



THL Credit, Inc. Earnings Presentation  
Quarter Ended December 31, 2019

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First Eagle Investment Management is the brand name for First Eagle Investment Management, LLC and its subsidiary investment advisers. First Eagle Alternative Credit is the brand name for those subsidiary investment advisers engaged in the alternative credit business.

## Overview

# THL Credit, Inc. (NASDAQ: TCRD)

### Middle Market Lender

- Focus on direct origination of first lien senior secured loans in the middle market
- Investment portfolio totaling \$384 million across 52\* portfolio companies as of December 31, 2019<sup>1</sup>
- Invested approximately \$2.3 billion in 129 portfolio investments since June 2009<sup>2</sup>
- Externally managed by First Eagle Alternative Credit, LLC (“FEAC”)

### Current Investment Criteria

- Private equity sponsored companies
- Portfolio of primarily first lien senior secured loans, including unitranche
- Targeting investment hold sizes of less than 2.5% of TCRD’s portfolio
- Typically invest in companies with EBITDA of \$5 to \$25 million

### TCRD Competitive Advantages

- Part of \$23 billion FEAC platform<sup>3</sup>
- Exemptive relief allows for co-investment across FEAC’s Direct Lending strategy
- Strong and consistent shareholder alignment
- Shareholder approval for reduction in asset coverage requirement

<sup>1</sup>Excluding the Company’s short-term investment in broadly syndicated first lien senior secured loans, there were 44 investments held at December 31, 2019. First Eagle Alternative Credit (or “FEAC”) is the brand name for those investment advisers of First Eagle Investment Management engaged in the alternative credit business. First Eagle Investment Management is the brand name for First Eagle Investment Management, LLC and its subsidiary investment advisers. Not a guarantee of future AUM, platform size, or composition. See page 27 for important endnotes.

Overview

# Platform Overview

- \$23 billion asset manager benefitting from synergies across both Direct Lending and Tradable Credit strategies<sup>1</sup>
- FEAC's Direct Lending platform has invested \$3.6 billion in 158 companies since 2009<sup>2</sup>

First Eagle Alternative Credit  
\$23 Billion AUM<sup>1</sup>

	Direct Lending	Tradable Credit
	\$7 billion <sup>3</sup>	\$16 billion <sup>3</sup>
	Leading provider of U.S. middle market financing solutions	Experienced manager of total return bank loans and CLOs
Assets	First lien Unitranche Second lien	Syndicated bank loans High yield debt CLO debt and equity
Vehicles	Private funds Publicly traded BDC Separately managed accounts Middle market CLOs	CLOs Private funds Publicly traded closed-end fund Separately managed accounts

1. Reflects the aggregate assets under management or advisement (together, "AUM") of FEAC of December 31, 2019.  
 2. Includes all investments made by FEAC's Direct Lending platform as of December 31, 2019.  
 3. Represents the combined AUM & AUA of FEAC; First Eagle Alternative Credit SLS, LLC; First Eagle Private Credit, LLC; First Eagle Private Credit Advisors, LLC as of December 31, 2019. Amounts shown consist of invested capital, outstanding committed capital and any proceeds thereof as well as the assets of Eagle Growth and Income Opportunities Fund, the majority of which are sub-advised by another manager.

## Overview

# Overview of First Eagle Transaction

- First Eagle Investment Management, LLC (“First Eagle”) completed its acquisition of THL Credit Advisors LLC, investment advisor to TCRD, on January 31, 2020
- First Eagle Alternative Credit (“FEAC”), the name under which the combination of First Eagle’s existing private credit platform and THL Credit Advisors LLC now operates, has \$23 billion of AUM<sup>1</sup>
- FEAC will continue to be managed by existing management team from THL Credit Advisors LLC

### First Eagle Investment Management

- \$100 billion of assets under management and over 300 employees<sup>2</sup>
- Majority controlled by The Blackstone Group and Corsair Capital\*
- Investment product suite includes equity, fixed income, alternative credit, and multi-asset strategies

### Expected Benefits to THL Credit, Inc.

- Scale of \$7 billion FEAC Direct Lending platform<sup>2</sup>
- Expanded sponsor network that may create more origination opportunities
- Improved overall competitive positioning via larger hold sizes across FEAC vehicles
- Access to the resources, expertise and investor channels of a well-established investment manager

\*Private equity funds indirectly controlled by The Blackstone Group Inc. and Corsair Capital LLC, as well as certain co-investors, indirectly own a majority stake in First Eagle Investment Management.

1. See footnotes 2 and 3 on the preceding slide.
2. As of December 31, 2019.

## Overview

# First Eagle Alternative Credit Team

### Global Investment Committee

(28 years avg. experience)

Chris Flynn, President

Jim Fellows, Chief Investment Officer, Head of Tradable Credit

Brian Good, Senior Managing Director, Chief Product Strategist

Bob Hickey, Senior Managing Director, Senior Portfolio Manager

### Tradable Credit Investment Committee

(28 years avg. experience)

Jim Fellows (CIO, Head of Tradable Credit)

Brian Good (Senior Managing Director, Chief Product Strategist)

Bob Hickey (Senior Managing Director, Senior Portfolio Manager)

Brian Murphy (Managing Director, Head of Capital Markets)

Steve Krull (Managing Director, Head Trader)

Mike Herzig (Senior Managing Director, Head of Business Development)

### Direct Lending Investment Committee

(24 years avg. experience)

Chris Flynn (President)

Jim Fellows (CIO, Head of Tradable Credit)

Terry Olson (COO & CFO)

Monty Cook (Managing Director, Head of Specialty Finance)

Howard Wu (Managing Director)

