professional within the Carlyle Global Credit segment, with backgrounds and expertise across asset classes and over 26 years of average industry experience and 10 years of average tenure. In addition, our Investment Adviser and its investment team are supported by a team of finance, operations and administrative professionals currently employed by Carlyle Employee Co., a wholly owned subsidiary of Carlyle.

In conducting our investment activities, we believe that we benefit from the significant scale, relationships and resources of Carlyle, including our Investment Adviser and its affiliates. We have operated our business as a BDC since we began our investment activities in May 2013.

## **KEY COMPONENTS OF OUR RESULTS OF OPERATIONS**

### ***Investments***

Our level of investment activity can and does vary substantially from period to period depending on many factors, including the amount of debt available to middle market companies, the general economic environment and the competitive environment for the type of investments we make.

### ***Revenue***

We generate revenue primarily in the form of interest income on debt investments we hold. In addition, we generate income from dividends on direct equity investments, capital gains on the sales of loans and debt and equity securities and various loan origination and other fees. Our debt investments generally have a stated term of five to eight years and generally bear interest at a floating rate usually determined on the basis of a benchmark such as LIBOR. Interest on these debt investments is generally paid quarterly. In some instances, we receive payments on our debt investments based on scheduled amortization of the outstanding balances. In addition, we receive repayments of some of our debt investments prior to their scheduled maturity date. The frequency or volume of these repayments fluctuates significantly from period to period. Our portfolio activity also reflects the proceeds of sales of securities. We may also generate revenue in the form of commitment, origination, amendment, structuring or due diligence fees, fees for providing managerial assistance and consulting fees.

### ***Expenses***

Our primary operating expenses include the payment of: (i) investment advisory fees, including base management fees and incentive fees, to our Investment Adviser pursuant to the investment advisory agreement between us and our Investment Adviser (as amended, the “Investment Advisory Agreement”); (ii) costs and other expenses and our allocable portion of overhead incurred by our Administrator in performing its administrative obligations under the Administration Agreement between us and our Administrator; and (iii) other operating expenses as detailed below:

- administration fees payable under our Administration Agreement and Sub-Administration Agreements, including related expenses;
- the costs of any offerings of our common stock and other securities, if any;
- calculating individual asset values and our net asset value (including the cost and expenses of any independent valuation firms);
- expenses, including travel expenses, incurred by our Investment Adviser, or members of our Investment Adviser team managing our investments, or payable to third parties, performing due diligence on prospective portfolio companies and, if necessary, expenses of enforcing our rights;
- certain costs and expenses relating to distributions paid on our shares;

- debt service and other costs of borrowings or other financing arrangements;
- the allocated costs incurred by our Investment Adviser in providing managerial assistance to those portfolio companies that request it;
- amounts payable to third parties relating to, or associated with, making or holding investments;
- the costs associated with subscriptions to data service, research-related subscriptions and expenses and quotation equipment and services used in making or holding investments;
- transfer agent and custodial fees;
- costs of hedging;
- commissions and other compensation payable to brokers or dealers;
- federal and state registration fees;
- any U.S. federal, state and local taxes, including any excise taxes;
- independent director fees and expenses;
- costs of preparing financial statements and maintaining books and records, costs of preparing tax returns, costs of Sarbanes-Oxley Act compliance and attestation and costs of filing reports or other documents with the SEC (or other regulatory bodies), and other reporting and compliance costs, including registration and listing fees, and the compensation of professionals responsible for the preparation or review of the foregoing;
- the costs of any reports, proxy statements or other notices to our stockholders (including printing and mailing costs), the costs of any stockholders' meetings and the compensation of investor relations personnel responsible for the preparation of the foregoing and related matters;
- the costs of specialty and custom software for monitoring risk, compliance and overall portfolio, including any development costs incurred prior to the filing of our election to be regulated as a BDC;
- our fidelity bond;
- directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- indemnification payments;
- direct fees and expenses associated with independent audits, agency, consulting and legal costs; and
- all other expenses incurred by us or Carlyle Global Credit Administration L.L.C. (the "Administrator") in connection with administering our business, including our allocable share of certain officers and their staff compensation.

We expect our general and administrative expenses to be relatively stable or to decline as a percentage of total assets during periods of asset growth and to increase during periods of asset declines.

## PORTFOLIO AND INVESTMENT ACTIVITY

Below is a summary of certain characteristics of our investment portfolio as of March 31, 2022 and December 31, 2021.

	As of	
	March 31, 2022	December 31, 2021
Fair value of investments	\$ 1,873,183	\$ 1,913,052
Count of investments	156	154
Count of portfolio companies / investment funds	117	117
Count of industries	27	27
<b>Percentage of total investment fair value:</b>		
First lien debt	65.4 %	64.4 %
Second lien debt	16.2 %	17.9 %
Total secured debt	81.6 %	82.3 %
Investment Funds	14.2 %	13.7 %
Equity investments	4.2 %	4.0 %
<b>Percentage of debt investment fair value:</b>		
Floating rate <sup>(1)</sup>	98.4 %	98.4 %
Fixed interest rate	1.6 %	1.6 %

<sup>(1)</sup> Primarily subject to interest rate floors.

Our investment activity for the three month periods ended March 31, 2022 and 2021 is presented below (information presented herein is at amortized cost unless otherwise indicated):

	For the three month periods ended	
	March 31, 2022	March 31, 2021
<b>Investments:</b>		
Total investments, beginning of period	\$ 1,957,553	\$ 1,922,966
New investments purchased	113,966	148,927
Net accretion of discount on investments	2,338	2,026
Net realized gain (loss) on investments	5,839	1,673
Investments sold or repaid	(159,443)	(150,601)
<b>Total Investments, end of period</b>	<b>\$ 1,920,253</b>	<b>\$ 1,924,991</b>
<b>Principal amount of investments funded:</b>		
First Lien Debt	\$ 110,594	\$ 98,408
Second Lien Debt	249	52,369
Equity Investments	820	645
<b>Total</b>	<b>\$ 111,663</b>	<b>\$ 151,422</b>
<b>Principal amount of investments sold or repaid:</b>		
First Lien Debt	\$ (108,253)	\$ (107,073)
Second Lien Debt	(36,325)	(41,531)
Equity Investments	(3)	(446)
<b>Total</b>	<b>\$ (144,581)</b>	<b>\$ (149,050)</b>
Number of new funded investments	8	10
Average amount of new funded investments	\$ 10,771	\$ 12,583
Percentage of new funded debt investments at floating interest rates	100 %	100 %
Percentage of new funded debt investments at fixed interest rates	— %	— %

As of March 31, 2022 and December 31, 2021, investments consisted of the following:

	March 31, 2022		December 31, 2021	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First Lien Debt	\$ 1,270,317	\$ 1,224,117	\$ 1,271,794	\$ 1,232,084
Second Lien Debt	306,022	304,202	341,538	341,776
Equity Investments	72,817	78,699	73,125	77,093
Investment Funds	271,097	266,165	271,096	262,099
<b>Total</b>	<b>\$ 1,920,253</b>	<b>\$ 1,873,183</b>	<b>\$ 1,957,553</b>	<b>\$ 1,913,052</b>

The weighted average yields <sup>(1)</sup> for our first and second lien debt, based on the amortized cost and fair value as of March 31, 2022 and December 31, 2021, were as follows:

	March 31, 2022		December 31, 2021	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First Lien Debt	7.35 %	7.62 %	7.31 %	7.55 %
Second Lien Debt	9.27 %	9.33 %	9.04 %	9.04 %
First and Second Lien Debt Total	7.72 %	7.96 %	7.68 %	7.87 %

- (1) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of March 31, 2022 and December 31, 2021. Weighted average yield on debt and income producing securities at fair value is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of original issue discount "OID" and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at fair value included in such securities. Weighted average yield on debt and income producing securities at amortized cost is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at amortized cost included in such securities. Actual yields earned over the life of each investment could differ materially from the yields presented above.

Total weighted average yields (which includes the effect of accretion of discount and amortization of premiums) of our first and second lien debt investments as measured on an amortized cost basis increased from 7.68% to 7.72% from December 31, 2021 to March 31, 2022.

The following table summarizes the fair value of our performing and non-accrual/non-performing investments as of March 31, 2022 and December 31, 2021:

	March 31, 2022		December 31, 2021	
	Fair Value	Percentage	Fair Value	Percentage
Performing	\$ 1,803,226	96.3 %	\$ 1,836,501	96.0 %
Non-accrual <sup>(1)</sup>	69,957	3.7	76,551	4.0
<b>Total</b>	<b>\$ 1,873,183</b>	<b>100.0 %</b>	<b>\$ 1,913,052</b>	<b>100.0 %</b>

- <sup>(1)</sup> For information regarding our non-accrual policy, see Note 2 to the consolidated financial statements included in Part I, Item 1 of this Form 10-Q.

See the Consolidated Schedules of Investments as of March 31, 2022 and December 31, 2021 in our consolidated financial statements in Part I, Item 1 of this Form 10-Q for more information on these investments, including a list of companies and type and amount of investments.

As part of the monitoring process, our Investment Adviser has developed risk policies pursuant to which it regularly assesses the risk profile of each of our debt investments and rates each of them based on categories, which we refer to as “Internal Risk Ratings”. Pursuant to these risk policies, an Internal Risk Rating of 1 – 5, which are defined below, is assigned to each debt investment in our portfolio. Key drivers of internal risk ratings include financial metrics, financial covenants, liquidity and enterprise value coverage.

### **Internal Risk Ratings Definitions**

<b><u>Rating</u></b>	<b><u>Definition</u></b>
1	Borrower is operating above expectations, and the trends and risk factors are generally favorable.
2	Borrower is operating generally as expected or at an acceptable level of performance. The level of risk to our initial cost bases is similar to the risk to our initial cost basis at the time of origination. This is the initial risk rating assigned to all new borrowers.
3	Borrower is operating below expectations and level of risk to our cost basis has increased since the time of origination. The borrower may be out of compliance with debt covenants. Payments are generally current although there may be higher risk of payment default.
4	Borrower is operating materially below expectations and the loan’s risk has increased materially since origination. In addition to the borrower being generally out of compliance with debt covenants, loan payments may be past due, but generally not by more than 120 days. It is anticipated that we may not recoup our initial cost basis and may realize a loss of our initial cost basis upon exit.
5	Borrower is operating substantially below expectations and the loan’s risk has increased substantially since origination. Most or all of the debt covenants are out of compliance and payments are substantially delinquent. It is anticipated that we will not recoup our initial cost basis and may realize a substantial loss of our initial cost basis upon exit.

Our Investment Adviser monitors and, when appropriate, changes the risk ratings assigned to each debt investment in our portfolio. Our Investment Adviser reviews our investment ratings in connection with our quarterly valuation process. The below table summarizes the Internal Risk Ratings assigned as of March 31, 2022 and December 31, 2021.

	<b>March 31, 2022</b>		<b>December 31, 2021</b>	
	<b>Fair Value</b>	<b>% of Fair Value</b>	<b>Fair Value</b>	<b>% of Fair Value</b>
(dollar amounts in millions)				
Internal Risk Rating 1	\$ 16.9	1.1 %	\$ 3.8	0
Internal Risk Rating 2	1,152.0	75.4	1,205.5	76
Internal Risk Rating 3	290.3	19.0	299.5	19
Internal Risk Rating 4	28.0	1.8	27.6	1
Internal Risk Rating 5	41.1	2.7	37.5	2
<b>Total</b>	<b>\$ 1,528.3</b>	<b>100.0 %</b>	<b>\$ 1,573.9</b>	<b>100</b>

As of March 31, 2022 and December 31, 2021, the weighted average Internal Risk Rating of our debt investment portfolio was 2.3 and 2.3, respectively. As of March 31, 2022, two of our debt investments, with an aggregate fair value of \$69.1 million were assigned an Internal Risk Rating of 4-5. As of December 31, 2021, two of our debt investments, with an aggregate fair value of \$65.1 million were assigned an Internal Risk Rating of 4-5. As of March 31, 2022 and December 31, 2021, three and five of our debt investments were on non-accrual status, respectively. Our debt investments non-accrual status had a fair value of \$70.0 million and \$76.6 million, respectively, which represented approximately 3.7% and 4.0%, respectively, of our total investments at fair value as of March 31, 2022 and December 31, 2021. The remaining first and second lien debt investments were performing and current on their interest payments as of March 31, 2022 and December 31, 2021.

## CONSOLIDATED RESULTS OF OPERATIONS

### For the three month periods ended March 31, 2022 and 2021

The net increase or decrease in net assets from operations may vary substantially from period to period as a result of various factors, including the recognition of realized gains and losses and net change in unrealized appreciation and depreciation. As a result, quarterly comparisons may not be meaningful.

#### Investment Income

Investment income for the three month periods ended March 31, 2022 and 2021 was as follows:

	For the three month periods ended	
	March 31, 2022	March 31, 2021
<b>Investment income</b>		
First Lien Debt	\$ 31,833	\$ 25,584
Second Lien Debt	7,865	6,700
Equity Investments	287	1,036
Investment Funds	7,524	7,528
<b>Total investment income</b>	<b>\$ 47,509</b>	<b>\$ 40,848</b>

The increase in investment income for the three month period ended March 31, 2022 from the comparable period in 2021 was primarily driven by due to previously unrecognized income of \$3.8 million from the exit of the investment in SolAero, higher other income and an increase in accelerations of amortization from the repayment of loans. As of March 31, 2022, the size of our portfolio decreased to \$1,920,253 from \$1,924,992 as of March 31, 2021, at amortized cost. As of March 31, 2022, the weighted average yield of our first and second lien debt investments increased to 7.72% from 7.63% as of March 31, 2021 on amortized cost, primarily due to new fundings being originated at a higher weighted average yield than the yield of positions being repaid or sold.

