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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2020
OR

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

For the transition period from _____ to _____
Commission File Number 814-01299

Blackstone / GSO Secured Lending Fund

(Exact name of Registrant as specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

82-7020632
(I.R.S. Employer
Identification No.)

**345 Park Avenue, 31st Floor
New York, New York**
(Address of principal executive offices)

10154
(Zip Code)

Registrant's telephone number, including area code: (212) 503-2100

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

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, smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
Emerging growth company	☒		

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

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

The number of shares of Registrant's Common Stock, \$0.001 par value per share, outstanding as of May 6, 2020 was 96,131,545.

Table of Contents**Page****PART I FINANCIAL INFORMATION**

Item 1.	Financial Statements	
	Consolidated Statements of Assets and Liabilities as of March 31, 2020 (Unaudited) and December 31, 2019	2
	Consolidated Statements of Operations for the three months ended March 31, 2020 and 2019 (Unaudited)	3
	Consolidated Statements of Changes in Net Assets for the three months ended March 31, 2020 and 2019 (Unaudited)	4
	Consolidated Statements of Cash Flows for the three months ended March 31, 2020 and 2019 (Unaudited)	5
	Consolidated Schedules of Investments as of March 31, 2020 (Unaudited) and December 31, 2019	6
	Notes to Consolidated Financial Statements (Unaudited)	16
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	39
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	49
Item 4.	Controls and Procedures	50

PART II OTHER INFORMATION

Item 1.	Legal Proceedings	50
Item 1A.	Risk Factors	50
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	52
Item 3.	Defaults Upon Senior Securities	52
Item 4.	Mine Safety Disclosures	52
Item 5.	Other Information	52
Item 6.	Exhibits	53
	Signatures	

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that involve substantial risks and uncertainties. Such statements involve known and unknown risks, uncertainties and other factors and undue reliance should not be placed thereon. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about Blackstone / GSO Secured Lending Fund (together, with its consolidated subsidiaries, the “**Company**,” “**we**” or “**our**”), our current and prospective portfolio investments, our industry, our beliefs and opinions, and our assumptions. Words such as “anticipates,” “expects,” “intends,” “plans,” “will,” “may,” “continue,” “believes,” “seeks,” “estimates,” “would,” “could,” “should,” “targets,” “projects,” “outlook,” “potential,” “predicts” and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- our future operating results;
- our business prospects and the prospects of the companies in which we may invest;
- the impact of the investments that we expect to make;
- our ability to raise sufficient capital to execute our investment strategy;
- general economic and political trends and other external factors, including the current (“**COVID-19**”) pandemic;
- the ability of our portfolio companies to achieve their objectives;
- our current and expected financing arrangements and investments;
- changes in the general interest rate environment;
- the adequacy of our cash resources, financing sources and working capital;
- the timing and amount of cash flows, distributions and dividends, if any, from our portfolio companies;
- our contractual arrangements and relationships with third parties;
- actual and potential conflicts of interest with GSO Asset Management LLC (the “**Adviser**”) or any of its affiliates;
- the dependence of our future success on the general economy and its effect on the industries in which we may invest;
- our use of financial leverage;
- our business prospects and the prospects of our portfolio companies, including our and their ability to achieve our respective objectives as a result of the current COVID-19 pandemic;
- the ability of the Adviser to source suitable investments for us and to monitor and administer our investments;
- the ability of the Adviser or its affiliates to attract and retain highly talented professionals;
- our ability to qualify for and maintain our qualification as a regulated investment company and as a business development company (“**BDC**”);
- the impact on our business of U.S. and international financial reform legislation, rules and regulations;
- the effect of changes to tax legislation and our tax position; and
- the tax status of the enterprises in which we may invest.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. In light of these and other uncertainties, the inclusion of any projection or forward-looking statement in this report should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include those described or identified in the section entitled “*Risk Factors*” in Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2019 and Part II, Item 1A of this Form 10-Q. These projections and forward-looking statements apply only as of the date of this report. Moreover, we assume no duty and do not undertake to update the forward-looking statements, except as required by applicable law. Because we are an investment company, the forward-looking statements and projections contained in this report are excluded from the safe harbor protection provided by Section 21E of the U.S. Securities Exchange Act of 1934 Act, as amended (the “**1934 Act**”).

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Blackstone / GSO Secured Lending Fund Consolidated Statements of Assets and Liabilities (in thousands, except share and per share amounts)