### Investment Team

27 Tradable Credit investment professionals

31 Direct Lending investment professionals

Trading & Portfolio Management

2 professionals

Finance & Accounting

20 professionals

Loan Operations

20 professionals

Legal & Compliance

4 professionals

Business Development

7 professionals

Investor Relations

2 professionals

Human Resources / IT

7 professionals

Administrative

7 professionals

## Overview

# Direct Lending Investment Team

### DIRECT LENDING INVESTMENT COMMITTEE

**CHRIS FLYNN**  
President

**JIM FELLOWS**  
Chief Investment Officer  
Head of Tradable Credit

**TERRY OLSON**  
Chief Operating Officer  
Chief Financial Officer

**MONTY COOK**  
Managing Director  
Head of Specialty Finance

**HOWARD WU**  
Managing Director

### ORIGINATING & STRUCTURING

**PATRICK McAULIFFE**  
Managing Director, Head of Origination & Structuring

**ERIC LEE**  
Managing Director  
*Los Angeles*

**GARRETT STEPHEN**  
Managing Director  
*Boston*

**PAUL HORTON**  
Managing Director  
*New York/CT*

**JASON WENDORF**  
Managing Director  
*Chicago*

**DARREN FELFELI**  
Director  
*Dallas*

**BRIAN MURPHY**  
Managing Director  
Head of Capital Markets  
*Chicago*

### UNDERWRITING & PORTFOLIO MANAGEMENT

**MICHELLE HANDY**  
Managing Director, Head of Portfolio & Underwriting

**KEVIN MULCAHY**  
Managing Director

**MARTY LOEW**  
Director

**ERIC PEARSON**  
Director

**AMY ZHENG**  
Director

**FAWWAZ AHMED**  
Vice President

**TYLER CRUSE**  
Vice President

**CRAIG HAWKINS**  
Vice President

**GINA McCLARY**  
Vice President

**MADELINE DONOGHUE**  
Senior Associate

**BRIAN KEENAN**  
Senior Associate

**ZACH MILLER**  
Senior Associate

**DAN SCHWARZ**  
Senior Associate

**JOSH SACKS**  
Senior Associate

**JACK TSU**  
Senior Associate

**LUKE PSYHOJOS**  
Associate

**KELLYN BERRIGAN**  
Analyst

**SABRINA GOEBEL**  
Analyst

**DEANNA LEUNG**  
Analyst

**JAKE O'KEEFE**  
Analyst

**MICHAEL VITALE**  
Analyst

#### BUSINESS, FINANCIAL SERVICES INDUSTRIALS & ENERGY

#### CONSUMER

#### HEALTHCARE

#### MEDIA, INFORMATION SERVICES & TECHNOLOGY

**CHRISTIAN  
CHAMP**  
MD, Head of  
Research

**CATHERINE  
LEE**  
Associate

**BOB  
WILLIS**  
Director

**ZOLTAN  
DONOVAN**  
Director, Sector  
PM

**LAUREN  
DUPUIS**  
Vice President

**JEFF  
KOVANDA**  
Director, Sector  
PM

**JAMIE  
DAUL**  
Director

**TREVOR  
DIECKMANN**  
MD, Sector PM

**MATTHEW  
HAWK**  
Vice President

**DAVID  
LAUSCHKE**  
Vice President

**SHANU  
MATHEW**  
Associate

**KEVIN  
ELLSWORTH**  
Associate

**WILL PENSYL**  
Analyst

**JENNIFER  
DUFFY**  
Analyst

**D.J.  
VALENTI**  
Associate

**ALEKS  
MILOSEVIC**  
Vice President

**ANDREW  
SCAIFE**  
Vice President

**VARUN  
VARMA**  
Associate

## Overview

# Direct Origination and Sourcing Capabilities

- Sourcing intensive approach driven by industry specialization
- FEAC's Direct Lending platform has closed 158 deals covering 91 sponsors since 2009<sup>1</sup>



1. Represents total number of investments made by FEAC's Direct Lending platform between June 2009 and December 31, 2019.



## Overview

# First Eagle Alternative Credit Partners with Private Equity Sponsors

### Why we source through sponsors

- Institutional partner / collaboration with lenders
- Potential for stronger recovery in workout/restructuring
- Operational and industry expertise
- Decision making capability
- Communication / information sharing
- Option for additional financial support

### Why we believe sponsors choose First Eagle Alternative Credit

- Ability to provide certainty to close
- Specific industry expertise
- Deep due diligence and timely feedback
- 10+ years of experience
- Creative structuring solutions

## Recent Sponsors



Note: The use of company logos in this Presentation does not imply an endorsement by the company whose logo is depicted herein.

## Investment Approach & Process

### Perspective & Outlook

- Focused on quality over quantity
  - Five office origination footprint generates considerable deal flow
  - Review, on average, between 600 - 700 deals per year
  - Execute transactions with high level of conviction and target strong risk-adjusted returns

### Underwriting, Due Diligence & Collaboration

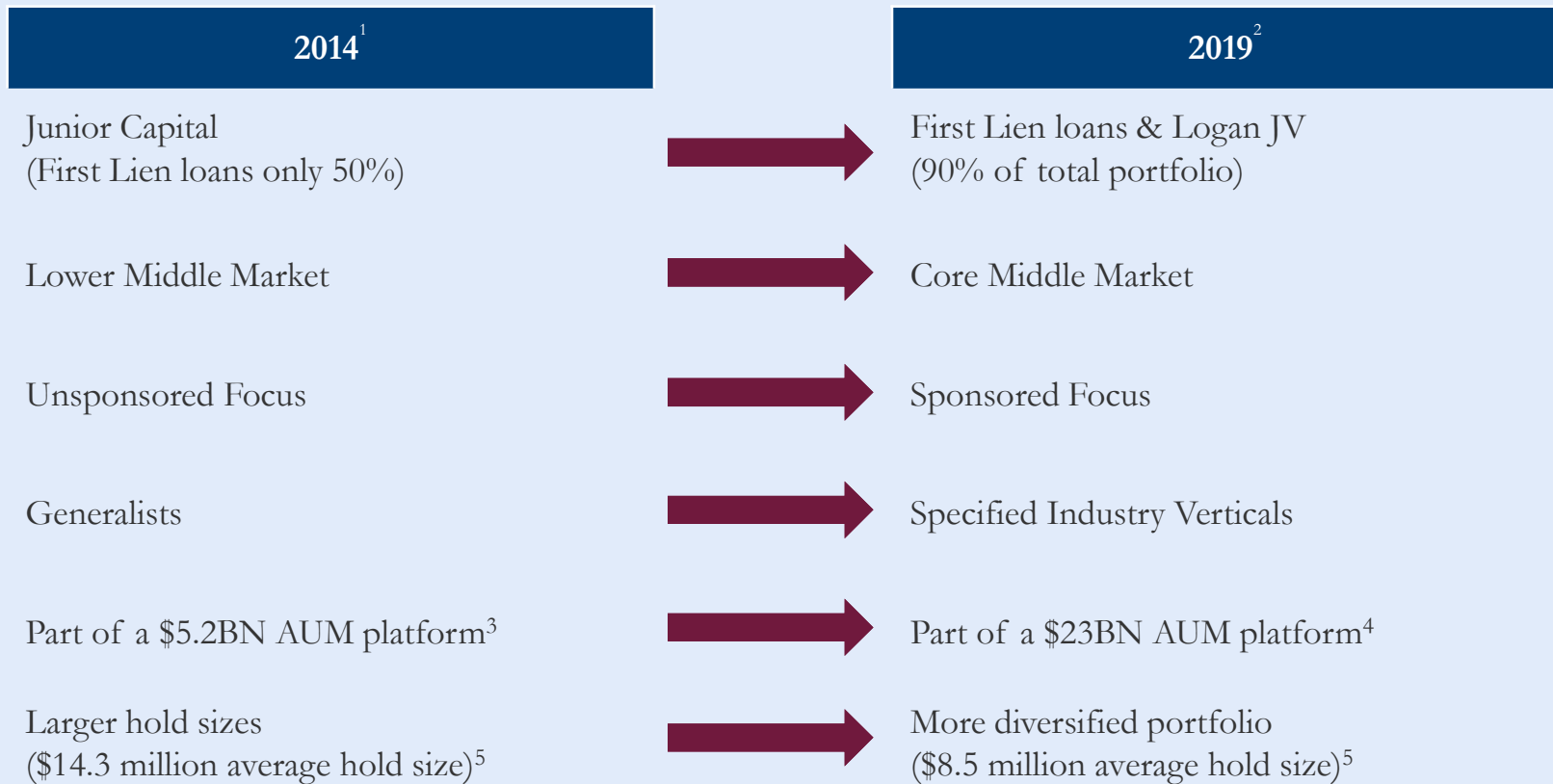
- Rigorous underwriting and due diligence process
  - Centralized underwriting and portfolio monitoring team in Chicago office
  - Deal team's ongoing review with entire Direct Lending Investment Committee
    - Bi-weekly discussions; formal pre-screen, work-in-process & detailed final memo
  - Ability to collaborate with Tradable Credit on industry considerations
  - Extensive due diligence and customized loan structure

### Portfolio Management

- Portfolio management team has proactive involvement in investments
  - Portfolio hotlist meetings held 1x per week
  - Portfolio reviews with tracking sheets of financial performance and covenants monthly
  - Rigorous portfolio reviews semi-annually and annually
  - Evaluate and determine pricing quarterly which is confirmed by outside valuation firms

## Evolution of Investment Strategy

- Since 2014, TCRD has shifted away from junior capital in unsponsored companies to predominantly first lien, floating rate investments in sponsored companies and the Logan JV
- Increased emphasis on portfolio diversification in 2018 and 2019



Note: Please see page 27 for important endnotes.