Interest income on our first and second lien debt investments is dependent on the composition and credit quality of the portfolio. Generally, we expect the portfolio to generate predictable quarterly interest income based on the terms stated in each loan's credit agreement. As of March 31, 2022 and 2021, three and five first lien debt investments, respectively, were on non-accrual status. Non-accrual investments had a fair value of \$69,957 and \$60,376 respectively, which represented approximately 3.7% and 3.3% of total investments at fair value, respectively, as of March 31, 2022 and 2021. The remaining first and second lien debt investments were performing and current on their interest payments as of March 31, 2022 and 2021.

For the three month periods ended March 31, 2022 and 2021, the Company earned \$2,236 and \$1,470, respectively, in other income. The increase in other income for the three month period ended March 31, 2022 from the comparable period in 2021 was primarily driven by higher prepayment fees.

For the three month periods ended March 31, 2022 and 2021, the Company earned \$7,524 and \$7,528, respectively, in dividend and interest income from the investment funds.

Net investment income (loss) for the three month periods ended March 31, 2022 and 2021 was as follows:

	For the three month periods ended	
	March 31, 2022	March 31, 2021
Total investment income	\$ 47,509	\$ 40,848
Net expenses (including excise tax expense)	(21,990)	(20,169)
<b>Net investment income (loss)</b>	<b>\$ 25,519</b>	<b>\$ 20,679</b>



## Expenses

	For the three month periods ended	
	March 31, 2022	March 31, 2021
Base management fees	\$ 7,050	\$ 6,800
Incentive fees	5,228	4,257
Professional fees	783	691
Administrative service fees	406	282
Interest expense	7,099	6,975
Credit facility fees	517	519
Directors' fees and expenses	160	116
Other general and administrative	394	405
Excise tax expense	353	124
<b>Expenses</b>	<b>\$ 21,990</b>	<b>\$ 20,169</b>

Interest expense and credit facility fees for the three month periods ended March 31, 2022 and 2021 comprised the following:

	For the three month periods ended	
	March 31, 2022	March 31, 2021
Interest expense	\$ 7,099	\$ 6,975
Facility unused commitment fee	333	328
Amortization of deferred financing costs	184	191
Other fees	—	—
<b>Total interest expense and credit facility fees</b>	<b>\$ 7,616</b>	<b>\$ 7,494</b>
Cash paid for interest expense	\$ 7,106	\$ 6,915
Average principal debt outstanding	\$ 987,652	\$ 979,557
Weighted average interest rate	2.88 %	2.85 %

The increase in interest expense and credit facility fees for the three month period ended March 31, 2022 compared to the comparable period in 2021 was primarily driven by higher average principal balances outstanding and higher weighted average interest rates.

Below is a summary of the base management fees and incentive fees incurred during the three month periods ended March 31, 2022 and 2021.

	For the three month periods ended	
	March 31, 2022	March 31, 2021
Base management fees	\$ 7,050	\$ 6,800
Incentive fees on pre-incentive fee net investment income	5,228	4,257
Realized capital gains incentive fees	—	—
Accrued capital gains incentive fees	—	—
Total capital gains incentive fees	—	—
Total incentive fees	5,228	4,257
Total base management fees and incentive fees	\$ 12,278	\$ 11,057

The increase in base management fees and incentive fees related to pre-incentive fee net investment income for the three month period ended March 31, 2022 from the comparable period in 2021 was driven by higher investment fair value and higher pre-incentive fee net investment income.

For the three month periods ended March 31, 2022 and 2021, there were no accrued capital gains incentive fees based upon the cumulative net realized and unrealized appreciation (depreciation) as of March 31, 2022 and 2021. The accrual for any capital gains incentive fee under accounting principles generally accepted in the United States (“U.S. GAAP”) in a given period may result in an additional expense if such cumulative amount is greater than in the prior period or a reduction of previously recorded expense if such cumulative amount is less than in the prior period. If such cumulative amount is negative, then there is no accrual. See Note 4 to the consolidated financial statements included in Part I, Item 1 of this Form 10-Q for more information on the incentive and base management fees.

Professional fees include legal, rating agencies, audit, tax, valuation, technology and other professional fees incurred related to the management of the Company. Administrative service fees represent fees paid to the Administrator for our allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the administration agreement, including our allocable portion of the cost of certain of our executive officers and their respective staff. Other general and administrative expenses include insurance, filing, research, subscriptions and other costs.

#### Net Realized Gain (Loss) and Net Change in Unrealized Appreciation (Depreciation) on Investments

During the three month periods ended March 31, 2022 and 2021, we had realized gains on 7 and 8 investments, respectively, totaling approximately \$5,839 and \$1,673, respectively. There were no realized losses for the three month periods ended March 31, 2022 and 2021. During the three month periods ended March 31, 2022 and 2021, we had unrealized appreciation on 45 and 99 investments, respectively, totaling approximately \$19,498 and \$24,087, respectively, which was offset by unrealized depreciation on 102 and 58 investments, respectively, totaling approximately \$22,070 and \$10,228, respectively.

Net realized gain (loss) and net change in unrealized appreciation (depreciation) by the type of investments for the three month periods ended March 31, 2022 and 2021 were as follows:

	For the three month periods ended	
	March 31, 2022	March 31, 2021
Net realized gain (loss) on investments	\$ 5,839	\$ 1,673
Net change in unrealized appreciation (depreciation) on investments	(2,572)	13,859
<b>Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments</b>	<b>\$ 3,267</b>	<b>\$ 15,532</b>

Net realized gain (loss) and net change in unrealized appreciation (depreciation) by the type of investments for the three month periods ended March 31, 2022 and 2021 were as follows:

Type	For the three month periods ended			
	March 31, 2022		March 31, 2021	
	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)	Net realized gain (loss)	Net change in unrealized appreciation (depreciation)
First Lien Debt	\$ 3,455	\$ (6,491)	\$ 992	\$ 10,550
Second Lien Debt	—	(2,058)	—	4,713
Equity Investments	2,384	1,914	681	1,254
Investment Funds	—	4,063	—	(2,691)
<b>Total</b>	<b>\$ 5,839</b>	<b>\$ (2,572)</b>	<b>\$ 1,673</b>	<b>\$ 13,826</b>

Net change in unrealized appreciation in our investments for the three month period ended March 31, 2022 decreased compared to the comparable period in 2021 primarily due to negative impact of widening market yields partially offset by an increase in the value of the investment in Middle Market Credit Fund, LLC (“Credit Fund”). Net change in unrealized appreciation (depreciation) is also driven by changes in other inputs utilized under our valuation methodology, including, but not limited to, enterprise value multiples, borrower leverage multiples and borrower ratings, and the impact of exits.

## **MIDDLE MARKET CREDIT FUND, LLC**

### ***Overview***

On February 29, 2016, the Company and Credit Partners USA LLC (“Credit Partners”) entered into an amended and restated limited liability agreement, which was subsequently amended and restated on June 24, 2016 and February 22, 2021 (as amended, the “Limited Liability Company Agreement”) to co-manage Credit Fund, a Delaware limited liability company that is not consolidated in the Company’s consolidated financial statements. Credit Fund primarily invests in first lien loans of middle market companies. Credit Fund is managed by a six-member board of managers, on which the Company and Credit Partners each have equal representation. Establishing a quorum for Credit Fund’s board of managers requires at least four members to be present at a meeting, including at least two of the Company’s representatives and two of Credit Partners’ representatives. The Company and Credit Partners each have 50% economic ownership of Credit Fund and have commitments to fund, from time to time, capital of up to \$250,000 each. Funding of such commitments generally requires the approval of the board of Credit Fund, including the board members appointed by the Company. By virtue of its membership interest, the Company and Credit Partners each indirectly bear an allocable share of all expenses and other obligations of Credit Fund.

Together with Credit Partners, the Company co-invests through Credit Fund. Investment opportunities for Credit Fund are sourced primarily by the Company and its affiliates. Portfolio and investment decisions with respect to Credit Fund must be unanimously approved by a quorum of Credit Fund’s investment committee consisting of an equal number of representatives of the Company and Credit Partners. Therefore, although the Company owns more than 25% of the voting securities of Credit Fund, the Company does not believe that it has control over Credit Fund (other than for purposes of the Investment Company Act). Middle Market Credit Fund SPV, LLC (the “Credit Fund Sub”), MMCF CLO 2019-2, LLC (the “2019-2 Issuer”) and MMCF Warehouse II, LLC (the “Credit Fund Warehouse II”), each a Delaware limited liability company, were formed on April 5, 2016, November 26, 2018 and August 16, 2019, respectively. Credit Fund Sub, the 2019-2 Issuer, and Credit Fund Warehouse II are wholly owned subsidiaries of Credit Fund and are consolidated in Credit Fund’s consolidated financial statements commencing from the date of their respective formations. In August 2021, the 2019-2 Notes, as defined below, were redeemed and repaid in full. Credit Fund Sub and Credit Fund Warehouse II primarily invest in first lien loans of middle market companies. Credit Fund and its wholly owned subsidiaries follow the same Internal Risk Rating System as the Company. Refer to “Debt” below for discussions regarding the credit facilities entered into and the notes issued by such wholly-owned subsidiaries.

Credit Fund, the Company and Credit Partners entered into an administration agreement with Carlyle Global Credit Administration L.L.C., the administrative agent of Credit Fund (in such capacity, the “Credit Fund Administrative Agent”), pursuant to which the Credit Fund Administrative Agent is delegated certain administrative and non-discretionary functions, is authorized to enter into sub-administration agreements at the expense of Credit Fund with the approval of the board of managers of Credit Fund, and is reimbursed by Credit Fund for its costs and expenses and Credit Fund’s allocable portion of overhead incurred by the Credit Fund Administrative Agent in performing its obligations thereunder.

### Selected Financial Data

Since inception of Credit Fund and through March 31, 2022 and December 31, 2021, the Company and Credit Partners each made capital contributions of \$1 and \$1 in members' equity, respectively, and \$216,000 and \$216,000 in subordinated loans, respectively, to Credit Fund. On May 25, 2021, the Company and Credit Partners received an aggregate return of capital on the subordinated loans of \$46,000, of which the Company received \$23,000. Below is certain summarized consolidated financial information for Credit Fund as of March 31, 2022 and December 31, 2021.

	March 31, 2022	December 31, 2021
	(unaudited)	
<b>Selected Consolidated Balance Sheet Information</b>		
<b>ASSETS</b>		
Investments, at fair value (amortized cost of \$920,819 and \$940,092, respectively)	\$ 897,817	\$ 926,959
Cash, cash equivalents and restricted cash <sup>(1)</sup>	20,268	54,041
Other assets	8,264	7,698
Total assets	<u>\$ 926,349</u>	<u>\$ 988,698</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Secured borrowings	\$ 554,329	\$ 600,651
Notes payable, net of unamortized debt issuance costs of \$0 and \$, respectively	—	—
Other liabilities	13,534	19,828
Subordinated loans and members' equity <sup>(2)</sup>	358,486	368,219
Liabilities and members' equity	<u>\$ 926,349</u>	<u>\$ 988,698</u>

<sup>(1)</sup> As of March 31, 2022 and December 31, 2021, \$10,072 and \$10,816, respectively, of Credit Fund's cash and cash equivalents was restricted.

<sup>(2)</sup> As of March 31, 2022 and December 31, 2021, the fair value of the Company's ownership interest in the subordinated loans and members' equity was \$189,285 and \$205,891, respectively.

	For the three month periods ended	
	March 31, 2022	March 31, 2021
	(unaudited)	
<b>Selected Consolidated Statement of Operations Information:</b>		
Total investment income	\$ 14,679	\$ 16,105
<b>Expenses</b>		
Interest and credit facility expenses	4,046	5,415
Other expenses	497	468
Total expenses	<u>4,543</u>	<u>5,883</u>
Net investment income (loss)	<u>10,136</u>	<u>10,222</u>
Net realized gain (loss) on investments	—	(1,578)
Net change in unrealized appreciation (depreciation) on investments	(9,869)	13,498
Net increase (decrease) resulting from operations	<u>\$ 267</u>	<u>\$ 22,142</u>

Below is a summary of Credit Fund's portfolio, followed by a listing of the loans in Credit Fund's portfolio, as of March 31, 2022 and December 31, 2021:

	As of	
	March 31, 2022	December 31, 2021
Senior secured loans <sup>(1)</sup>	\$ 923,100	\$ 942,930
Weighted average yields of senior secured loans based on amortized cost <sup>(2)</sup>	6.13 %	6.04 %
Weighted average yields of senior secured loans based on fair value <sup>(2)</sup>	6.25 %	6.09 %
Number of portfolio companies in Credit Fund	44	45
Average amount per portfolio company <sup>(1)</sup>	\$ 20,980	\$ 20,954
Number of loans on non-accrual status	—	—
Fair value of loans on non-accrual status	\$ —	\$ —
Percentage of portfolio at floating interest rates <sup>(3)(4)</sup>	100.0 %	100.0 %
Percentage of portfolio at fixed interest rates <sup>(4)</sup>	— %	— %
Fair value of loans with PIK provisions	\$ 4,576	\$ —
Percentage of portfolio with PIK provisions <sup>(4)</sup>	0.5 %	— %

(1) At par/principal amount.

(2) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of March 31, 2022 and December 31, 2021. Weighted average yield on debt and income producing securities at fair value is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at fair value included in such securities. Weighted average yield on debt and income producing securities at amortized cost is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at amortized cost included in such securities. Actual yields earned over the life of each investment could differ materially from the yields presented above.

(3) Floating rate debt investments are primarily subject to interest rate floors.

(4) Percentages based on fair value.