	March 31, 2020	December 31, 2019
	(Unaudited)	
ASSETS		
Investments at fair value		
Non-controlled/non-affiliated investments (cost of \$3,970,044 and \$3,067,767 at March 31, 2020 and December 31, 2019, respectively)	\$ 3,635,305	\$ 3,092,440
Cash and cash equivalents	105,999	65,495
Interest receivable from non-controlled/non-affiliated investments	15,075	16,990
Deferred financing costs	4,629	5,172
Deferred offering costs	454	760
Receivable for investments sold	20,625	2,726
Subscription Receivable	—	5,942
Other assets	369	582
Total assets	<u>\$ 3,782,456</u>	<u>\$ 3,190,107</u>
LIABILITIES		
Debt	\$ 1,794,120	\$ 1,454,214
Payable for investments purchased	155,926	10,086
Due to affiliates	2,110	2,007
Management fees payable	6,537	5,045
Income based incentive fee payable	8,268	6,345
Capital gains incentive fee payable	—	4,218
Interest payable	5,205	5,496
Distribution payable (Note 8)	37,929	27,827
Accrued expenses and other liabilities	900	1,752
Total liabilities	<u>2,010,995</u>	<u>1,516,990</u>
Commitments and contingencies (Note 7)		
NET ASSETS		
Common shares, \$0.001 par value (unlimited shares authorized; 81,267,027 and 64,289,742 shares issued and outstanding at March 31, 2020 and December 31, 2019, respectively)	81	64
Additional paid in capital	2,079,631	1,635,915
Subscribed but unissued shares (Note 8)	324,046	—
Subscriptions receivable (Note 8)	(324,046)	—
Distributable earnings (loss)	(308,251)	37,138
Total net assets	<u>1,771,461</u>	<u>1,673,117</u>
Total liabilities and net assets	<u>\$ 3,782,456</u>	<u>\$ 3,190,107</u>
NET ASSET VALUE PER SHARE	<u>\$ 21.80</u>	<u>\$ 26.02</u>

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

Blackstone / GSO Secured Lending Fund
Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Investment income:		
From non-controlled/non-affiliated investments:		
Interest income	\$ 77,591	\$ 15,226
Payment in-kind interest income	2,602	—
Fee income	2	13
Total investment income	80,195	15,239
Expenses:		
Interest expense	16,071	4,672
Management fees	6,537	1,492
Income based incentive fee	8,268	1,143
Capital gains incentive fee	(4,218)	475
Professional fees	526	233
Board of Trustees' fees	115	123
Administrative service expenses (Note 3)	583	426
Other general and administrative	830	451
Amortization of offering costs	307	222
Total expenses	29,019	9,237
Expense support (Note 3)	—	(570)
Recoupment of expense support (Note 3)	400	—
Net expenses	29,419	8,667
Net investment income before excise tax	50,776	6,572
Excise tax expense	104	—
Net investment income after excise tax	50,672	6,572
Realized and unrealized gain (loss):		
Net change in unrealized appreciation (depreciation):		
Non-controlled/non-affiliated investments	(358,814)	5,553
Forward purchase obligation (Note 7)	—	118
Translation of assets and liabilities in foreign currencies	(13)	—
Net unrealized appreciation (depreciation)	(358,827)	5,671
Realized gain (loss):		
Non-controlled/non-affiliated investments	699	1,726
Foreign currency transactions	(4)	—
Net realized gain (loss)	695	1,726
Net realized and unrealized gain (loss)	(358,132)	7,397
Net increase (decrease) in net assets resulting from operations	\$ (307,460)	\$ 13,969
Net investment income per share (basic and diluted)	\$ 0.67	\$ 0.46
Earnings (loss) per share (basic and diluted)	\$ (4.05)	\$ 0.98
Weighted average shares outstanding (basic and diluted)	75,856,683	14,275,804
Distributions declared per share	\$ 0.50	\$ 0.50

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

Blackstone / GSO Secured Lending Fund
Consolidated Statements of Changes in Net Assets
(in thousands)
(Unaudited)

	Par Amount	Additional Paid in Capital	Distributable Earnings (Loss)	Total Net Assets
Balance, December 31, 2019	\$ 64	\$ 1,635,915	\$ 37,138	\$ 1,673,117
Issuance of common shares	17	440,834	—	440,851
Reinvestment of dividends	—	2,882	—	2,882
Net investment income	—	—	50,672	50,672
Subscribed but unissued shares	15	324,031	—	324,046
Subscriptions receivable	(15)	(324,031)	—	(324,046)
Net realized gain (loss) on investments	—	—	695	695
Net change in unrealized appreciation (depreciation) on investments	—	—	(358,827)	(358,827)
Dividends declared from net investment income	—	—	(37,929)	(37,929)
Balance, March 31, 2020	<u>\$ 81</u>	<u>\$ 2,079,631</u>	<u>\$ (308,251)</u>	<u>\$ 1,771,461</u>

	Par Amount	Additional Paid in Capital	Distributable Earnings (Loss)	Total Net Assets
Balance, December 31, 2018	\$ 10	\$ 239,246	\$ (2,891)	\$ 236,365
Issuance of common shares	15	389,567	—	389,582
Reinvestment of dividends	—	—	—	—
Net investment income	—	—	6,572	6,572
Net realized gain (loss) on investments	—	—	1,726	1,726
Net change in unrealized appreciation (depreciation) on investments	—	—	5,671	5,671
Dividends declared from net investment income	—	—	(7,163)	(7,163)
Balance, March 31, 2019	<u>\$ 25</u>	<u>\$ 628,813</u>	<u>\$ 3,915</u>	<u>\$ 632,753</u>