## Significant Progress Repositioning Portfolio

- Achieved target of 90%+ of portfolio in first lien assets & the Logan JV
- Predominantly first lien portfolio more conservatively positioned in today's environment
- Continue to focus on exiting remaining Non-Core investments

### Shifting Asset Mix<sup>1</sup>

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
<u>Core Assets:</u>									
First lien senior secured debt	66%	65%	66%	65%	67%	67%	64%	67%	68%
Logan JV	11%	12%	15%	16%	17%	16%	18%	20%	22%
Subtotal	<b>77%</b>	<b>77%</b>	<b>81%</b>	<b>81%</b>	<b>84%</b>	<b>83%</b>	<b>82%</b>	<b>87%</b>	<b>90%</b>
<u>Non-Core Assets:</u>									
Equity (income-producing)	5%	6%	6%	7%	7%	8%	9%	4%	4%
Equity (non income-producing)	7%	6%	4%	3%	2%	2%	2%	2%	2%
Second lien debt	5%	5%	5%	5%	5%	5%	5%	5%	3%
Subordinated debt	3%	3%	1%	1%	1%	1%	1%	1%	0%
Other	2%	3%	3%	3%	1%	1%	1%	1%	1%
Subtotal	<b>23%</b>	<b>23%</b>	<b>19%</b>	<b>19%</b>	<b>16%</b>	<b>17%</b>	<b>18%</b>	<b>13%</b>	<b>10%</b>

### Predominantly Floating Rate Debt Portfolio<sup>1</sup>

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Fixed	7%	7%	5%	4%	4%	3%	4%	2%	0%
Floating	93%	93%	95%	96%	96%	97%	96%	98%	100%

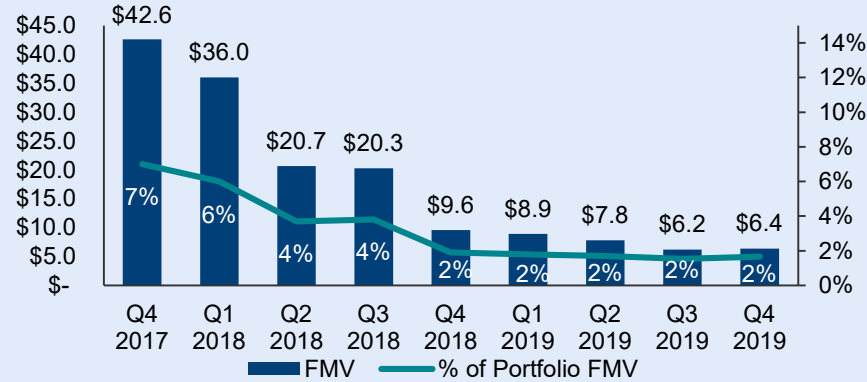
Note: Data described is not a guarantee of future portfolio composition or performance.

1. Based on fair market value. Fair market value of investments for quarters listed above can be found on page 20 (Financial & Portfolio Highlights).

# Decreasing Exposure to Non-Core Assets

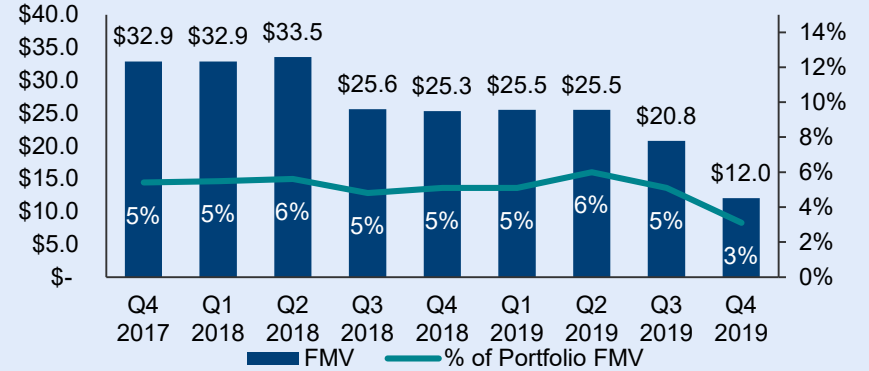
## Non-Income Producing Equity

(\$ in millions)



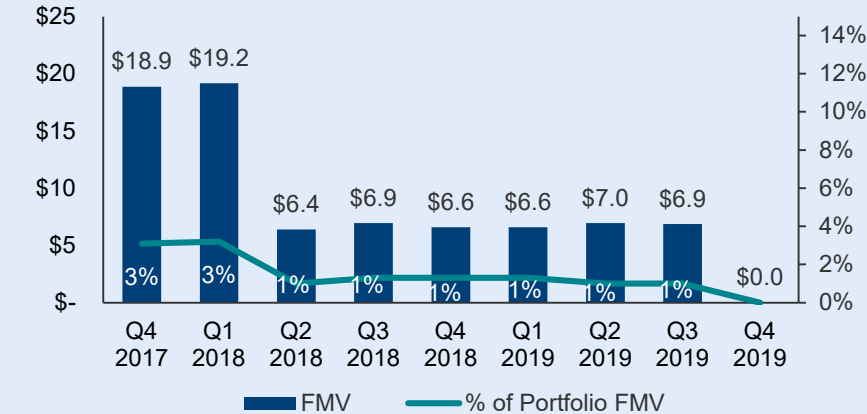
## Second Lien Debt

(\$ in millions)

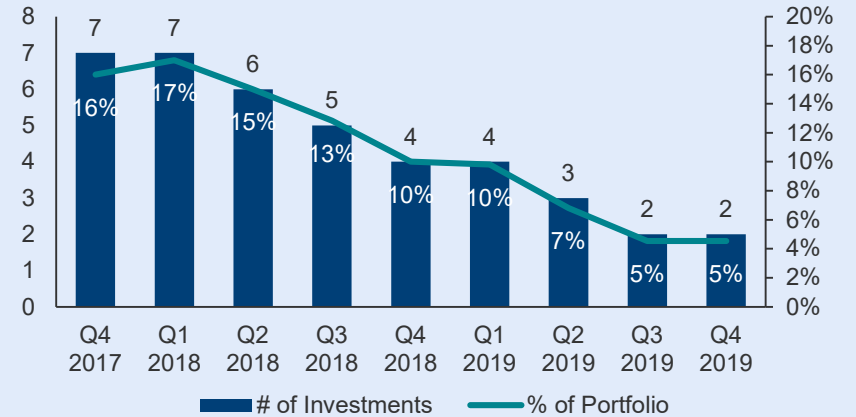


## Subordinated Debt

(\$ in millions)



## Un-sponsored Investments<sup>1</sup>



Note: Not a guarantee of future portfolio composition, earnings, or performance.

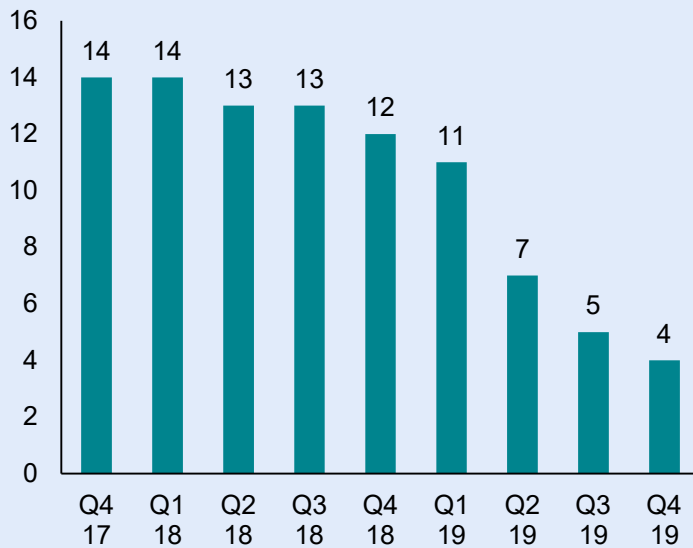
1. Percentage based on number of investments. Excludes THL Credit Greenway Fund I LLC, THL Credit Greenway Fund II LLC, and THL Credit Logan JV LLC. Q4 2017 – Q3 2019 excludes one un-sponsored portfolio company (Wheels Up) where the debt investment was repaid in Q4 2017 and only an equity investment remains. Remaining un-sponsored investments include OEM and C&K where FEAC has a controlling equity interest.