**Consolidated Schedule of Investments as of March 31, 2022**

<b>Investments <sup>(1)</sup></b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread <sup>(2)</sup></b>	<b>Interest Rate <sup>(2)</sup></b>	<b>Maturity Date</b>	<b>Par/ Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>
<b>First Lien Debt (100.0% of fair value)</b>								
ACR Group Borrower, LLC	^+ (2)(3)(6)	Aerospace & Defense	L + 4.25%	5.25%	3/31/2028	\$ 36,070	\$ 35,529	\$ 36,070
Acrisure, LLC	+# (2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.72%	2/13/2027	25,311	25,289	24,884
Acrisure, LLC	+ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	4.75%	2/13/2027	6,683	6,636	6,646
Analogic Corporation	^+ (2)(3)(6)	Capital Equipment	L + 5.25%	6.25%	6/22/2024	20,030	20,017	19,626
Anchor Packaging, Inc.	+# (2)(3)	Containers, Packaging & Glass	L + 4.00%	4.10%	7/18/2026	24,409	24,327	24,167
API Technologies Corp.	+# (2)(3)	Aerospace & Defense	L + 4.25%	4.35%	5/9/2026	14,588	14,540	14,262
Aptean, Inc.	+# (2)(3)	Software	L + 4.25%	4.35%	4/23/2026	12,125	12,084	12,051
Avalign Technologies, Inc.	+# (2)(3)	Healthcare & Pharmaceuticals	L + 4.50%	4.63%	12/22/2025	14,406	14,322	13,938
BMS Holdings III Corp.	+ (2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	11,216	11,119	11,054
Chartis Holding, LLC	^+ (2)(3)(6)	Business Services	L + 5.50%	6.50%	5/1/2025	6,946	6,946	6,917
Chemical Computing Group ULC (Canada)	^+ (2)(3)(6)	Software	L + 4.50%	5.50%	8/30/2024	13,876	13,507	13,713
Chudy Group, LLC	^+ (2)(3)(6)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	6/30/2027	32,938	32,405	33,098
Diligent Corporation	^+ (2)(3)(6)	Telecommunications	L + 6.25%	7.25%	8/4/2025	9,743	9,537	9,705
Divisions Holding Corporation	+# (2)(3)	Business Services	L + 4.75%	5.50%	5/27/2028	24,875	24,651	24,676
DTI Holdco, Inc.	+ (2)(3)	High Tech Industries	L + 4.75%	5.75%	9/30/2023	18,446	18,400	18,130
Eliassen Group, LLC	+ (2)(3)	Business Services	L + 5.25%	5.35%	11/5/2024	15,140	15,089	15,117
EPS Nass Parent, Inc.	^+ (2)(3)(6)	Utilities: Electric	L + 5.75%	6.75%	4/19/2028	32,955	32,304	32,482
EvolveIP, LLC	^+ (2)(3)(6)(7)	Telecommunications	SOFR + 5.50%	6.50%	6/7/2025	40,094	40,036	39,994
Exactech, Inc.	+# (2)(3)	Healthcare & Pharmaceuticals	L + 3.75%	4.75%	2/14/2025	21,251	21,171	20,312
Excel Fitness Holdings, Inc.	+# (2)(3)	Hotel, Gaming & Leisure	L + 5.25%	6.25%	10/7/2025	24,437	24,283	23,989
Frontline Technologies Holdings, LLC	+ (2)(3)	Software	L + 5.25%	6.25%	9/18/2023	14,698	14,288	14,683
GSM Acquisition Corp.	^+ (2)(3)(6)(7)	Hotel, Gaming & Leisure	SOFR + 5.00%	6.00%	11/16/2026	26,868	26,579	26,542
Heartland Home Services, Inc.	+ (2)(3)(6)	Consumer Services	L + 6.00%	7.00%	12/15/2026	17,651	17,651	17,619
HMT Holding Inc.	^+ (2)(3)(6)(7)	Energy: Oil & Gas	SOFR + 6.25%	7.25%	11/17/2025	32,400	32,191	30,097
Integrity Marketing Acquisition, LLC	^+ (2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	8/27/2025	32,772	32,269	31,647
Jensen Hughes, Inc.	^+ (2)(3)(6)	Utilities: Electric	L + 4.50%	5.50%	3/22/2024	34,305	34,264	33,375
K2 Insurance Services, LLC	^+ (2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	12,896	12,896	12,880
KAMC Holdings, Inc.	+# (2)(3)	Energy: Electricity	L + 4.00%	4.18%	8/14/2026	13,650	13,605	11,511
KBP Investments, LLC	+ (2)(3)(6)	Beverage, Food & Tobacco	L + 5.00%	5.75%	5/25/2027	36,934	36,594	35,307
Odyssey Logistics & Technology Corp.	+# (2)(3)	Transportation: Cargo	L + 4.00%	5.00%	10/12/2024	9,580	9,557	9,382
Output Services Group	^+ (2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	3/27/2024	19,172	19,146	14,666
Premise Health Holding Corp.	+# (2)(3)	Healthcare & Pharmaceuticals	L + 3.50%	3.72%	7/10/2025	13,411	13,377	13,369
Q Holding Company	+# (2)(3)	Automotive	L + 5.00%	6.00%	12/31/2023	21,460	21,377	20,589
QW Holding Corporation	^+ (2)(3)(6)	Environmental Industries	L + 5.75%	6.75%	8/31/2026	15,184	14,984	14,923

**Consolidated Schedule of Investments as of March 31, 2022**

<b>Investments <sup>(1)</sup></b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread <sup>(2)</sup></b>	<b>Interest Rate <sup>(2)</sup></b>	<b>Maturity Date</b>	<b>Par/ Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>
Radiology Partners, Inc.	+# (2)(3)	Healthcare & Pharmaceuticals	L + 4.25%	4.36%	7/9/2025	\$ 27,686	\$ 27,608	\$ 27,291
RevSpring Inc.	+# (2)(3)	Media: Advertising, Printing & Publishing	L + 4.25%	4.47%	10/11/2025	29,074	28,936	28,529
Striper Buyer, LLC	+ (2)(3)	Containers, Packaging & Glass	L + 5.50%	6.25%	12/30/2026	14,812	14,688	14,813
Turbo Buyer, Inc.	+ (2)(3)(6)	Automotive	L + 6.00%	7.00%	12/2/2025	13,924	13,924	13,696
U.S. TelePacific Holdings Corp.	+ (2)(3)(7)	Telecommunications	SOFR + 8.25% (1.00%, 7.25% PIK)	9.25%	5/2/2026	6,660	6,646	4,576
USALCO, LLC	+ (2)(3)	Chemicals, Plastics & Rubber	L + 6.00%	7.00%	10/19/2027	14,958	14,678	14,505
VRC Companies, LLC	^+ (2)(3)(6)	Business Services	L + 5.50%	6.25%	6/29/2027	26,608	26,208	26,155
Welocalize, Inc.	^+ (2)(3)(6)	Business Services	L + 4.75%	5.75%	12/23/2024	34,115	33,801	33,387
WRE Holding Corp.	^+ (2)(3)(6)(7)	Environmental Industries	SOFR + 5.25%	6.25%	1/3/2025	8,943	8,931	8,817
Yellowstone Buyer Acquisition, LLC	+ (2)(3)	Consumer Goods: Durable	L + 5.75%	6.75%	9/13/2027	39,800	39,065	38,627
<b>First Lien Debt Total</b>							<b>\$ 915,455</b>	<b>\$ 897,817</b>
<b>Equity Investments (0.0% of fair value)</b>								
DBI Holding, LLC	^	Transportation: Cargo				2,961	\$ —	\$ —
DBI Holding, LLC	^	Transportation: Cargo				13,996	5,364	—
<b>Equity Investments Total</b>							<b>\$ 5,364</b>	<b>\$ —</b>
<b>Total Investments</b>							<b>\$ 920,819</b>	<b>\$ 897,817</b>

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into a revolving credit facility with the Company (the "Credit Fund Facility"). Accordingly, such assets are not available to creditors of Credit Fund Sub or Credit Fund Warehouse II.

+ Denotes that all or a portion of the assets are owned by Credit Fund Sub. Credit Fund Sub has entered into a revolving credit facility (the "Credit Fund Sub Facility"). The lenders of the Credit Fund Sub Facility have a first lien security interest in substantially all of the assets of Credit Fund Sub. Accordingly, such assets are not available to creditors of Credit Fund or Credit Fund Warehouse II.

# Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse II. Credit Fund Warehouse II has entered into a revolving credit facility (the "Credit Fund Warehouse II Facility"). The lenders of the Credit Fund Warehouse II Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse II. Accordingly, such assets are not available to creditors of Credit Fund, or the Credit Fund Sub.

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of March 31, 2022, the geographical composition of investments as a percentage of fair value was 1.5% in Canada and 98.5% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR, the Secured Overnight Financing Rate ("SOFR") or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund has indicated the reference rate used and provided the spread and the interest rate in effect as of March 31, 2022. As of March 31, 2022, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 0.45%, the 90-day LIBOR at 0.96%, the 180-day LIBOR at 1.47%, the 30-day SOFR at 0.30%, and the 90-day SOFR at 0.68%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund, pursuant to Credit Fund's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements, to the Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

(6) As of March 31, 2022, Credit Fund and Credit Fund Sub had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

First Lien Debt – unfunded delayed draw and revolving term loans commitments	Type	Unused Fee	Par/ Principal Amount	Fair Value
ACR Group Borrower, LLC	Revolver	0.40%	\$ 5,670	\$ —
Analogic Corporation	Revolver	0.50	564	(11)
Chartis Holding, LLC	Revolver	0.50	2,183	(7)
Chemical Computing Group ULC (Canada)	Revolver	0.50	873	(10)
Chudy Group, LLC	Delayed Draw	1.00	5,517	22
Chudy Group, LLC	Revolver	0.50	1,379	6
Diligent Corporation	Revolver	0.50	703	(3)
EPS Nass Parent, Inc.	Delayed Draw	1.00	3,136	(40)
EPS Nass Parent, Inc.	Revolver	0.50	753	(10)
EvolveIP, LLC	Revolver	0.50	3,361	(8)
GSM Acquisition Corp.	Delayed Draw	1.00	4,313	(45)
Heartland Home Services, Inc	Revolver	0.50	713	(1)
HMT Holding Inc.	Revolver	0.50	6,173	(369)
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	4,453	(113)
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	7,000	(178)
Jensen Hughes, Inc.	Revolver	0.50	2,000	(51)
K2 Insurance Services, LLC	Revolver	0.50	1,170	(1)
KBP Investments, LLC	Delayed Draw	1.00	2,415	(99)
KBP Investments, LLC	Delayed Draw	1.00	503	(21)
QW Holding Corporation	Delayed Draw	1.00	9,338	(90)
QW Holding Corporation	Revolver	0.50	2,694	(26)
Turbo Buyer, Inc.	Revolver	0.50	933	(14)
VRC Companies, LLC	Delayed Draw	0.80	2,450	(37)
VRC Companies, LLC	Revolver	0.50	750	(11)
Welocalize, Inc.	Revolver	0.50	2,250	(41)
Welocalize, Inc.	Revolver	0.50	3,375	(62)
WRE Holding Corp.	Revolver	0.50	399	(5)
Total unfunded commitments			\$ 75,068	\$ (1,225)



**Consolidated Schedule of Investments as of December 31, 2021**

<b>Investments <sup>(1)</sup></b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread <sup>(2)</sup></b>	<b>Interest Rate <sup>(2)</sup></b>	<b>Maturity Date</b>	<b>Par/ Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>	
<b>First Lien Debt (97.5% of fair value)</b>									
ACR Group Borrower, LLC	^+	(2)(3)(6)	Aerospace & Defense	L + 4.25%	5.50%	3/31/2028	\$ 34,477	\$ 33,913	\$ 34,477
Acrisure, LLC	+#	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 3.50%	3.78%	2/13/2027	25,376	25,353	25,203
Acrisure, LLC	+	(2)(3)	Banking, Finance, Insurance & Real Estate	L + 4.25%	4.75%	2/13/2027	6,700	6,650	6,687
Analogic Corporation	^+	(2)(3)(6)	Capital Equipment	L + 5.25%	6.25%	6/22/2024	19,796	19,781	19,587
Anchor Packaging, Inc.	+#	(2)(3)	Containers, Packaging & Glass	L + 4.00%	4.10%	7/18/2026	24,472	24,385	24,215
API Technologies Corp.	+#	(2)(3)	Aerospace & Defense	L + 4.25%	4.35%	5/9/2026	14,625	14,575	14,251
Aptean, Inc.	+#	(2)(3)	Software	L + 4.25%	4.35%	4/23/2026	12,157	12,113	12,087
Avalign Technologies, Inc.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 4.50%	4.63%	12/22/2025	14,443	14,354	14,320
Avenu Holdings, LLC	+	(2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2024	23,350	23,350	23,350
BMS Holdings III Corp.	+	(2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	11,244	11,143	11,071
Chartis Holding, LLC	+	(2)(3)(6)	Business Services	L + 5.50%	6.50%	5/1/2025	6,964	6,964	6,964
Chemical Computing Group ULC (Canada)	^+	(2)(3)(6)	Software	L + 4.50%	5.50%	8/30/2024	13,912	13,480	13,845
Chudy Group, LLC	^+	(2)(3)(6)	Healthcare & Pharmaceuticals	L + 5.75%	6.75%	6/30/2027	33,021	32,465	33,657
Diligent Corporation	^+	(2)(3)(6)	Telecommunications	L + 6.25%	7.25%	8/4/2025	9,049	8,816	9,228
Divisions Holding Corporation	+#	(2)(3)	Business Services	L + 4.75%	5.50%	5/27/2028	24,938	24,706	24,953
DTI Holdco, Inc.	+	(2)(3)	High Tech Industries	L + 4.75%	5.75%	9/30/2023	18,495	18,442	18,237
Eliassen Group, LLC	+	(2)(3)	Business Services	L + 4.50%	4.60%	11/5/2024	15,159	15,103	15,152
EPS Nass Parent, Inc.	^+	(2)(3)(6)	Utilities: Electric	L + 5.75%	6.75%	4/19/2028	32,846	32,169	32,507
EvolvIP, LLC	^+	(2)(3)(6)	Telecommunications	L + 5.50%	6.50%	6/7/2025	40,196	40,126	39,973
Exactech, Inc.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 3.75%	4.75%	2/14/2025	21,307	21,221	21,073
Excel Fitness Holdings, Inc.	+#	(2)(3)	Hotel, Gaming & Leisure	L + 5.25%	6.25%	10/7/2025	24,500	24,336	24,500
Frontline Technologies Holdings, LLC	+	(2)(3)	Software	L + 5.25%	6.25%	9/18/2023	14,736	14,269	14,736
GSM Acquisition Corp.	^+	(2)(3)(6)	Hotel, Gaming & Leisure	L + 5.00%	6.00%	11/16/2026	25,623	25,331	25,396
Heartland Home Services, Inc	+	(2)(3)(6)	Consumer Services	L + 6.00%	7.00%	12/15/2026	17,664	17,664	17,735
HMT Holding Inc.	^+	(2)(3)(6)	Energy: Oil & Gas	L + 5.75%	6.75%	11/17/2023	32,484	32,245	31,086
Integrity Marketing Acquisition, LLC	^+	(2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	8/27/2025	32,853	32,309	32,403
Jensen Hughes, Inc.	+	(2)(3)(6)	Utilities: Electric	L + 4.50%	5.50%	3/22/2024	34,392	34,347	33,395
K2 Insurance Services, LLC	+	(2)(3)(6)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	12,929	12,929	12,906
KAMC Holdings, Inc.	+#	(2)(3)	Energy: Electricity	L + 4.00%	4.18%	8/14/2026	13,685	13,638	11,450
KBP Investments, LLC	+	(2)(3)(6)	Beverage, Food & Tobacco	L + 5.00%	5.75%	5/25/2027	36,973	36,599	36,570
Odyssey Logistics & Technology Corp.	+#	(2)(3)	Transportation: Cargo	L + 4.00%	5.00%	10/12/2024	9,605	9,580	9,509
Output Services Group	^+	(2)(3)	Media: Advertising, Printing & Publishing	L + 4.50%	5.50%	3/27/2024	19,222	19,194	16,467
Premise Health Holding Corp.	+#	(2)(3)	Healthcare & Pharmaceuticals	L + 3.50%	3.72%	7/10/2025	13,445	13,409	13,419
Q Holding Company	+#	(2)(3)	Automotive	L + 5.00%	6.00%	12/31/2023	21,515	21,421	21,098
QW Holding Corporation	^+	(2)(3)(6)	Environmental Industries	L + 6.25%	7.25%	8/31/2024	14,116	13,887	13,645