# Improving Diversification

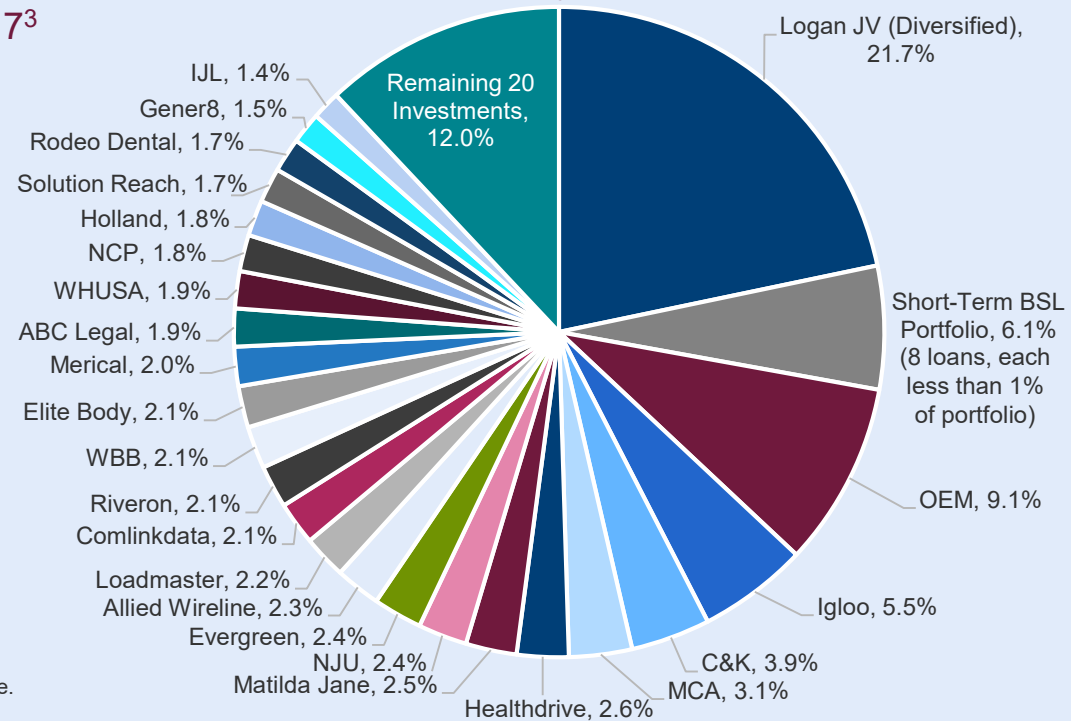
- TCRD targets investment concentrations of less than 2.5% of its portfolio
- Average hold size of investments made in 2018 and 2019 was 1.2%<sup>1</sup>
- Number of positions greater than 2.5% as of December 31, 2017 reduced from fourteen (14) to four (4)<sup>2</sup>

## Original Concentrated Positions (>2.5% of Portfolio) as of December 31, 2017<sup>3</sup>

Number of Investments



## Current Diversification by Investment Size<sup>4,5</sup>



Note: Not a guarantee of future portfolio composition, earnings, or performance.

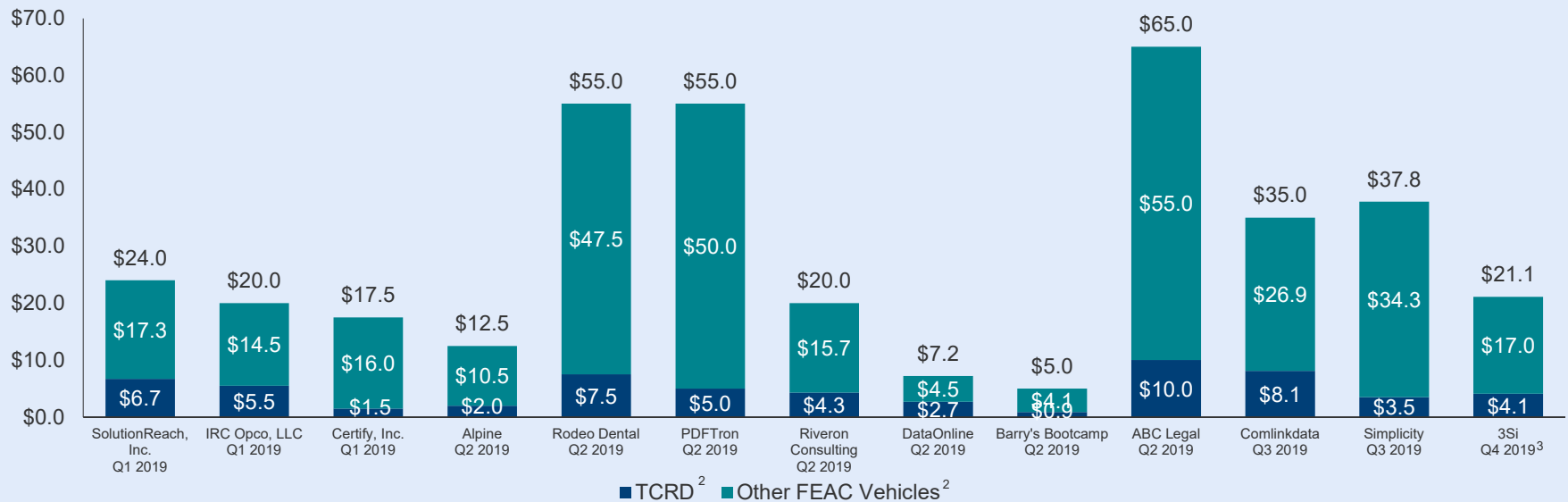
1. Based on initial investment amount.
2. As of December 31, 2019.
3. Represents the number of original positions with a hold size greater than 2.5% of the total portfolio by fair market value as of December 31, 2017. Excludes investment in Logan JV.
4. Based on percentage of TCRD's total fair market value as of December 31, 2019. Of remaining 20 investments, each represents less than 1.4% of the total fair value.
5. MCA, Healthdrive and Matilda Jane are greater than 2.5% due to current portfolio size and are expected to be at or below 2.5% when target portfolio leverage is achieved.

## Deployment into Core First Liens Assets

- 100% of new investments made in 2018 and 2019 were deployed into first lien floating rate loans
- Co-investment across FEAC’s Direct Lending platform expected to result in smaller, more diversified positions for TCRD and better competitive positioning
- FEAC’s Direct Lending platform committed over \$1 billion in 43 new first lien investments since beginning of 2018<sup>1</sup>

### New TCRD Investments (Last 12 Months)

(\$ in millions)



Note: Not a guarantee of future portfolio composition or performance.