**Consolidated Schedule of Investments as of December 31, 2021**

<b>Investments <sup>(1)</sup></b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread <sup>(2)</sup></b>	<b>Interest Rate <sup>(2)</sup></b>	<b>Maturity Date</b>	<b>Par/ Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>
Radiology Partners, Inc.	+# (2)(3)	Healthcare & Pharmaceuticals	L + 4.25%	4.36%	7/9/2025	\$ 27,686	\$ 27,603	\$ 27,245
RevSpring Inc.	+# (2)(3)	Media: Advertising, Printing & Publishing	L + 4.25%	4.47%	10/11/2025	29,149	29,001	29,067
Striper Buyer, LLC	+ (2)(3)	Containers, Packaging & Glass	L + 5.50%	6.25%	12/30/2026	14,850	14,720	14,850
Turbo Buyer, Inc.	+ (2)(3)(6)	Automotive	L + 6.00%	7.00%	12/2/2025	13,960	13,960	13,661
U.S. TelePacific Holdings Corp.	+ (2)(3)	Telecommunications	L + 5.50%	6.50%	5/2/2023	6,660	6,643	4,995
USALCO, LLC	+ (2)(3)	Chemicals, Plastics & Rubber	L + 6.00%	7.00%	10/19/2027	14,995	14,704	14,704
VRC Companies, LLC	^+ (2)(3)(6)	Business Services	L + 5.50%	6.25%	6/29/2027	26,520	26,103	26,162
Welocalize, Inc.	+ (2)(3)(6)	Business Services	L + 4.75%	5.75%	12/23/2024	34,201	33,868	33,444
WRE Holding Corp.	^+ (2)(3)(6)	Environmental Industries	SOFR + 5.50%	6.50%	1/3/2025	8,740	8,724	8,584
Yellowstone Buyer Acquisition, LLC	+ (2)(3)	Consumer Goods: Durable	L + 5.75%	6.75%	9/13/2027	39,900	39,135	39,095
First Lien Debt Total							\$ 934,728	\$ 926,959
<b>Equity Investments (0.2% of fair value)</b>								
DBI Holding, LLC	^	Transportation: Cargo				\$ 2,961	\$ —	\$ —
DBI Holding, LLC	^	Transportation: Cargo				13,996	5,364	—
Equity Investments Total							\$ 5,364	\$ —
<b>Total Investments</b>							<b>\$ 940,092</b>	<b>\$ 926,959</b>

^ Denotes that all or a portion of the assets are owned by Credit Fund. Credit Fund has entered into the Credit Fund Facility. Accordingly, such assets are not available to creditors of Credit Fund Sub, the 2019-2 Issuer or Credit Fund Warehouse II.

+ Denotes that all or a portion of the assets are owned by Credit Fund Sub. Credit Fund Sub has entered into a revolving credit facility the Credit Fund Sub Facility. The lenders of the Credit Fund Sub Facility have a first lien security interest in substantially all of the assets of Credit Fund Sub. Accordingly, such assets are not available to creditors of Credit Fund, the 2019-2 Issuer or Credit Fund Warehouse II.

# Denotes that all or a portion of the assets are owned by the Credit Fund Warehouse II. Credit Fund Warehouse II has entered into a revolving credit facility (the "Credit Fund Warehouse II"). The lenders of the Credit Fund Warehouse II Facility have a first lien security interest in substantially all of the assets of the Credit Fund Warehouse II. Accordingly, such assets are not available to creditors of Credit Fund or Credit Fund Sub.

- Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of December 31, 2021, the geographical composition of investments as a percentage of fair value was 1.5% in Canada and 98.5% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 2021. As of December 31, 2021, the reference rates for Credit Fund's variable rate loans were the 30-day LIBOR at 0.10%, the 90-day LIBOR at 0.22% and the 180-day LIBOR at 0.33%.
- Loan includes interest rate floor feature, which is generally 1.00%.
- Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund, pursuant to Credit Fund's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements, to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

(6) As of December 31, 2021, Credit Fund and Credit Fund Sub had the following unfunded commitments to fund delayed draw and revolving senior secured loans:

First Lien Debt—unfunded delayed draw and revolving term loans commitments	Type	Unused Fee	Par/ Principal Amount	Fair Value
ACR Group Borrower, LLC	Revolver	0.38 %	\$ 7,350	\$ —
Analogic Corporation	Revolver	0.50	847	(9)
Chartis Holding, LLC	Revolver	0.50	2,183	—
Chemical Computing Group ULC (Canada)	Revolver	0.50	873	(4)
Chudy Group, LLC	Delayed Draw	1.00	5,517	88
Chudy Group, LLC	Revolver	0.50	1,379	22
Diligent Corporation	Delayed Draw	1.00	1,653	26
Diligent Corporation	Revolver	0.50	703	11
EPS Nass Parent, Inc.	Delayed Draw	1.00	3,136	(29)
EPS Nass Parent, Inc.	Revolver	0.50	941	(9)
EvolveIP, LLC	Revolver	0.50	3,360	(17)
GSM Acquisition Corp.	Delayed Draw	1.00	4,313	(33)
Heartland Home Services, Inc	Revolver	0.50	746	3
HMT Holding Inc.	Revolver	0.50	6,173	(223)
Integrity Marketing Acquisition, LLC	Delayed Draw	—	7,000	(71)
Integrity Marketing Acquisition, LLC	Delayed Draw	1.00	4,453	(45)
Jensen Hughes, Inc.	Revolver	0.50	2,000	(55)
K2 Insurance Services, LLC	Revolver	0.50	1,170	(2)
KBP Investments, LLC	Delayed Draw	1.00	503	(5)
KBP Investments, LLC	Delayed Draw	1.00	2,415	(24)
QW Holding Corporation	Delayed Draw	1.00	9,338	(162)
QW Holding Corporation	Revolver	0.50	3,794	(66)
Turbo Buyer, Inc.	Revolver	0.50	933	(19)
VRC Companies, LLC	Delayed Draw	0.75	2,521	(30)
VRC Companies, LLC	Revolver	0.50	833	(10)
Welocalize, Inc.	Revolver	0.50	3,375	(64)
Welocalize, Inc.	Revolver	0.50	2,250	(43)
WRE Holding Corp.	Revolver	0.50	624	(10)
<b>Total unfunded commitments</b>			<b>\$ 80,383</b>	<b>\$ (780)</b>

(7) Loans include a credit spread adjustment that ranges from 0.10% to 0.43%

### Debt

The Credit Fund, Credit Fund Sub and Credit Fund Warehouse II are party to separate credit facilities as described below. As of March 31, 2022 and December 31, 2021, Credit Fund, Credit Fund Sub and Credit Fund Warehouse II were in compliance with all covenants and other requirements of their respective credit facility agreements. Below is a summary of the borrowings and repayments under the credit facilities for the three month periods ended 2022 and 2021, and the outstanding balances under the credit facilities for the respective periods.

	Credit Fund Facility		Credit Fund Sub Facility		Credit Fund Warehouse II Facility	
	2022	2021	2022	2021	2022	2021
<b>Three Month Periods Ended March 31,</b>						
Outstanding Borrowing, beginning of period	\$ —	\$ —	\$ 514,621	\$ 420,859	\$ 86,030	\$ 93,402
Borrowings	—	—	—	63,000	—	—
Repayments	—	—	(37,000)	(120,738)	(9,322)	(10,222)
Outstanding Borrowing, end of period	\$ —	\$ —	\$ 477,621	\$ 363,121	\$ 76,708	\$ 83,180

Credit Fund Facility. On June 24, 2016, Credit Fund entered into the Credit Fund Facility with the Company, which was subsequently amended on June 5, 2017, October 2, 2017, November 3, 2017, June 22, 2018, June 29, 2018, February 21, 2019, March 20, 2020 and February 22, 2021, pursuant to which Credit Fund may from time to time request mezzanine loans from the Company. The maximum principal amount of the Credit Fund Facility is \$175,000. The maturity date of the Credit Fund Facility is May 21, 2022. Amounts borrowed under the Credit Fund Facility bear interest at a rate of LIBOR plus 9.00%.

Credit Fund Sub Facility. On June 24, 2016, Credit Fund Sub closed on the Credit Fund Sub Facility with lenders, which was subsequently amended on May 31, 2017, October 27, 2017, August 24, 2018, December 12, 2019, March 11, 2020 and May 3, 2021. The Credit Fund Sub Facility provides for secured borrowings during the applicable revolving period up to an amount equal to \$640,000. The facility is secured by a first lien security interest in substantially all of the portfolio investments held by Credit Fund Sub. The maturity date of the Credit Fund Sub Facility is May 22, 2024. Amounts borrowed under the Credit Fund Sub Facility bear interest at a rate of LIBOR plus 2.25%.

Credit Fund Warehouse II Facility. On August 16, 2019, Credit Fund Warehouse II closed on a revolving credit facility (the “Credit Fund Warehouse II Facility”) with lenders. The Credit Fund Warehouse II Facility provides for secured borrowings during the applicable revolving period up to an amount equal to \$150,000. The Credit Fund Warehouse II Facility is secured by a first lien security interest in substantially all of the portfolio investments held by Credit Fund Warehouse II Facility. The maturity date of the Credit Fund Warehouse II Facility is August 16, 2022. Amounts borrowed under the Credit Fund Warehouse II Facility bear interest at a rate of LIBOR plus 1.50%. Amounts borrowed under the Credit Fund Warehouse II Facility during the first 12 months bore interest at a rate of LIBOR plus 1.05%, and amounts borrowed in the second 12 months bore interest at LIBOR plus 1.15%.

#### *2019-2 Notes*

On May 21, 2019, Credit Fund completed the 2019-2 Debt Securitization. The notes offered in the 2019-2 Debt Securitization (the “2019-2 Notes”) were issued by the 2019-2 Issuer, a wholly owned and consolidated subsidiary of Credit Fund, and are secured by a diversified portfolio of the 2019-2 Issuer consisting primarily of first and second lien senior secured loans. The 2019-2 Debt Securitization was executed through a private placement of the 2019-2 Notes, consisting of:

- \$233,000 of Aaa/AAA Class A-1 Notes, which bore interest at the three-month LIBOR plus 1.50%;
- \$48,000 of Aa2/AA Class A-2 Notes, which bore interest at the three-month LIBOR plus 2.40%;
- \$23,000 of A2/A Class B Notes, which bore interest at the three-month LIBOR plus 3.45%;
- \$27,000 of Baa2/BBB- Class C Notes which bore interest at the three-month LIBOR plus 4.55%; and
- \$21,000 of Ba2/BB- Class D Notes which bore interest at the three-month LIBOR plus 8.03%.

The 2019-2 Notes were scheduled to mature on April 15, 2029. Credit Fund received 100% of the preferred interests issued by the 2019-2 Issuer (the “2019-2 Issuer Preferred Interests”) on the closing date of the 2019-2 Debt Securitization in exchange for Credit Fund’s contribution to the 2019-2 Issuer of the initial closing date loan portfolio. The 2019-2 Issuer Preferred Interests did not bear interest and had a nominal value of \$48,300 at closing.

The 2019-2 Notes were fully redeemed during the year ended December 31, 2021. As of the redemption date and as of December 31, 2021, the 2019-2 Issuer was in compliance with all covenants and other requirements of the indenture.

## **MIDDLE MARKET CREDIT FUND II, LLC**

### *Overview*

On November 3, 2020, the Company and CCLF entered into a limited liability company agreement to co-manage Credit Fund II, a Delaware limited liability company that is not consolidated in the Company's consolidated financial statements. Middle Market Credit Fund II, LLC (“Credit Fund II”) primarily invests in senior secured loans of middle market companies. Credit Fund II is managed by a four-member board, on which the Company and CCLF have equal representation. Establishing a quorum for Credit Fund II's board requires at least one of the Company's representatives and one of CCLF's representatives. The Company and CCLF have 84.13% and 15.87% economic ownership of Credit Fund II, respectively. By virtue of its membership interest, each of the Company and CCLF indirectly bears an allocable share of all expenses and other obligations of Credit Fund II.