1. As of December 31, 2019.

2. Represents initial principal dollars invested.

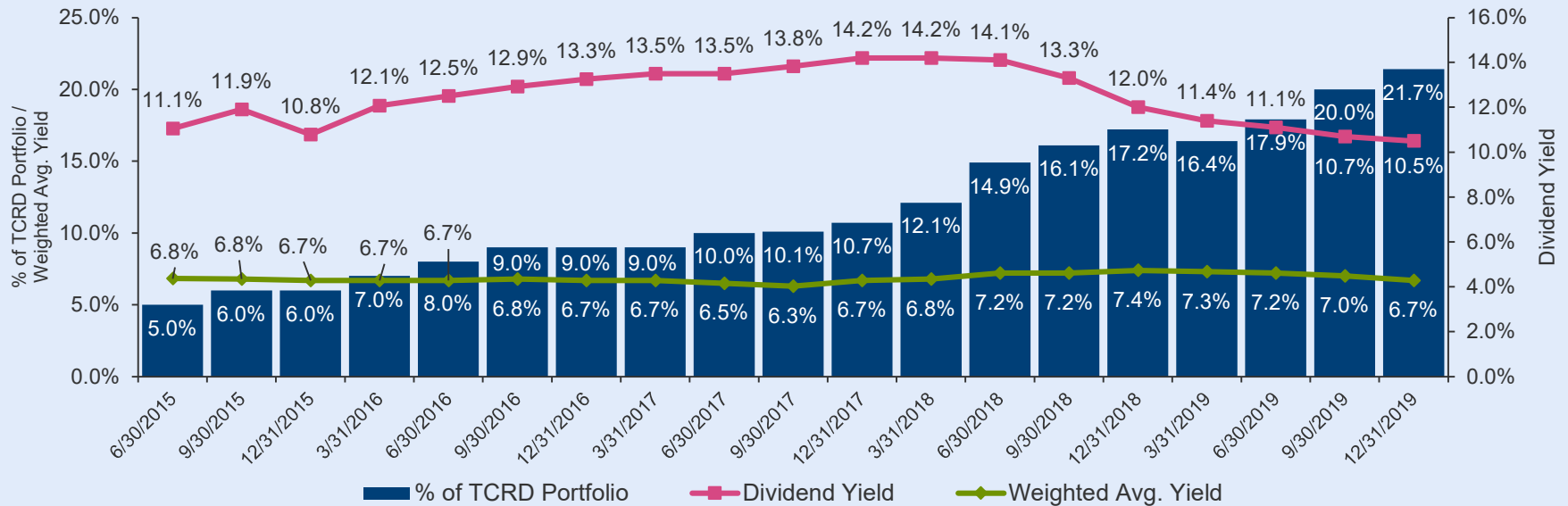
3. FEAC Direct Lending platform made initial \$17 million investment in Q1 2019.

# Growth in Senior Secured Logan JV

- Logan JV grew from 10.7% of portfolio as of December 31, 2017 to 21.7% of portfolio at December 31, 2019
  - Diversified portfolio of senior secured directly originated and syndicated bank loans; 98% first lien loans
  - Highly diversified: \$347 million (par) invested across 131 borrowers as of December 31, 2019
  - Strong credit profile

## Attractive Yield to TCRD Shareholders<sup>1</sup>

(\$ in millions)



Note: Not a guarantee of future performance, valuation, investment pace or dividend yield of THL Credit Logan JV LLC (“Logan JV”), TCRD, or any investment vehicle.

1. Dividend yield from Q4 2017 forward calculated as dividend income earned during the preceding twelve month period divided by average capital invested by TCRD in Logan JV over preceding twelve month period. For dividend yield prior to Q4 2017, the current quarters declared distribution was annualized and divided by average capital invested by TCRD in Logan JV.



## Vintage Analysis

- Net realized losses isolated to 2010 – 2014 vintage, when strategy was focused on higher yielding and riskier investments in mezzanine debt and unsponsored companies
- Strategy shift in 2015 with further refinement in 2017 has resulted in stable portfolio of predominantly first lien floating rate loans originated between 2015 and 2019 with de minimis losses

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Strategy Focus</b>									
- Mezz - Unsponsored					- Senior Secured - Sponsored		- First Lien - Sponsored		
<b>Total # of Investments / # of Remaining Unrealized Investments<sup>1</sup></b>									
13 / 2	13 / 0	18 / 1	22 / 1	17 / 2	5 / 1	7 / 2	9 / 5	10 / 9	12 / 11
<b>% First Lien<sup>2</sup></b>									
23%	34%	26%	41%	52%	55%	64%	77%	81%	90%
<b>Net Realized Gain/(Loss) Rate by Vintage<sup>3</sup></b>									
(0.8%)	(6.7%)	(5.5%)	(17.7%)	(6.7%)	0.8%	0.0%	0.4%	0.0%	0.0%

Information above is for THL Credit, Inc. only. Not a guarantee of future portfolio composition or performance.

1. Excludes investments in funds (Gryphon Partners & Freeport Financial) and Logan JV. # of Remaining Unrealized Investments excludes 7 equity investments where the associated term loan has been realized. 2019 excludes 8 broadly syndicated loans in TCRD's portfolio.
2. Represents portion of portfolio invested in first lien loans (including the Logan JV) based on fair value at the end of each respective year.
3. Data for each year relates to all loans originated in that year. Net realized gain/(loss) rate calculated as Total net realized gain/(loss) (on unrealized and realized investments) / Total \$ invested in investments originated in each respective year. Losses are attributed to the year in which the initial investment for each portfolio company was made.

## Continued Focus on Shareholder Alignment

- TCRD has shown commitment to shareholders through the following shareholder friendly actions:
  - Share buybacks:
    - Completed a \$15 million 10b5-1 stock repurchase program in November 2019
    - Purchased \$2 million of stock through a 10b5-1 stock repurchase program installed in December 2019
  - First Eagle Investment Management and the previous owners of THL Credit Advisors LLC committed to purchase \$30 million of newly issued TCRD stock at NAV and use proceeds for a tender offer contingent on shareholder approval of the new investment management agreement
  - FEAC agreed to waive 100% of all management and incentive fees earned in Q3 and Q4 2020 contingent on shareholder approval of the new investment management agreement
  - TCRD’s cumulative base management and incentive fee, combined with the highest hurdle rate among comparable BDCs, results in one of the most shareholder-friendly fee structures in the BDC industry<sup>1</sup>

### TCRD Fee Structure

Base Management Fee	1.0% on gross assets
Incentive Fee Features	
▪ Annualized Fee	17.5%
▪ Annualized Hurdle	8%
▪ Total Return Hurdle	Yes
▪ Deferral of PIK and non-cash items until realized	Yes

1. Based on universe of 41 publicly-traded BDCs from KBW’s Weekly BDC/RIC Market Overview dated February 28, 2020.

## TCRD Value Proposition for 2020

<b>Broad Platform Support</b>	<ul style="list-style-type: none"><li>• TCRD expected to benefit from the increased scale and resources of \$23 billion First Eagle Alternative Credit platform and enhanced origination network<sup>1</sup></li></ul>
<b>Exemptive Relief</b>	<ul style="list-style-type: none"><li>• Co-investment across FEAC's Direct Lending platform expected to result in smaller, more diversified investments in TCRD, and better competitive positioning</li></ul>
<b>Repositioned Portfolio</b>	<ul style="list-style-type: none"><li>• Predominantly first lien floating rate portfolio is more conservatively positioned for future market environment</li></ul>
<b>Reduced Asset Coverage Ratio</b>	<ul style="list-style-type: none"><li>• Targeting a modest increase in leverage to 1.1x – 1.2x late into in 2H 2020 and into 2021 to support portfolio growth and enhance diversification<sup>2</sup></li></ul>

1. Represents the combined AUM & AUA of First Eagle Alternative Credit, LLC; First Eagle Alternative Credit SLS, LLC; First Eagle Private Credit, LLC; First Eagle Private Credit Advisors, LLC as of December 31, 2019. Amounts shown consist of invested capital, outstanding committed capital and any proceeds thereof as well as the assets of Eagle Growth and Income Opportunities Fund, the majority of which are sub-advised by another manager.
2. Reduction in asset coverage ratio dependent on successfully amending senior credit facility.