Credit Fund II's initial portfolio consisted of 45 senior secured loans of middle market companies with an aggregate principal balance of approximately \$250 million. Credit Fund II's initial portfolio was funded on November 3, 2020 with existing senior secured debt investments contributed by the Company and as part of the transaction, the Company determined that the contribution met the requirements under ASC 860, *Transfers and Servicing*.

Credit Fund II is expected to make only limited new investments in senior secured loans of middle market companies. Portfolio and investment decisions with respect to Credit Fund II must be unanimously approved by a quorum of Credit Fund II's board members consisting of at least one of the Company's representatives and one of CCLF's representatives. Therefore, although the Company owns more than 25% of the voting securities of Credit Fund II, the Company does not believe that it has control over Credit Fund (other than for purposes of the Investment Company Act).

Middle Market Credit Fund II SPV, LLC ("Credit Fund II Sub"), a Delaware limited liability company, was formed on September 4, 2020. Credit Fund II Sub is a wholly owned subsidiary of Credit Fund II and is consolidated in Credit Fund II's consolidated financial statements commencing from the date of its formation. Credit Fund II Sub primarily holds investments in first lien loans of middle market companies, which are pledged as security for the Credit Fund II Senior Notes (see below).

Credit Fund II, the Company and CCLF entered into an administration agreement with Carlyle Global Credit Administration L.L.C., the administrative agent of Credit Fund II (in such capacity, the "Credit Fund II Administrative Agent"), pursuant to which the Credit Fund II Administrative Agent is delegated certain administrative and non-discretionary functions, is authorized to enter into sub-administration agreements at the expense of Credit Fund II with the approval of the board of managers of Credit Fund II, and is reimbursed by Credit Fund II for its costs and expenses and Credit Fund II's allocable portion of overhead incurred by the Credit Fund II Administrative Agent in performing its obligations thereunder.

### ***Credit Fund II Senior Notes***

On November 3, 2020 and as amended on December 29, 2021, Credit Fund II Sub closed on the Credit Fund II Senior Notes (the "Credit Fund II Senior Notes") with lenders. The Credit Fund II Senior Notes provides for secured borrowings totaling \$157,500 with two tranches, A-1 and A-2 outstanding. The facility is secured by a first lien security interest in substantially all of the portfolio investments held by Credit Fund II Sub. The maturity date of the Credit Fund II Senior Notes Sub Facility is November 3, 2030. Amounts issued for the Class A-1 notes totaled \$147,500 and bear interest at a rate of LIBOR plus 2.70%, and amounts issued for the Class A-2 notes totaled \$10,000 and bear interest at LIBOR plus 3.20%. The A-1 Notes were rated AAA, and the A-2 Notes were rated AA by DBRS Morningstar. The terms of the Credit Fund II Senior Notes provide that as loans pay down, up to \$50,000 is available from principal proceeds for reinvestment, and then the investment principal proceeds are used to directly pay down the principal balance on the Credit Fund II Senior Notes. As of March 31, 2022 and December 31, 2021, Credit Fund II Sub was in compliance with all covenants and other requirements of its respective credit agreements.

### ***Selected Financial Data***

Since inception of Credit Fund II and through March 31, 2022, the Company and CCLF made capital contributions of \$78,096 and \$12,709 in members' equity, respectively, to Credit Fund II. Below is certain summarized consolidated information for Credit Fund II as of March 31, 2022 and December 31, 2021.

	As of	
	March 31, 2022	December 31, 2021
	(unaudited)	
<b>ASSETS</b>		
Investments, at fair value (amortized cost of \$225,068 and \$238,615, respectively)	\$ 224,313	\$ 224,313
Cash, cash equivalents and restricted cash <sup>(1)</sup>	21,800	21,800
Other assets	8,374	8,374
Total assets	<u>\$ 254,487</u>	<u>\$ 254,487</u>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Notes payable, net of unamortized debt issuance costs of \$782 and \$802, respectively	\$ 156,717	\$ 156,717
Other liabilities	6,386	6,386
Total members' equity <sup>(2)</sup>	91,384	91,384
Total liabilities and members' equity	<u>\$ 254,487</u>	<u>\$ 254,487</u>

(1) As of March 31, 2022 and December 31, 2021, all of Credit Fund II's cash and cash equivalents was restricted.

(2) As of March 31, 2022 and December 31, 2021, the fair value of Company's ownership interest in the members' equity was \$76,880 and \$77,958, respectively.

	For the three month period ended	
	March 31, 2022	March 31, 2021
	(unaudited)	
<b>Selected Consolidated Statement of Operations Information:</b>		
Total investment income	\$ 4,486	\$ 4,563
<b>Expenses</b>		
Interest and credit facility expenses	1,219	1,201
Other expenses	186	191
Total expenses	1,405	1,392
Net investment income (loss)	3,081	3,171
Net realized gain (loss) on investments	—	—
Net change in unrealized appreciation (depreciation) on investments	(1,429)	494
Net increase (decrease) resulting from operations	\$ 1,652	\$ 3,665

Below is a summary of Credit Fund II's portfolio, followed by a listing of the loans in Credit Fund II's portfolio as of March 31, 2022 and December 31, 2021:

	As of	
	March 31, 2022	December 31, 2021
Senior secured loans <sup>(1)</sup>	\$ 227,129	\$ 240,878
Weighted average yields of senior secured loans based on amortized cost <sup>(2)</sup>	7.35 %	7.26 %
Weighted average yields of senior secured loans based on fair value <sup>(2)</sup>	7.37 %	7.24 %
Number of portfolio companies in Credit Fund II	33	36
Average amount per portfolio company <sup>(1)</sup>	\$ 6,883	\$ 6,691
Percentage of portfolio at floating interest rates <sup>(3)(4)</sup>	97.7 %	97.7 %
Percentage of portfolio at fixed interest rates <sup>(4)</sup>	2.3 %	2.3 %
Fair value of loans with PIK provisions	\$ 17,486	\$ 17,453
Percentage of portfolio with PIK provisions <sup>(4)</sup>	7.8 %	7.3 %

(1) At par/principal amount.

(2) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of March 31, 2022 and December 31, 2021. Weighted average yield on debt and income producing securities at fair value is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at fair value included in such securities. Weighted average yield on debt and income producing securities at amortized cost is computed as (a) the annual stated interest rate or yield earned plus the net annual amortization of OID and market discount earned on accruing debt included in such securities, divided by (b) total first lien and second lien debt at amortized cost included in such securities. Actual yields earned over the life of each investment could differ materially from the yields presented above.

(3) Floating rate debt investments are generally subject to interest rate floors.

(4) Percentages based on fair value.

**Consolidated Schedule of Investments as of March 31, 2022**

Investments <sup>(1)</sup>	Footnotes	Industry	Reference Rate & Spread <sup>(2)</sup>	Interest Rate <sup>(2)</sup>	Maturity Date	Par/Principal Amount	Amortized Cost <sup>(4)</sup>	Fair Value <sup>(5)</sup>
<b>First Lien Debt (88.7% of fair value)</b>								
Airnov, Inc.	^ (2)(3)	Containers, Packaging & Glass	L + 5.00%	6.00%	12/19/2025	\$ 9,920	\$ 9,906	\$ 9,913

**Consolidated Schedule of Investments as of March 31, 2022**

<b>Investments <sup>(1)</sup></b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread <sup>(2)</sup></b>	<b>Interest Rate <sup>(2)</sup></b>	<b>Maturity Date</b>	<b>Par/Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>
American Physician Partners, LLC	^ (2)(3)	Healthcare & Pharmaceuticals	L + 10.25% (8.75%, 1.50% PIK)	11.25%	4/8/2022	\$ 8,447	\$ 8,447	\$ 8,447
Appriss Health, LLC	^ (2)(3)	Healthcare & Pharmaceuticals	L + 7.25%	8.25%	5/6/2027	1,197	1,178	1,176
Apptio, Inc.	^ (2)(3)	Software	L + 7.25%	8.25%	1/10/2025	5,357	5,299	5,357
Aurora Lux FinCo S.A.R.L. (Luxembourg)	^ (2)(3)	Software	L + 6.00%	7.00%	12/24/2026	4,344	4,265	3,943
BMS Holdings III Corp.	^ (2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	3,266	3,211	3,219
Captive Resources Midco, LLC	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	5/31/2027	8,193	8,114	8,113
Chartis Holding, LLC	^ (2)(3)	Business Services	L + 5.50%	6.50%	5/1/2025	9,899	9,883	9,866
Comar Holding Company, LLC	^ (2)(3)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/18/2024	8,687	8,616	8,431
Cority Software Inc. (Canada)	^ (2)(3)	Software	L + 5.00%	6.00%	7/2/2026	8,689	8,574	8,662
Dwyer Instruments, Inc	^ (2)(3)	Capital Equipment	L + 5.50%	6.25%	7/21/2027	9,975	9,916	9,948
Ethos Veterinary Health LLC	^ (2)(3)	Consumer Services	L + 4.75%	4.85%	5/15/2026	8,122	8,071	8,122
EvolveIP, LLC	^ (2)(3)(7)	Telecommunications	SOFR + 5.50%	6.50%	6/7/2025	8,688	8,680	8,668
Harbour Benefit Holdings, Inc.	^ (2)(3)	Business Services	L + 5.25%	6.25%	12/13/2024	4,698	4,690	4,692
K2 Insurance Services, LLC	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	8,990	8,900	8,979
Kaseya, Inc.	^ (2)(3)	High Tech Industries	L + 6.50% (5.50%, 1.00% PIK)	7.50%	5/3/2025	9,116	9,018	9,039
Material Holdings, LLC	^ (2)(3)	Business Services	L + 5.75%	6.50%	8/19/2027	7,960	7,879	7,720
Maverick Acquisition, Inc.	^ (2)(3)	Aerospace & Defense	L + 6.00%	7.00%	6/1/2027	7,960	7,800	7,627
National Technical Systems, Inc.	^ (2)(3)	Aerospace & Defense	L + 5.50%	6.50%	6/12/2023	8,711	8,700	8,688
NMI AcquisitionCo, Inc.	^ (2)(3)	High Tech Industries	L + 5.75%	6.50%	9/6/2025	8,685	8,668	8,563
Redwood Services Group, LLC	^ (2)(3)	High Tech Industries	L + 6.00%	7.00%	6/6/2024	8,715	8,704	8,634
Riverson Acquisition Holdings, Inc.	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2025	8,153	8,060	8,152
RSC Acquisition, Inc.	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	11/1/2026	8,380	8,262	8,106
TCFI Aevox LLC	^ (2)(3)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2026	1,697	1,673	1,424
Turbo Buyer, Inc.	^ (2)(3)	Automotive	L + 6.00%	7.00%	12/2/2025	8,071	7,938	7,946
US INFRA SVCS Buyer, LLC	^ (2)(3)	Environmental Industries	L + 6.50%	7.50%	4/13/2026	3,258	3,212	3,161
U.S. Legal Support, Inc.	^ (2)(3)(7)	Business Services	SOFR + 5.25%	6.25%	11/30/2024	6,218	6,208	6,093
Westfall Technik, Inc.	^ (2)(3)	Chemicals, Plastics & Rubber	L + 5.75%	6.75%	9/13/2024	6,402	6,328	6,300
<b>First Lien Debt Total</b>							<b>\$ 200,200</b>	<b>\$ 198,989</b>
<b>Second Lien Debt (11.3% of fair value)</b>								
AI Convoy S.A.R.L (United Kingdom)	^ (2)(3)	Aerospace & Defense	L + 8.25%	9.25%	1/17/2028	\$ 5,514	\$ 5,416	\$ 5,734
AP Plastics Acquisition Holdings, LLC	^ (2)(3)	High Tech Industries	L + 7.50%	8.25%	8/10/2029	4,500	4,412	4,504
AQA Acquisition Holdings, Inc.	^ (2)(3)	Software	L + 7.50%	8.00%	3/3/2029	5,000	4,884	4,996
Quartz Holding Company	^ (2)(3)	Capital Equipment	L + 8.00%	8.10%	4/2/2027	4,852	4,784	4,852

**Consolidated Schedule of Investments as of March 31, 2022**

<b>Investments <sup>(1)</sup></b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread <sup>(2)</sup></b>	<b>Interest Rate <sup>(2)</sup></b>	<b>Maturity Date</b>	<b>Par/Principal Amount</b>	<b>Amortized Cost <sup>(4)</sup></b>	<b>Fair Value <sup>(5)</sup></b>
World 50, Inc. ^	(6)	Business Services	11.50%	11.50%	1/9/2027	\$ 5,465	\$ 5,372	\$ 5,238
Second Lien Debt Total							\$ 24,868	\$ 25,324
<b>Total Investments</b>							<b>\$ 225,068</b>	<b>\$ 224,313</b>

^ Denotes that all or a portion of the assets are owned by Credit Fund II Sub. Credit Fund II Sub has entered into the Credit Fund II Sub Notes. The lenders of the Credit Fund II Sub Notes have a first lien security interest in substantially all of the assets of Credit Fund II Sub. Accordingly, such assets are not available to creditors of Credit Fund II.

- (1) Unless otherwise indicated, issuers of investments held by Credit Fund II are domiciled in the United States. As of March 31, 2022, the geographical composition of investments as a percentage of fair value was 3.9% in Canada, 1.8% in Luxembourg, 2.6% in the United Kingdom and 91.7% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- (2) Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR, the Secured Overnight Financing Rate (“SOFR”) or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund II has indicated the reference rate used and provided the spread and the interest rate in effect as of March 31, 2022. As of March 31, 2022, the reference rates for Credit Fund II’s variable rate loans were the 30-day LIBOR at 0.45%, the 90-day LIBOR at 0.96%, the 180-day LIBOR at 1.47%, the 30-day SOFR at 0.30%, and the 90-day SOFR at 0.68%.
- (3) Loan includes interest rate floor feature, which is generally 1.00%.
- (4) Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- (5) Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund II, pursuant to Credit Fund II’s valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements, to these consolidated financial statements included in Part I, Item 1 of this Form 10-Q.
- (6) Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company.
- (7) Loans include a credit spread adjustment that ranges from 0.10% to 0.25%



**Consolidated Schedule of Investments as of December 31, 2021**

<b>Investments (1)</b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread (2)</b>	<b>Interest Rate (2)</b>	<b>Maturity Date</b>	<b>Par/ Principal Amount</b>	<b>Amortized Cost (4)</b>	<b>Fair Value (5)</b>
<b>First Lien Debt (87.0% of fair value)</b>								
Airnov, Inc.	^ (2)(3)	Containers, Packaging & Glass	L + 5.00%	6.00%	12/19/2025	\$ 9,946	\$ 9,930	\$ 9,946
American Physician Partners, LLC	^ (2)(3)	Healthcare & Pharmaceuticals	L + 6.75%, 1.50% PIK	9.25%	2/21/2022	8,415	8,415	8,415
Appriss Health, LLC	^ (2)(3)	Healthcare & Pharmaceuticals	L + 7.25%	8.25%	5/6/2027	1,197	1,178	1,198
Apptio, Inc.	^ (2)(3)	Software	L + 7.25%	8.25%	1/10/2025	5,357	5,295	5,357
Aurora Lux FinCo S.A.R.L. (Luxembourg)	^ (2)(3)	Software	L + 6.00%	7.00%	12/24/2026	4,355	4,273	3,924
Avenu Holdings, LLC	^ (2)(3)	Sovereign & Public Finance	L + 5.25%	6.25%	9/28/2024	987	980	987
BMS Holdings III Corp.	^ (2)(3)	Construction & Building	L + 5.50%	6.50%	9/30/2026	3,275	3,216	3,224
Captive Resources Midco, LLC	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	5/31/2027	8,193	8,108	8,147
Chartis Holding, LLC	^ (2)(3)	Business Services	L + 5.50%	6.50%	5/1/2025	9,924	9,907	9,924
Comar Holding Company, LLC	^ (2)(3)	Containers, Packaging & Glass	L + 5.75%	6.75%	6/18/2024	8,710	8,632	8,536
Cority Software Inc. (Canada)	^ (2)(3)	Software	L + 5.00%	6.00%	7/2/2026	8,712	8,591	8,707
Dwyer Instruments, Inc.	^ (2)(3)	Capital Equipment	L + 5.50%	6.25%	7/21/2027	10,000	9,939	9,974
Ethos Veterinary Health LLC	^ (2)(3)	Consumer Services	L + 4.75%	4.85%	5/15/2026	8,134	8,080	8,134
EvolveIP, LLC	^ (2)(3)	Telecommunications	L + 5.50%	6.50%	6/7/2025	8,710	8,701	8,666
Harbour Benefit Holdings, Inc.	^ (2)(3)	Business Services	L + 5.25%	6.25%	12/13/2024	4,717	4,707	4,669
K2 Insurance Services, LLC	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.00%	6.00%	7/1/2026	9,012	8,914	8,998
Kaseya, Inc.	^ (2)(3)	High Tech Industries	L + 5.50%, 1.00% PIK	7.50%	5/3/2025	9,092	8,987	9,038
Material Holdings, LLC	^ (2)(3)	Business Services	L + 5.75%	6.50%	8/19/2027	7,980	7,896	7,891
Maverick Acquisition, Inc.	^ (2)(3)	Aerospace & Defense	L + 6.00%	7.00%	6/1/2027	7,980	7,814	7,808
National Technical Systems, Inc.	^ (2)(3)	Aerospace & Defense	L + 5.50%	6.50%	6/12/2023	8,733	8,720	8,733
NMI AcquisitionCo, Inc.	^ (2)(3)	High Tech Industries	L + 5.75%	6.50%	9/6/2025	8,708	8,680	8,601
Redwood Services Group, LLC	^ (2)(3)	High Tech Industries	L + 6.00%	7.00%	6/6/2024	8,736	8,724	8,737
Riveron Acquisition Holdings, Inc.	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.75%	6.75%	5/22/2025	8,173	8,074	8,173
RSC Acquisition, Inc.	^ (2)(3)	Banking, Finance, Insurance & Real Estate	L + 5.50%	6.25%	11/1/2026	8,401	8,277	8,434
Superior Health Linens, LLC	^ (2)(3)	Business Services	L + 6.50%	7.50%	3/31/2022	6,875	6,875	6,875
TCFI Aevex LLC	^ (2)(3)	Aerospace & Defense	L + 6.00%	7.00%	3/18/2026	1,701	1,676	1,458
Turbo Buyer, Inc.	^ (2)(3)	Automotive	L + 6.00%	7.00%	12/2/2025	8,091	7,950	7,929
US INFRA SVCS Buyer, LLC	^ (2)(3)	Environmental Industries	L + 6.50%	7.50%	4/13/2026	3,267	3,217	3,189
USLS Acquisition, Inc.	^ (2)(3)	Business Services	L + 5.50%	6.50%	11/30/2024	6,234	6,223	6,165
Westfall Technik, Inc.	^ (2)(3)	Chemicals, Plastics & Rubber	L + 5.75%	6.75%	9/13/2024	6,418	6,337	6,359
							\$ 208,316	\$ 208,196
<b>Second Lien Debt (9.9% of fair value)</b>								
AI Convoy S.A.R.L (United Kingdom)	^ (2)(3)	Aerospace & Defense	L + 8.25%	9.25%	1/17/2028	\$ 5,514	\$ 5,413	\$ 5,720
AP Plastics Acquisition Holdings, LLC	^ (2)(3)	Chemicals, Plastics & Rubber	L + 7.50%	8.25%	8/10/2029	4,500	4,410	4,526

**Consolidated Schedule of Investments as of December 31, 2021**

<b>Investments (1)</b>	<b>Footnotes</b>	<b>Industry</b>	<b>Reference Rate &amp; Spread (2)</b>	<b>Interest Rate (2)</b>	<b>Maturity Date</b>	<b>Par/Principal Amount</b>	<b>Amortized Cost (4)</b>	<b>Fair Value (5)</b>
AQA Acquisition Holdings, Inc. ^	(2)(3)	High Tech Industries	L + 7.50%	8.00%	3/3/2029	5,000	4,881	5,004
Quartz Holding Company ^	(2)(3)	Software	L + 8.00%	8.10%	4/2/2027	4,852	4,781	4,852
Tank Holding Corp. ^	(2)(3)	Capital Equipment	L + 8.25%	8.35%	3/26/2027	5,514	5,446	5,569
World 50, Inc. ^	(6)	Business Services	11.50%	11.50%	1/9/2027	5,465	5,368	5,422
<b>Second Lien Debt Total</b>							<b>\$ 30,299</b>	<b>\$ 31,093</b>
<b>Total Investments</b>							<b>\$ 238,615</b>	<b>\$ 239,289</b>

^ Denotes that all or a portion of the assets are owned by Credit Fund II Sub. Credit Fund II Sub has entered into the Credit Fund II Sub Notes. The lenders of the Credit Fund II Sub Notes have a first lien security interest in substantially all of the assets of Credit Fund II Sub. Accordingly, such assets are not available to creditors of Credit Fund II.

- (1) Unless otherwise indicated, issuers of investments held by Credit Fund are domiciled in the United States. As of December 31, 2021, the geographical composition of investments as a percentage of fair value was 3.6% in Canada, 1.6% in Luxembourg, 2.4% in the United Kingdom and 92.4% in the United States. Certain portfolio company investments are subject to contractual restrictions on sales.
- (2) Variable rate loans to the portfolio companies bear interest at a rate that is determined by reference to either LIBOR or an alternate base rate (commonly based on the Federal Funds Rate or the U.S. Prime Rate), which generally resets quarterly. For each such loan, Credit Fund II has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 2021. As of December 31, 2021, the reference rates for Credit Fund II's variable rate loans were the 30-day LIBOR at 0.10%, the 90-day LIBOR at 0.22% and the 180-day LIBOR at 0.33%.
- (3) Loan includes interest rate floor feature, which is generally 1.00%.
- (4) Amortized cost represents original cost, including origination fees and upfront fees received that are deemed to be an adjustment to yield, adjusted for the accretion/amortization of discounts/premiums, as applicable, on debt investments using the effective interest method.
- (5) Fair value is determined in good faith by or under the direction of the board of managers of Credit Fund II, pursuant to Credit Fund II's valuation policy, with the fair value of all investments determined using significant unobservable inputs, which is substantially similar to the valuation policy of the Company provided in Note 3, Fair Value Measurements, to the consolidated financial statements included in Part I, Item 1 of this Form 10-Q.
- (6) Represents a corporate mezzanine loan, which is subordinated to senior secured term loans of the portfolio company.

## **FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

We generate cash from the net proceeds of offerings of our common stock and through cash flows from operations, including investment sales and repayments as well as income earned on investments and cash equivalents. We may also fund a portion of our investments through borrowings under the Credit Facility, as defined below, the issuance of debt, and through securitization of a portion of our existing investments. The primary use of existing funds and any funds raised in the future is expected to be for investments in portfolio companies, repayment of indebtedness, cash distributions to our stockholders and for other general corporate purposes. We believe our current cash position, available capacity on our revolving credit facilities – which is well in excess of our unfunded commitments – and net cash provided by operating activities will provide us with sufficient resources to meet our obligations and continue to support our investment objectives, including reserving for the capital needs which may arise at our portfolio companies.

On March 21, 2014, the Company closed on a senior secured revolving credit facility (the “Credit Facility”), which was subsequently amended on January 8, 2015, May 25, 2016, March 22, 2017, September 25, 2018, June 14, 2019 and October 28, 2020. The maximum principal amount of the Credit Facility is \$688,000, subject to availability under the Credit Facility, which is based on certain advance rates multiplied by the value of the Company's portfolio investments (subject to certain concentration limitations) net of certain other indebtedness that the Company may incur in accordance with the terms of the Credit Facility. Proceeds of the Credit Facility may be used for general corporate purposes, including the funding of portfolio investments. Maximum capacity under the Credit Facility may be increased, subject to certain conditions, to \$900,000 through the exercise by the Company of an uncommitted accordion feature through which existing and new lenders may, at their option, agree to provide additional financing. The Credit Facility includes a \$50,000 limit for swingline loans and a \$20,000 limit for letters of credit. Subject to certain exceptions, the Credit Facility is secured by a first lien security interest in substantially all of the portfolio investments held by the Company. The Credit Facility includes customary covenants, including certain financial covenants related to asset coverage, shareholders' equity and liquidity, certain limitations on the incurrence of additional indebtedness and liens, and other maintenance covenants, as well as usual and customary events of default for senior secured revolving credit facilities of this nature.

Although we believe that we will remain in compliance, there are no assurances that we will continue to comply with the covenants in the Credit Facility. Failure to comply with these covenants could result in a default under the Credit Facility that, if we were unable to obtain a waiver from the applicable lenders, could result in the immediate acceleration of the amounts due under the Credit Facility, and thereby have a material adverse impact on our business, financial condition and results of

operations. For more information on the Credit Facility, see Note 7 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

On December 30, 2019, the Company closed a private offering of \$115.0 million in aggregate principal amount of 4.750% Senior Unsecured Notes due December 31, 2024 (the “2019 Notes”). Interest is payable quarterly, beginning March 31, 2020. On December 11, 2020, the Company issued an additional \$75.0 million aggregate principal amount of senior unsecured notes due December 31, 2024 (the “2020 Notes”, together with the 2019 Notes, the “Senior Notes”). The 2020 Notes bear interest at an interest rate of 4.500%. The interest rates of the Senior Notes are subject to increase (up to an additional 1.00% over the stated rate of such notes) in the event that, subject to certain exceptions, the Senior Notes cease to have an investment grade rating. The Senior Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

On June 26, 2015, we completed the 2015-1 Debt Securitization. The 2015-1 Notes were issued by Carlyle Direct Lending CLO 2015-1R LLC (formerly known as Carlyle GMS Finance MM CLO 2015-1 LLC) (the “2015-1 Issuer”), a wholly owned and consolidated subsidiary of us. On August 30, 2018, the 2015-1 Issuer refinanced the 2015-1 Debt Securitization (the “2015-1 Debt Securitization Refinancing”) by redeeming in full the 2015-1 Notes and issuing new notes (the “2015-1R Notes”). The 2015-1R Notes are secured by a diversified portfolio of the 2015-1 Issuer consisting primarily of first and second lien senior secured loans. On the closing date of the 2015-1 Debt Securitization Refinancing, the 2015-1 Issuer, among other things:

- (a) refinanced the issued Class A-1A Notes by redeeming in full the Class A-1A Notes and issuing new AAA Class A-1-1-R Notes in an aggregate principal amount of \$234,800 which bear interest at the three-month LIBOR plus 1.55%;
- (b) refinanced the issued Class A-1B Notes by redeeming in full the Class A-1B Notes and issuing new AAA Class A-1-2-R Notes in an aggregate principal amount of \$50,000 which bear interest at the three-month LIBOR plus 1.48% for the first 24 months and the three-month LIBOR plus 1.78% thereafter;
- (c) refinanced the issued Class A-1C Notes by redeeming in full the Class A-1C Notes and issuing new AAA Class A-1-3-R Notes in an aggregate principal amount of \$25,000 which bear interest at 4.56%;
- (d) refinanced the issued Class A-2 Notes by redeeming in full the Class A-2 Notes and issuing new Class A-2-R Notes in an aggregate principal amount of \$66,000 which bear interest at the three-month LIBOR plus 2.20%;
- (e) issued new single-A Class B Notes and BBB- Class C Notes in aggregate principal amounts of \$46,400 and \$27,000, respectively, which bear interest at the three-month LIBOR plus 3.15% and the three-month LIBOR plus 4.00%, respectively;
- (f) reduced the 2015-1 Issuer Preferred Interests by approximately \$21,375 from a nominal value of \$125,900 to approximately \$104,525 at close; and
- (g) extended the reinvestment period end date and maturity date applicable to the 2015-1 Issuer to October 15, 2023 and October 15, 2031, respectively.