## Financial Performance & Portfolio Overview

# Financial & Portfolio Highlights

	Financial Highlights							
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Net investment income per share	\$0.27	\$0.31	\$0.26	\$0.23	\$0.21	\$0.28	\$0.22	\$0.16
Net asset value per share	\$10.44	\$10.23	\$10.10	\$9.15	\$8.96	\$8.49	\$8.34	\$7.64
Regular dividend declared per share	\$0.27	\$0.27	\$0.27	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21
Debt/net asset value <sup>1</sup>	0.82x	0.76x	0.68x	0.74x	0.80x	0.80x	0.71x	0.77x

	Portfolio Highlights							
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Total fair value of investments <sup>2</sup>	\$599.9	\$559.0	\$532.8	\$493.7	\$497.6	\$464.0	\$403.5	\$384.1
Number of portfolio investments <sup>2</sup>	45	43	44	42	44	48	47	52*
Fair value as % of cost	96.5%	99.1%	98.4%	91.5%	90.8%	91.2%	90.2%	86.9%
New investments at cost <sup>2</sup>	\$11.8	\$24.5	\$20.2	\$65.9	\$23.8	\$45.9	\$19.2	\$30.8
Average investment size at cost <sup>3</sup>	\$14.2	\$12.7	\$11.6	\$11.7	\$11.6	\$8.9	\$8.1	\$8.5
Weighted average yield	11.0%	11.3%	11.6%	10.7%	9.9%	9.8%	10.1%	8.7%
Median leverage through FEAC's security <sup>4</sup>	4.3x	4.4x	4.4x	4.8x	4.5x	4.6x	4.5x	4.6x
Median EBITDA <sup>4</sup>	\$10	\$11	\$10	\$9	\$10	\$13	\$14	\$16

	Non-Accruals							
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Fair value of investments on non-accrual status	\$5.7	\$4.0	\$7.8	\$18.1	\$29.1	\$8.4	\$7.9	\$15.1
Cost of investments on non-accrual status	\$41.4	\$9.7	\$14.4	\$38.0	\$68.2	\$39.6	\$14.5	\$36.0
% of investments on non-accrual status (fair value)	1.0%	0.7%	1.5%	3.7%	5.9%	1.8%	2.0%	3.9%
% of investments on non-accrual status (cost)	6.7%	1.7%	2.7%	7.0%	12.4%	7.8%	3.2%	8.1%

\*Excluding the Company's short-term investment in broadly syndicated first lien senior secured loans, there were 44 investments at December 31, 2019.

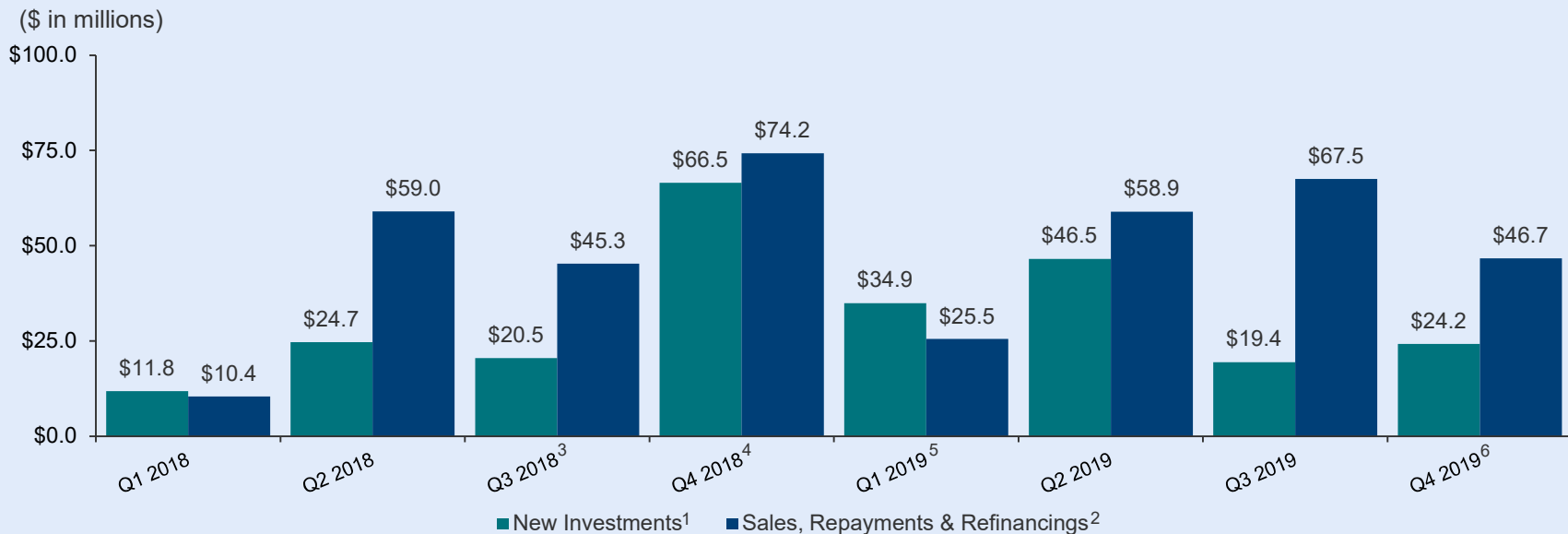
Note: Data described is not a guarantee of future portfolio composition or performance. Please see page 27 for important endnotes.

## Financial Performance & Portfolio Overview

# Investment Portfolio Activity

- Maintain underwriting discipline across market cycles with emphasis on portfolio optimization
- Leveraging broader FEAC platform to drive originations
- Focus on diversification and limiting new commitment sizes to <2.5% of portfolio

### New Investments / Sales, Repayments & Refinancings



Note: Not a guarantee of future performance, portfolio composition, or investment pace.

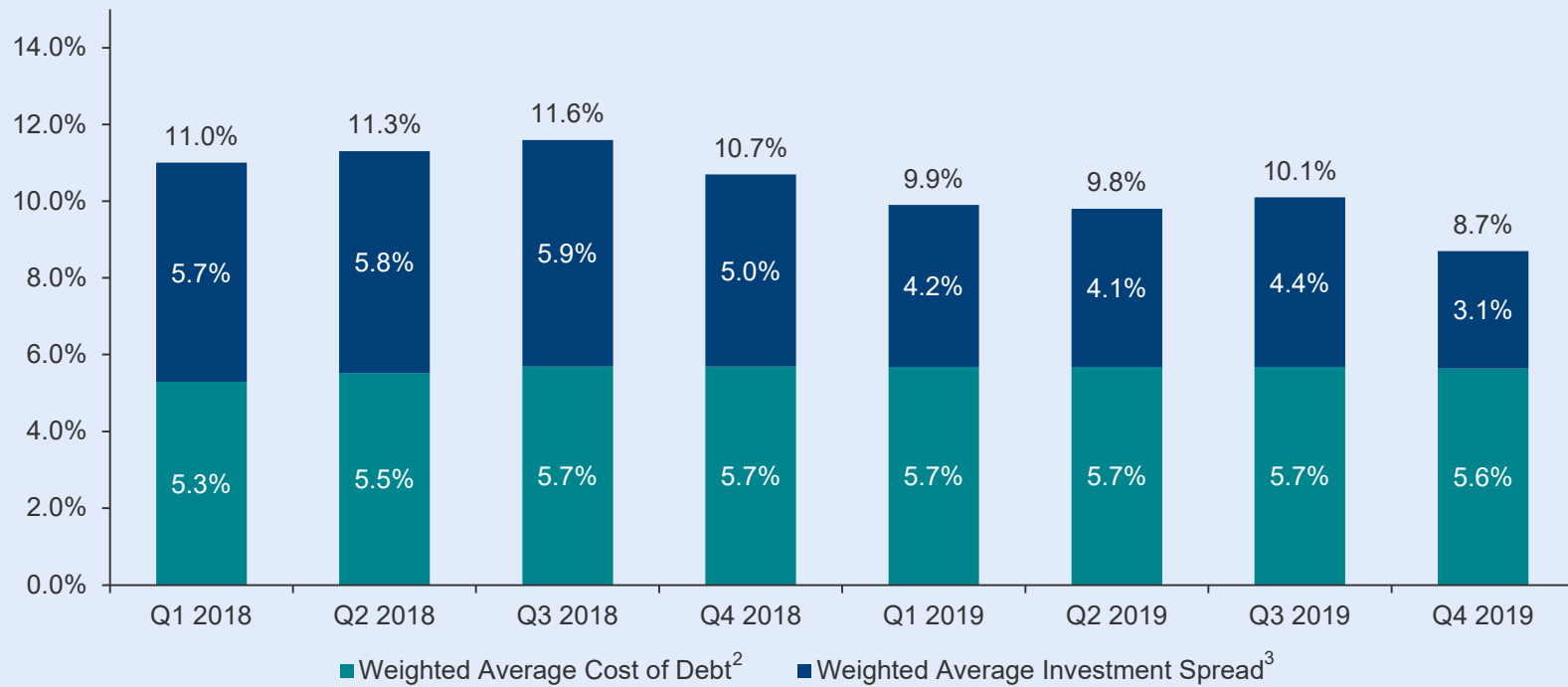
1. New Investments represent total par or principal amount of investments closed during the quarter, unless otherwise noted. Includes follow-on investments and funded delayed draw and revolver commitments.
2. Sales, Repayments and Refinancing represents par or principal amount on sales, prepayments and refinancings of investments liquidated during the quarter. Excludes prepayment premiums.
3. Includes \$2.5 million of cash collected on \$8.0 million escrow receivable from the realization of Aerogroup International Inc.
4. Includes effects of refinancings of HeathDrive, Merical and Women's Health USA in both New Investment and Sales, Repayments and Refinancings calculations.
5. Includes effect of partial purchase and sale of Sciens Building Solutions as part of structuring transaction to accommodate a third party.
6. Excludes short-term \$23.5 million broadly syndicated loan portfolio from New Investments and includes the effect of refinancing Miami Beach Medical Group in both New Investments and Sales, Repayments, and Refinancings calculations.