In connection with the contribution, we have made customary representations, warranties and covenants to the 2015-1 Issuer. The Class A-1-1-R, Class A-1-2-R, Class A-1-3-R, Class A-2-R, Class B and Class C Notes are included in the consolidated financial statements included in Part I, Item 1 of this Form 10-Q. The 2015-1 Issuer Preferred Interests were eliminated in consolidation. For more information on the 2015-1R Notes, see Note 8 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

As of March 31, 2022 and December 31, 2021, we had \$69,512 and \$93,074, respectively, in cash, cash equivalents and restricted cash. The Credit Facility consisted of the following as of March 31, 2022 and December 31, 2021:

	<b>March 31, 2022</b>			
	<b>Total Facility</b>	<b>Borrowings Outstanding</b>	<b>Unused Portion <sup>(1)</sup></b>	<b>Amount Available <sup>(2)</sup></b>
Credit Facility	\$ 688,000	\$ 359,679	\$ 328,321	\$ 328,518
Total	\$ 688,000	\$ 359,679	\$ 328,321	\$ 328,518

	<b>December 31, 2021</b>			
	<b>Total Facility</b>	<b>Borrowings Outstanding</b>	<b>Unused Portion <sup>(1)</sup></b>	<b>Amount Available <sup>(2)</sup></b>
Credit Facility	688,000	407,655	280,345	280,706
Total	\$ 688,000	\$ 407,655	\$ 280,345	\$ 280,706

(1) The unused portion is the amount upon which commitment fees are based.

(2) Available for borrowing based on the computation of collateral to support the borrowings and subject to compliance with applicable covenants and financial ratios.

The following were the carrying values (before debt issuance costs) and fair values of the Company's 2015-1R Notes as of March 31, 2022 and December 31, 2021:

<b>2015-1R Notes</b>	<b>March 31, 2022</b>		<b>December 31, 2021</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>
Aaa/AAA Class A-1-1-R Notes	\$ 234,800	\$ 234,190	\$ 234,800	\$ 234,941
Aaa/AAA Class A-1-2-R Notes	50,000	49,870	50,000	50,075
Aaa/AAA Class A-1-3-R Notes	25,000	23,773	25,000	24,680
AA Class A-2-R Notes	66,000	65,597	66,000	66,003
A Class B Notes	46,400	46,401	46,400	46,430
BBB- Class C Notes	27,000	26,106	27,000	26,714
<b>Total</b>	<b>\$ 449,200</b>	<b>\$ 445,937</b>	<b>\$ 449,200</b>	<b>\$ 448,843</b>

As of March 31, 2022 and December 31, 2021, we had a combined \$998,879 and \$1,046,855, respectively, of outstanding consolidated indebtedness under the Credit Facility, the 2015-1R Notes and the Senior Notes. Our annualized interest cost as of March 31, 2022 and December 31, 2021, was 3.01% and 2.83%, excluding fees (such as fees on undrawn amounts and amortization of upfront fees). For the three months ended March 31, 2022 and 2021, we incurred \$7,099 and \$6,975, respectively, of interest expense and \$517 and \$519, respectively, of unused commitment fees.

### **Equity Activity**

Common shares issued and outstanding as of March 31, 2022 and December 31, 2021 were 52,647,158 and 53,142,454, respectively.

The following table summarizes activity in the number of shares of our common stock outstanding during the three month periods ended March 31, 2022 and 2021:

	<b>For the three month periods ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Common shares outstanding, beginning of period	53,142,454	55,320,309
Repurchase of common stock <sup>(1)</sup>	(495,296)	(511,047)
Common shares outstanding, end of period	52,647,158	54,809,262

(1) See Note 10 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q for additional information regarding the Company Stock Repurchase Program.

On May 5, 2020, we issued and sold 2,000,000 shares of Preferred Stock, par value \$0.01, to an affiliate of Carlyle in a private placement at a price of \$25 per share. Shares of Preferred Stock issued and outstanding were 2,000,000 as of both March 31, 2022 and December 31, 2021.

### **OFF BALANCE SHEET ARRANGEMENTS**

In the ordinary course of our business, we enter into contracts or agreements that contain indemnifications or warranties. Future events could occur which may give rise to liabilities arising from these provisions against us. We believe that the likelihood of such an event is remote; however, the maximum potential exposure is unknown. No accrual has been made in these consolidated financial statements as of March 31, 2022 and December 31, 2021 in Part I, Item 1 of this Form 10-Q for any such exposure.

We have in the past, currently are and may in the future become obligated to fund commitments such as revolving credit facilities, bridge financing commitments, or delayed draw commitments.

We had the following unfunded commitments to fund delayed draw and revolving senior secured loans as of the indicated dates:

	<b>Principal Amount as of</b>	
	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Unfunded delayed draw commitments	\$ 173,121	\$ 112,985
Unfunded revolving commitments	64,775	67,513
<b>Total unfunded commitments</b>	<b>\$ 237,896</b>	<b>\$ 180,498</b>

Pursuant to an undertaking by us in connection with the 2015-1 Debt Securitization, we agreed to hold on an ongoing basis the 2015-1 Issuer Preferred Interests with an aggregate dollar purchase price at least equal to 5% of the aggregate outstanding amount of all collateral obligations by the 2015-1 Issuer for so long as any securities of the 2015-1 Issuer remains outstanding. As of March 31, 2022 and December 31, 2021, we were in compliance with this undertaking.

## **DIVIDENDS AND DISTRIBUTIONS**

Prior to July 5, 2017, we had an “opt in” dividend reinvestment plan in respect of our common stock. Effective on July 5, 2017, we converted our “opt in” dividend reinvestment plan to an “opt out” dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our common stockholders, other than those common stockholders who have “opted out” of the plan. As a result of adopting the plan, if our Board of Directors authorizes, and we declare, a cash dividend or distribution on our common stock, our common stockholders who have not elected to “opt out” of our dividend reinvestment plan will have their cash dividends or distributions automatically reinvested in additional shares of our common stock, rather than receiving cash. Each registered common stockholder may elect to have such common stockholder’s dividends and distributions distributed in cash rather than participate in the plan. For any registered common stockholder that does not so elect, distributions on such common stockholder’s shares will be reinvested by State Street Bank and Trust Company, our plan administrator, in additional shares of common stock. The number of common shares to be issued to the common stockholder will be determined based on the total dollar amount of the cash distribution payable, net of applicable withholding taxes. We intend to use primarily newly issued shares of common stock to implement the plan so long as the market value per share is equal to or greater than the net asset value per share on the relevant valuation date. If the market value per share is less than the net asset value per share on the relevant valuation date, the plan administrator would implement the plan through the purchase of common stock on behalf of participants in the open market, unless we instruct the plan administrator otherwise.

The following table summarizes the Company's dividends declared per share of common stock during the two most recent fiscal years and the current fiscal year to date:

Date Declared	Record Date	Payment Date	Per Share Amount
<b>2020</b>			
February 24, 2020	March 31, 2020	April 17, 2020	\$ 0.37
May 4, 2020	June 30, 2020	July 17, 2020	0.37
August 3, 2020	September 30, 2020	October 16, 2020	0.32 <sup>(2)</sup>
August 3, 2020	September 30, 2020	October 16, 2020	0.05 <sup>(1)</sup>
November 2, 2020	December 31, 2020	January 15, 2021	0.32
November 2, 2020	December 31, 2020	January 15, 2021	0.04 <sup>(1)</sup>
<b>Total</b>			<u>\$ 1.47</u>
<b>2021</b>			
February 22, 2021	March 31, 2021	April 16, 2021	\$ 0.32
February 22, 2021	March 31, 2021	April 16, 2021	0.05 <sup>(1)</sup>
May 3, 2021	June 30, 2021	July 15, 2021	\$ 0.32
May 3, 2021	June 30, 2021	July 15, 2021	\$ 0.04 <sup>(1)</sup>
August 2, 2021	September 30, 2021	October 15, 2021	\$ 0.32
August 2, 2021	September 30, 2021	October 15, 2021	\$ 0.06 <sup>(1)</sup>
November 1, 2021	December 31, 2021	January 14, 2022	\$ 0.32
November 1, 2021	December 31, 2021	January 14, 2022	\$ 0.07 <sup>(1)</sup>
<b>Total</b>			<u>\$ 1.50</u>
<b>2022</b>			
February 18, 2022	March 31, 2022	April 15, 2022	\$ 0.32
February 18, 2022	March 31, 2022	April 15, 2022	\$ 0.08 <sup>(1)</sup>
<b>Total</b>			<u>\$ 0.40</u>

(1) Represents a special/supplemental dividend.

(2) The Company updated its dividend policy such that the base dividend is \$0.32 per share of common stock, effective with the third quarter 2020 dividend.

Our Preferred Stock has a liquidation preference equal to \$25 per share (the “Liquidation Preference”) plus any accumulated but unpaid dividends up to but excluding the date of distribution. Dividends on our Preferred Stock are payable on a quarterly basis in an initial amount equal to 7.00% per annum of the Liquidation Preference per share, payable in cash, or at our option, 9.00% per annum of the Liquidation Preference payable in additional shares of Preferred Stock.

The following table summarizes the Company's dividends declared per share of preferred stock during the two most recent fiscal years and the current fiscal year to date. Unless otherwise noted, dividends declared were paid in cash.

<b>Date Declared</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Per Share Amount</b>
<b>2020</b>			
June 30, 2020	June 30, 2020	September 30, 2020	\$ 0.277
September 30, 2020	September 30, 2020	September 30, 2020	0.423
December 31, 2020	December 31, 2020	December 31, 2020	0.438
<b>Total</b>			<b>\$ 1.138</b>
<b>2021</b>			
March 31, 2021	March 31, 2021	March 31, 2021	\$ 0.438
June 30, 2021	June 30, 2021	June 30, 2021	0.438
September 30, 2021	September 30, 2021	September 30, 2021	0.438
December 29, 2021	December 31, 2021	December 31, 2021	0.438
<b>Total</b>			<b>\$ 1.752</b>
<b>2022</b>			
March 25, 2022	March 31, 2022	March 31, 2022	0.438
<b>Total</b>			<b>\$ 0.438</b>

## ASSET COVERAGE

In accordance with the Investment Company Act, a BDC is only allowed to borrow amounts such that its “asset coverage,” as defined in the Investment Company Act, satisfies the minimum asset coverage ratio specified in the Investment Company Act after such borrowing. “Asset coverage” generally refers to a company’s total assets, less all liabilities and indebtedness not represented by “senior securities,” as defined in the Investment Company Act, divided by total senior securities representing indebtedness and, if applicable, preferred stock. “Senior securities” for this purpose includes borrowings from banks or other lenders, debt securities and preferred stock.

Prior to March 23, 2018, BDCs were required to maintain a minimum asset coverage ratio of 200%. On March 23, 2018, an amendment to Section 61(a) of the Investment Company Act was signed into law to permit BDCs to reduce the minimum asset coverage ratio from 200% to 150%, so long as certain approval and disclosure requirements are satisfied. Under the 200% minimum asset coverage ratio, BDCs are permitted to borrow up to one dollar for investment purposes for every one dollar of investor equity, and under the 150% minimum asset coverage ratio, BDCs are permitted to borrow up to two dollars for investment purposes for every one dollar of investor equity. In other words, Section 61(a) of the Investment Company Act, as amended, permits BDCs to potentially increase their debt-to-equity ratio from a maximum of 1 to 1 to a maximum of 2 to 1.

On April 9, 2018 and June 6, 2018, the Board of Directors, including a “required majority” (as such term is defined in Section 57(o) of the Investment Company Act), and the stockholders of the Company, respectively, approved the application to the Company of the 150% minimum asset coverage ratio set forth in Section 61(a)(2) of the Investment Company Act. As a result, the minimum asset coverage ratio applicable to the Company was reduced from 200% to 150%, effective as of June 7, 2018.

As of March 31, 2022 and December 31, 2021, the Company had total senior securities of \$1,048,879 and \$1,096,855, respectively, consisting of secured borrowings under the Credit Facility, the Senior Notes, the 2015-1R Notes, and the Preferred Stock, and had asset coverage ratios of 185.86% and 181.94%, respectively.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates and judgments are based on historical information, information currently available to us and on various other assumptions management believes to be reasonable under the circumstances. Actual results could vary from those estimates and we may change our estimates and assumptions in future evaluations. Changes in these estimates and assumptions may have a material effect on our results of operations and financial condition. We believe the critical accounting policies discussed below affect our more significant judgments and estimates used in the preparation of our consolidated financial statements and should be read in conjunction with our consolidated financial statements and related notes in Part II, Item 8, as well as with our “*Risk Factors*” in Part I, Item 1A of the Company’s annual report on Form 10-K for the year ended December 31, 2021.

### *Fair Value Measurements*

The Company applies fair value accounting in accordance with the terms of Financial Accounting Standards Board ASC Topic 820, *Fair Value Measurement* (“ASC 820”). ASC 820 defines fair value as the amount that would be exchanged to sell an asset or transfer a liability in an orderly transfer between market participants at the measurement date. The Company values securities/instruments traded in active markets on the measurement date by multiplying the closing price of such traded securities/instruments by the quantity of shares or amount of the instrument held. The Company may also obtain quotes with respect to certain of its investments, such as its securities/instruments traded in active markets and its liquid securities/instruments that are not traded in active markets, from pricing services, brokers, or counterparties (i.e., “consensus pricing”). When doing so, the Company determines whether the quote obtained is sufficient according to U.S. GAAP to determine the fair value of the security. The Company may use the quote obtained or alternative pricing sources may be utilized including valuation techniques typically utilized for illiquid securities/instruments.