Financial Performance & Portfolio Overview

# Portfolio Weighted Average Yields

- 90% of the portfolio invested in first lien senior secured investments and the Logan JV as of December 31, 2019
- Investment in primarily first lien senior secured Logan JV continues to help enhance portfolio yields

## Weighted Average Investment Yield<sup>1</sup>



Note: Not a guarantee of future performance, portfolio composition, or investment pace.

1. Totals reflect weighted average investment portfolio yield. Based on cost basis of portfolio at respective period end from all debt and income-producing investments including Logan JV; includes cash interest, PIK and amortization of OID. Not a guarantee of future performance or investment yield.
2. Based on all borrowings outstanding at each respective quarter end.
3. Calculated as Weighted Average Investment Portfolio Yield less Weighted Average Cost of Debt.

Financial Performance & Portfolio Overview

# Portfolio Investment Scores (as of December 31, 2019)



Based on fair value of investments. Internal scores which are used for monitoring the performance of the underlying portfolio investments.

Investment Score Definitions

- 1 – The portfolio investment is performing above our underwriting expectations.
- 2 – The portfolio investment is performing as expected at the time of underwriting. All new investments are initially scored a 2.
- 3 – The portfolio investment is operating below our underwriting expectations and requires closer monitoring. The company may be out of compliance with financial covenants, however, principal or interest payments are generally not past due.
- 4 – The portfolio investment is performing materially below our underwriting expectations and returns on our investment are likely to be impaired. Principal or interest payments may be past due, however, full recovery of principal and interest payments are expected.
- 5 – The portfolio investment is performing substantially below expectations and the risk of the investment has increased substantially. The company is in payment default and the principal and interest payments are not expected to be repaid in full.

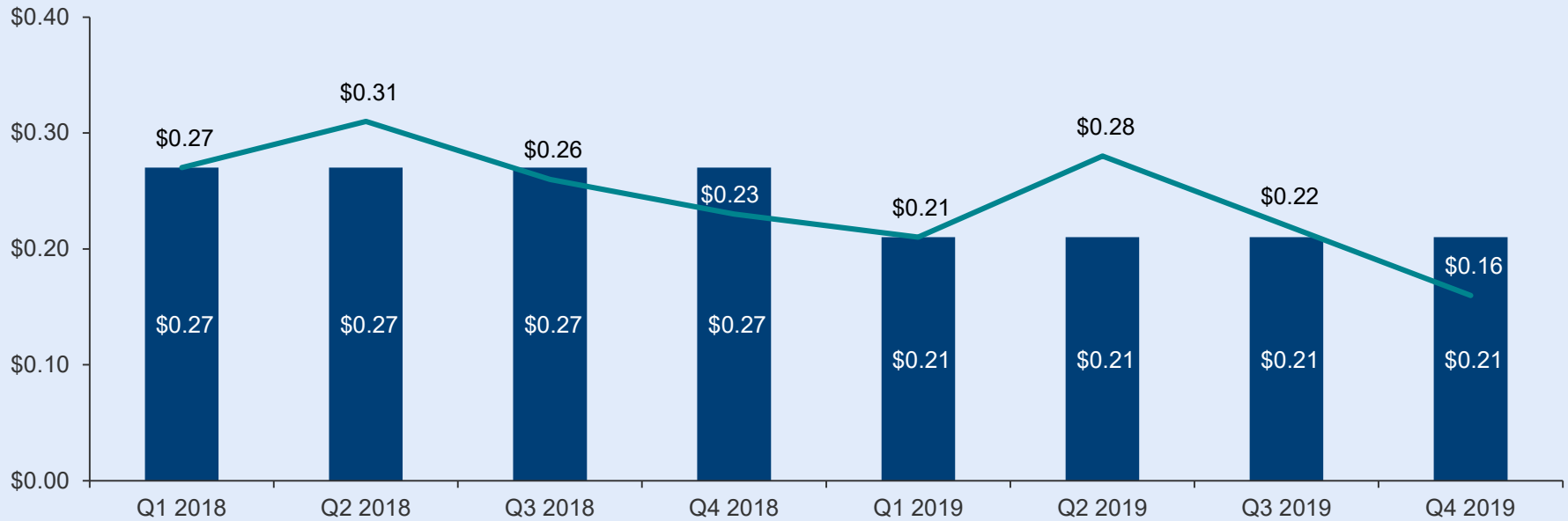
For purposes of clarity, underwriting as referenced herein may be redetermined after the initial investment as a result of a transformative credit event or other material event whereby such initial underwriting is deemed by the Advisor to be no longer appropriate for the purpose of assessing investment performance relative to plan.

Note: Data described is not a guarantee of future portfolio composition or performance. The percentage of portfolio investments by score is calculated based on fair value. Investment Scores are internally generated by FEAC.

## Historical Dividends and Earnings Summary

- Undistributed taxable income of \$0.25 per share as of December 31, 2019
- 13.9% annualized dividend yield<sup>1</sup>

### Dividend / NII Per Share



■ Dividend Declared / Paid on NII — Net Investment Income (NII) Per Share

Note: Not a guarantee of future performance, net investment income, dividends or actual returns. Dividend reflects amount attributable to respective quarter's actual or estimated earnings.

1. Based on Q1 2020 dividend of \$0.21/share declared on March 3, 2020 and TCRD's closing share price of \$6.06 on March 4, 2020. Not a guarantee of future dividend amounts or yields.



## Financial Performance & Portfolio Overview

# Comparative Quarterly Summary Statement of Net Assets

(\$ in 000s)	As of				
	December 31, 2018 (audited)	March 31, 2019 (unaudited)	June 30, 2019 (unaudited)	September 30, 2019 (unaudited)	December 31, 2019 (audited)
<b>Assets</b>					
Investments, at fair value	\$493,653	\$497,564	\$463,985	\$403,542	\$384,125
Cash	6,860	2,510	4,038	14,278	5,890
Deferred financing costs	2,314	2,005	1,871	1,756	1,619
Interest, dividends and fees receivable	5,480	6,030	5,934	4,870	4,623
Escrows and other receivables	7,306	7,965	5,639	12,181	12,353
Prepaid expenses and other assets	2,838	3,841	3,224	3,410	3,288
<b>Total Assets</b>	<b>518,451</b>	<b>519,915</b>	<b>484,691</b>	<b>440,037</b>	<b>411,898</b>
<b>Liabilities</b>					
Loans payable	\$107,657	\$117,224	\$102,749	\$69,161	\$66,161
Notes Payable	108,067	108,265	108,466	108,669	108,866
Accrued incentive fees	677	677	676	676	568
Base management fees payable	2,112	1,910	1,290	1,215	1,103
Accrued expenses and other liabilities	4,257	4,055	4,725	5,244	5,745
<b>Total Liabilities</b>	<b>\$222,770</b>	<b>\$232,131</b>	<b>\$217,906</b>	<b>\$184,965</b>	<b>\$182,443</b>
<b>Total Net Assets<sup>1</sup></b>	<b>295,681</b>	<b>287,784</b>	<b>266,785</b>	<b>255,072</b>	<b>229,455</b>
<b>Total Liabilities and Net Assets</b>	<b>\$518,451</b>	<b>\$519,915</b>	<b>\$484,691</b>	<b>\$440,037</b>	<b>\$411,898</b>
<b>Net Asset Value per share<sup>1</sup></b>	<b>\$9.15</b>	<b>\$8.96</b>	<b>\$8.49</b>	<b>\$8.34</b>	<b>\$7.64</b>

1. Total Net Assets includes minority interest. Net Asset Value per share represents Net Asset Value per share attributable to THL Credit, Inc.