Securities/instruments that are illiquid or for which the pricing source does not provide a valuation or methodology or provides a valuation or methodology that, in the judgment of the Investment Adviser or the Board of Directors, does not represent fair value shall each be valued as of the measurement date using all techniques appropriate under the circumstances and for which sufficient data is available. These valuation techniques may vary by investment and include comparable public market valuations, comparable precedent transaction valuations and/or discounted cash flow analyses. The process generally used to determine the applicable value is as follows: (i) the value of each portfolio company or investment is initially reviewed by the investment professionals responsible for such portfolio company or investment and, for non-traded investments, a standardized template designed to approximate fair market value based on observable market inputs, updated credit statistics and unobservable inputs is used to determine a preliminary value, which is also reviewed alongside consensus pricing, where available; (ii) preliminary valuation conclusions are documented and reviewed by a valuation committee comprised of members of senior management; (iii) the Board of Directors engages a third-party valuation firm to provide positive assurance on portions of the Middle Market Senior Loans and equity investments portfolio each quarter (such that each non-traded investment other than Credit Fund and Credit Fund II is reviewed by a third-party valuation firm at least once on a rolling twelve month basis) including a review of management’s preliminary valuation and conclusion on fair value; (iv) the Audit Committee of the Board of Directors (the “Audit Committee”) reviews the assessments of the Investment Adviser and the third-party valuation firm and provides the Board of Directors with any recommendations with respect to changes to the fair value of each investment in the portfolio; and (v) the Board of Directors discusses the valuation recommendations of the Audit Committee and determines the fair value of each investment in the portfolio in good faith based on the input of the Investment Adviser and, where applicable, the third-party valuation firm.

All factors that might materially impact the value of an investment are considered, including, but not limited to the assessment of the following factors, as relevant:

- the nature and realizable value of any collateral;
- call features, put features and other relevant terms of debt;
- the portfolio company’s leverage and ability to make payments;
- the portfolio company’s public or private credit rating;
- the portfolio company’s actual and expected earnings and discounted cash flow;
- prevailing interest rates and spreads for similar securities and expected volatility in future interest rates;
- the markets in which the portfolio company does business and recent economic and/or market events; and
- comparisons to comparable transactions and publicly traded securities.



Investment performance data utilized are the most recently available financial statements and compliance certificate received from the portfolio companies as of the measurement date which in many cases may reflect a lag in information.

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

In addition, changes in the market environment and other events that may occur over the life of the investments may cause the realized gains or losses on investments to be different from the net change in unrealized appreciation or depreciation currently reflected in the consolidated financial statements as of March 31, 2022 and December 31, 2021.

U.S. GAAP establishes a hierarchical disclosure framework which ranks the level of observability of market price inputs used in measuring investments at fair value. The observability of inputs is impacted by a number of factors, including the type of investment and the characteristics specific to the investment and state of the marketplace, including the existence and transparency of transactions between market participants. Investments with readily available quoted prices or for which fair value can be measured from quoted prices in active markets generally have a higher degree of market price observability and a lesser degree of judgment applied in determining fair value.

For further information on the fair value hierarchies, our framework for determining fair value and the composition of our portfolio, see Note 3 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

### ***Investments***

Investment transactions are recorded on the trade date. Realized gains or losses are measured by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment using the specific identification method without regard to unrealized appreciation or depreciation previously recognized, and includes investments charged off during the period, net of recoveries. Net change in unrealized appreciation or depreciation on investments as presented in the Consolidated Statements of Operations in Part I, Item 1 of this Form 10-Q reflects the net change in the fair value of investments, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

### ***Revenue Recognition***

#### ***Non-Accrual Income***

Loans are generally placed on non-accrual status when principal or interest payments are past due 30 days or more or when there is reasonable doubt that principal or interest will be collected in full. Accrued and unpaid interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment regarding collectability. Non-accrual loans are restored to accrual status when past due principal and interest are paid current and, in management's judgment, are likely to remain current. Management may determine not to place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection.

### ***Income Taxes***

For federal income tax purposes, the Company has elected to be treated as a RIC under the Code, and intends to make the required distributions to its stockholders as specified therein. In order to qualify as a RIC, the Company must meet certain minimum distribution, source-of-income and asset diversification requirements. If such requirements are met, then the Company is generally required to pay income taxes only on the portion of its taxable income and gains it does not distribute.

The minimum distribution requirements applicable to RICs require the Company to distribute to its stockholders at least 90% of its investment company taxable income ("ICTI"), as defined by the Code, each year. Depending on the level of ICTI earned in a tax year, the Company may choose to carry forward ICTI in excess of current year distributions into the next tax year. Any such carryover ICTI must be distributed before the end of that next tax year through a dividend declared prior to filing the final tax return related to the year which generated such ICTI.

In addition, based on the excise distribution requirements, the Company is subject to a 4% nondeductible federal excise tax on undistributed income unless the Company distributes in a timely manner an amount at least equal to the sum of (1)

98% of its ordinary income for each calendar year, (2) 98.2% of capital gain net income (both long-term and short-term) for the one-year period ending October 31 in that calendar year and (3) any income realized, but not distributed, in the preceding year. For this purpose, however, any ordinary income or capital gain net income retained by the Company that is subject to corporate income tax is considered to have been distributed.

The Company evaluates tax positions taken or expected to be taken in the course of preparing its consolidated financial statements to determine whether the tax positions are “more-likely than not” to be sustained by the applicable tax authority. All penalties and interest associated with income taxes, if any, are included in income tax expense.

The SPV and the 2015-1 Issuer are disregarded entities for tax purposes and are consolidated with the tax return of the Company.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

#### Valuation Risk

Our investments generally do not have a readily available market price, and we value these investments at fair value as determined in good faith by our Board of Directors in accordance with our valuation policy. There is no single standard for determining fair value in good faith. 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. 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. In addition, because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and it is possible that the difference could be material.

#### Interest Rate Risk

As of March 31, 2022, on a fair value basis, approximately 1.6% of our debt investments bear interest at a fixed rate and approximately 98.4% of our debt investments bear interest at a floating rate, which primarily are subject to interest rate floors. Additionally, our Credit Facility is also subject to floating interest rates and is currently paid based on floating LIBOR rates.

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. There can be no assurance that a significant change in market interest rates will not have a material adverse effect on our income in the future.

The following table estimates the potential changes in net cash flow generated from interest income, should interest rates increase or decrease by 100, 200 or 300 basis points. These hypothetical interest income calculations are based on a model of the settled debt investments in our portfolio, excluding structured finance obligations and our investments in Credit Fund and Credit Fund II, held as of March 31, 2022 and December 31, 2021, and are only adjusted for assumed changes in the underlying base interest rates and the impact of that change on interest income. Interest expense is calculated based on outstanding secured borrowings and notes payable as of March 31, 2022 and December 31, 2021 and based on the terms of our Credit Facility and notes payable. Interest expense on our Credit Facility and notes payable is calculated using the stated interest rate as of March 31, 2022 and December 31, 2021, adjusted for the hypothetical changes in rates, as shown below. We intend to continue to finance a portion of our investments with borrowings and the interest rates paid on our borrowings may impact significantly our net interest income.

We regularly measure exposure to interest rate risk. We assess interest rate risk and manage interest rate exposure on an ongoing basis by comparing our interest rate sensitive assets to our interest rate sensitive liabilities. Based on that review, we determine whether or not any hedging transactions are necessary to mitigate exposure to changes in interest rates.

Based on our Consolidated Statements of Assets and Liabilities as of March 31, 2022 and December 31, 2021, the following table shows the annual impact on net investment income of base rate changes in interest rates for our settled debt investments (considering interest rate floors for variable rate instruments), excluding our investments in Credit Fund and Credit Fund II, and outstanding secured borrowings and notes payable assuming no changes in our investment and borrowing structure:

Basis Point Change	March 31, 2022			December 31, 2021		
	Interest Income	Interest Expense	Net Investment Income	Interest Income	Interest Expense	Net Investment Income
Up 300 basis points	\$ 44,247	\$ (23,419)	\$ 20,828	\$ 34,923	\$ (24,832)	\$ 10,091
Up 200 basis points	\$ 29,503	\$ (15,580)	\$ 13,923	\$ 19,935	\$ (16,513)	\$ 3,422
Up 100 basis points	\$ 14,758	\$ (7,741)	\$ 7,017	\$ 4,954	\$ (8,195)	\$ (3,241)
Down 100 basis points	\$ (1,030)	\$ 3,077	\$ 2,047	\$ (147)	\$ 1,083	\$ 936
Down 200 basis points	\$ (1,030)	\$ 3,077	\$ 2,047	\$ (147)	\$ 1,083	\$ 936
Down 300 basis points	\$ (1,030)	\$ 3,077	\$ 2,047	\$ (147)	\$ 1,083	\$ 936

**Item 4. Controls and Procedures.*****Evaluation of Disclosure Controls and Procedures***

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (Principal Executive Officer) and our Chief Financial Officer (Principal Financial Officer), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15 of the Exchange Act). Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our current disclosure controls and procedures are effective in timely alerting them of material information relating to the Company that is required to be disclosed by us in the reports we file or submit under the Exchange Act.

***Changes in Internal Controls over Financial Reporting***

There have been no changes in our internal control over financial reporting during the three month period ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

The Company may become party to certain lawsuits in the ordinary course of business. The Company is not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against the Company. See also Note 12 to the consolidated financial statements in Part I, Item 1 of this Form 10-Q.

### Item 1A. Risk Factors.

In addition to the other information set forth within this Form 10-Q, consideration should be given to the information disclosed in “Risk Factors” in Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2021.

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

We did not sell any equity securities during the period covered in this report that were not registered under the Securities Act of 1933, as amended.

#### *Purchases of Equity Securities by the Issuer and Affiliated Purchasers*

The following table provides information regarding purchases of our common stock made by or on behalf of the Company or any “affiliated purchaser” (as defined in Rule 10b-18(a)(3) under the Exchange Act) during the three months ended March 31, 2022 for the periods indicated.

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)(2)</sup>	Maximum (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2022 through January 31, 2022	171,415	\$ 14.01	171,415	\$ 22,311
February 1, 2022 through February 28, 2022	164,367	14.02	164,367	20,007
March 1, 2022 through March 31, 2022	159,514	14.44	159,514	17,705
<b>Total</b>	<u>495,296</u>		<u>495,296</u>	

(1) On trade date basis.

(2) On November 1, 2021, the Company's Board of Directors approved the continuation of the Company's Stock Repurchase Program until November 5, 2022, or until the date the approved dollar amount has been used to repurchase shares. Pursuant to the program, the Company is authorized to repurchase up to \$150 million in the aggregate of the Company's outstanding stock in the open market and/or through privately negotiated transactions at prices not to exceed the Company's net asset value per share as reported in its most recent financial statements, in accordance with the guidelines specified in Rule 10b-18 of the Exchange Act. The timing, manner, price and amount of any repurchases will be determined by the Company, in its discretion, based upon the evaluation of economic and market conditions, stock price, available cash, applicable legal and regulatory requirements and other factors, and may include purchases pursuant to Rule 10b5-1 of the Exchange Act. The program does not require the Company to repurchase any specific number of shares and there can be no assurance as to the amount of shares repurchased under the program. The program may be suspended, extended, modified or discontinued by the Company at any time, subject to applicable law. Pursuant to the authorization described above, the Company adopted a 10b5-1 plan (the “Company 10b5-1 Plan”). The Company 10b5-1 Plan provides that purchases will be conducted on the open market in accordance with Rules 10b5-1 and 10b-18 under the Exchange Act and will otherwise be subject to applicable law, which may prohibit purchases under certain circumstances. The amount of purchases made under the Company 10b5-1 Plan or otherwise and how much will be purchased at any time is uncertain, dependent on prevailing market prices and trading volumes, all of which we cannot predict. The Company's Stock Repurchase Program was originally approved by the Company's Board of Directors on November 5, 2018 and announced on November 6, 2018.

### Item 3. Defaults Upon Senior Securities.

Not applicable.

### Item 4. Mine Safety Disclosures.

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

- 31.1 [Certification of Chief Executive Officer \(Principal Executive Officer\) Pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934, as amended.\\*](#)
- 31.2 [Certification of Chief Financial Officer \(Principal Financial Officer\) Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.\\*](#)
- 32.1 [Certification of Chief Executive Officer \(Principal Executive Officer\) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.\\*](#)
- 32.2 [Certification of Chief Financial Officer \(Principal Financial Officer\) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.\\*](#)

\* Filed herewith

SIGNATURES

Pursuant to the requirements 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.

Dated: May 3, 2022

**CARLYLE SECURED LENDING, INC.**

By /s/ Thomas M. Hennigan  
Thomas M. Hennigan  
Chief Financial Officer  
(principal financial officer)

## CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

**CERTIFICATION**

I, Linda Pace, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carlyle Secured Lending, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2022

/s/ Linda Pace

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**Linda Pace**  
**Chief Executive Officer**  
**(Principal Executive Officer)**



## CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

**CERTIFICATION**

I, Thomas M. Hennigan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Carlyle Secured Lending, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2022

/s/ Thomas M. Hennigan

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**Thomas M. Hennigan**  
**Chief Financial Officer**  
**(Principal Financial Officer)**

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER, SECTION 906

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Linda Pace, the Chief Executive Officer (Principal Executive Officer) of Carlyle Secured Lending, Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- the Form 10-Q of the Company for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 3, 2022

/s/ Linda Pace

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**Linda Pace  
Chief Executive Officer  
(Principal Executive Officer)**

\* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

## CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER, SECTION 906

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas M. Hennigan, the Chief Financial Officer (Principal Financial Officer) of Carlyle Secured Lending, Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- the Form 10-Q of the Company for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 3, 2022

/s/ Thomas M. Hennigan

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**Thomas M. Hennigan  
Chief Financial Officer  
(Principal Financial Officer)**

\* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.