## Financial Performance & Portfolio Overview

# Comparative Quarterly Summary Statement of Operations

(\$ in 000s)	For the three months ended				
	December 31, 2018 (unaudited)	March 31, 2019 (unaudited)	June 30, 2019 (unaudited)	September 30, 2019 (unaudited)	December 31, 2019 (unaudited)
<b>Investment Income</b>					
Interest income	\$11,732	\$9,762	\$9,580	\$8,765	\$6,813
Interest income- affiliates	245	34	34	-	-
Dividend income - Logan JV	2,580	2,496	2,560	2,400	2,300
Dividend income	790	1,210	1,210	1,210	691
Other income - affiliates	253	197	195	101	80
Other income	219	492	1,783	317	263
<b>Total Investment Income</b>	<b>16,078</b>	<b>15,819</b>	<b>15,362</b>	<b>12,793</b>	<b>10,147</b>
<b>Expenses</b>					
Incentive fees	47	-	-	-	(109)
Base management fees	2,114	1,910	1,815	1,215	1,103
Credit facility-related	4,966	4,093	3,578	3,387	3,069
Other operating expenses	925	958	1,090	825	807
Administrator expenses	443	449	392	373	283
<b>Total expenses before incentive fee waiver</b>	<b>9,158</b>	<b>8,495</b>	<b>6,875</b>	<b>5,800</b>	<b>5,153</b>
Income tax provision, excise and other taxes	82	77	161	121	59
Management fee waiver	-	-	(525)	-	-
Incentive fee waiver	(83)	-	-	-	-
<b>Total expenses, net of incentive fee waivers</b>	<b>9,157</b>	<b>8,572</b>	<b>6,511</b>	<b>5,921</b>	<b>5,212</b>
<b>Net Investment Income</b>	<b>8,573</b>	<b>7,325</b>	<b>8,851</b>	<b>6,872</b>	<b>4,935</b>
<b>Net gain (loss) on investments:</b>					
Realized (loss) gain on investments	6,177	(1,975)	(24,066)	(7,671)	(5,834)
Realized (loss) gain on foreign transactions	(5)	3	(1)	(191)	-
Net change in unrealized appreciation (depreciation) on investments	(37,494)	(4,327)	5,705	986	(14,468)
Unrealized appreciation (depreciation) on foreign exchange transactions	804	(318)	(323)	251	-
(Provision) benefit for taxes on unrealized investments	61	107	164	64	(80)
<b>Total (loss) gain on investments</b>	<b>(30,457)</b>	<b>(6,510)</b>	<b>(18,521)</b>	<b>(6,561)</b>	<b>(20,382)</b>
Net increase (decrease) in net assets related to operations	(23,132)	194	(9,670)	311	(15,447)
<b>Per share data:</b>					
Net investment income	\$0.23	\$0.21	\$0.28	\$0.22	\$0.16
Dividend declared	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21
Net increase (decrease) in net assets resulting from operations	(\$0.71)	\$0.01	(\$0.30)	\$0.01	(\$0.51)
Weighted average common shares outstanding	32,515	32,289	31,769	30,992	30,228

# Endnotes

## **Page 3 – THL Credit, Inc. (NASDAQ:TCRD)**

1. Includes the total fair value of TCRD's investments as of December 31, 2019.
2. As of December 31, 2019. Includes \$334 million invested alongside TCRD by THL Credit Greenway Fund LLC ("Fund I"), THL Credit Greenway Fund II LLC ("Fund II") and related separate account, and \$62 million invested by predecessor fund THL Credit Opportunities, L.P. and transferred to TCRD at the time of its April 2010 IPO. Excludes short-term portfolio of 8 broadly syndicated loans made in Q4 2019.
3. Represents the combined assets under management, "AUM", & assets under advisement, "AUA", of First Eagle Alternative Credit, LLC; First Eagle Alternative Credit SLS, LLC; First Eagle Private Credit, LLC; First Eagle Private Credit Advisors, LLC as of December 31, 2019. Amounts shown consist of invested capital, outstanding committed capital and any proceeds thereof as well as the assets of Eagle Growth and Income Opportunities Fund, the majority of which are sub-advised by another manager.

## **Page 12 – Evolution of Investment Strategy**

1. All 2014 figures are as of December 31, 2014 unless otherwise noted.
2. All 2019 figures are as of December 31, 2019 unless otherwise noted.
3. As of December 31, 2014, includes AUM of THL Credit Advisors LLC, its consolidated subsidiary, THL Credit Senior Loan Strategies LLC, and its affiliate, THL Credit, Inc. ("TCRD"), as well as TCRD's related funds and separate account, and consists of invested capital, outstanding committed capital and any proceeds thereof, as of such date.
4. Represents the combined AUM & AUA of First Eagle Alternative Credit, LLC; First Eagle Alternative Credit SLS, LLC; First Eagle Private Credit, LLC; First Eagle Private Credit Advisors, LLC as of December 31, 2019. Amounts shown consist of invested capital, outstanding committed capital and any proceeds thereof as well as the assets of Eagle Growth and Income Opportunities Fund, the majority of which are sub-advised by another manager.
5. Represents average hold size of TCRD's portfolio excluding Greenway, Greenway II, Logan JV, portfolio investments where we only have an equity or fund investment, and restructured investments where we converted debt to a controlling equity interest, at amortized cost.

## **Page 20 – Financial & Portfolio Highlights**

1. Total debt balance excludes deferred financing costs related to our senior secured term loan facility and notes payable that are offset against the respective balances outstanding in our consolidated statements of assets and liabilities.
2. Includes 8 broadly syndicated loans totaling \$23.5 million at fair value.
3. Excludes Fund I, Fund II and other portfolio investments where TCRD has only an equity investment (including restructured investments where we converted debt to equity), Logan JV, and investments in funds, which would not be representative of our typical portfolio investment size).
4. Based on financial information available from portfolio companies as of each respective quarter end date. Debt investments only.

# Corporate Data

## Board of Directors

CHRISTOPHER J. FLYNN

EDMUND P. GIAMBASTIANI, JR.

NANCY HAWTHORNE, CHAIRMAN

JAMES D. KERN

DEBORAH MCANENY

JANE MUSSER NELSON

## Investment Committee

CHRISTOPHER J. FLYNN  
President

TERRENCE W. OLSON  
Chief Operating Officer & Chief Financial Officer

JAMES FELLOWS  
Chief Investment Officer

W. MONTGOMERY COOK  
Managing Director

HOWARD H. WU  
Managing Director

## Executive Management

CHRISTOPHER J. FLYNN  
President

TERRENCE W. OLSON  
Chief Operating Officer & Chief Financial Officer

SABRINA RUSNAK-CARLSON  
General Counsel

JAMES FELLOWS  
Chief Investment Officer

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New York, NY

## Independent Registered Public Accounting Firm

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Boston, MA

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Fax: (617) 790-6099

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NYSE: TCRW (Notes)  
NYSE: TCRZ (Notes)  
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