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

Blackstone / GSO Secured Lending Fund
Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	\$ (307,460)	\$ 13,969
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net unrealized (appreciation) depreciation on investments	358,814	(5,553)
Net unrealized (appreciation) depreciation on forward purchase obligation	—	(118)
Net unrealized (appreciation) depreciation on translation of assets and liabilities in foreign currencies	13	—
Net realized (gain) loss on investments	(699)	(1,726)
Payment-in-kind interest capitalized	(2,647)	—
Net accretion of discount and amortization of premium	(6,188)	(766)
Amortization of deferred financing costs	543	290
Amortization of offering costs	306	222
Purchases of investments	(1,022,892)	(540,294)
Proceeds from sale of investments and principal repayments	130,149	158,469
Changes in operating assets and liabilities:		
Interest receivable	1,915	(1,403)
Receivable for investments	(17,899)	(3,446)
Other assets	213	124
Payable for investments purchased	145,840	(67,058)
Due to affiliates	103	789
Management fee payable	1,492	1,183
Income based incentive fee payable	1,923	1,143
Capital gains incentive fee payable	(4,218)	475
Interest payable	(291)	3,125
Accrued expenses and other liabilities	(861)	(450)
Net cash provided by (used in) operating activities	(721,844)	(441,025)
Cash flows from financing activities:		
Borrowings on credit facilities	581,711	390,463
Repayments on credit facilities	(241,205)	(291,417)
Deferred financing costs paid	—	(75)
Dividends paid in cash	(24,937)	—
Proceeds from issuance of common shares	446,793	356,462
Net cash provided by (used in) financing activities	762,362	455,433
Net increase (decrease) in cash and cash equivalents	40,518	14,408
Effect of foreign exchange rate changes on cash and cash equivalents	(14)	—
Cash and cash equivalents, beginning of period	65,495	6,228
Cash and cash equivalents, end of period	\$ 105,999	\$ 20,636
Supplemental information and non-cash activities:		
Interest paid during the period	\$ 15,723	\$ 1,257
Distribution payable	\$ 37,929	\$ 7,163
Subscription receivable	\$ —	\$ 33,120
Reinvestment of distributions during the period	\$ 2,882	\$ —
Accrued but unpaid offering costs	\$ —	\$ 375

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

Blackstone / GSO Secured Lending Fund
Consolidated Schedule of Investments
March 31, 2020
(in thousands)
(Unaudited)

Investments—non-controlled/non-affiliated (1)(5)	Reference Rate and Spread	Interest Rate (2)	Maturity Date	Par Amount/ Units	Cost (3)	Fair Value	Percentage of Net Assets
First Lien Debt							
Aerospace and Defense							
Corfin Holdings, Inc. (4)	L + 6.00%	7.45%	2/5/2026	\$ 205,000	\$ 201,005	\$ 194,238	10.96 %
TCFI AEVEX LLC (4)(7)	L + 6.00%	7.00%	3/18/2026	76,316	74,642	74,632	4.21
					275,647	268,870	15.17
Air Freight and Logistics							
Livingston International Inc. (4)(6)	L + 5.75%	7.20 %	4/30/2026	121,068	117,131	101,091	5.71
Mode Purchaser, Inc. (4)	L + 6.25%	7.25 %	12/9/2026	178,325	174,918	163,167	9.21
R1 Holdings, LLC (4)(7)	L + 6.00%	7.38 %	1/2/2026	50,389	49,623	48,121	2.72
					341,672	312,379	17.64
Airlines							
American Airlines, Inc (6)	L + 1.75%	2.71 %	6/27/2025	10,000	8,270	8,119	0.46
Building Products							
Jacuzzi Brands LLC (4)	L + 8.00% PIK	9.60 %	2/25/2025	98,509	96,956	87,920	4.96
Latham Pool Products, Inc.	L + 6.00%	6.92 %	6/18/2025	53,227	51,571	44,312	2.50
Lindstrom, LLC (4)	L + 6.25%	7.25 %	4/7/2025	130,387	128,305	121,912	6.88
Mi Windows And Doors, LLC	L + 5.50%	7.22 %	11/6/2026	35,168	33,378	30,333	1.71
The Wolf Organization, LLC (4)	L + 6.50%	8.05 %	9/3/2026	80,765	79,277	75,313	4.25
					389,487	359,790	20.30
Capital Markets							
Advisor Group Holdings, Inc.	L + 5.00%	5.99 %	7/31/2026	11,721	10,910	8,917	0.50
Chemicals							
Alchemy US Holdco 1, LLC (4)	L + 5.50%	6.42 %	10/10/2025	3,875	3,867	3,429	0.19
Polymer Additives, Inc.	L + 6.00%	7.78 %	7/31/2025	29,677	28,443	21,664	1.22
VDM Buyer, Inc. (4)	L + 6.75%	8.55%	4/22/2025	€ 24,206	26,783	24,170	1.36
VDM Buyer, Inc. (4)(7)	L + 6.75%	8.56 %	4/22/2025	63,570	62,498	57,848	3.27
					121,591	107,111	6.04
Commercial Services & Supplies							
JSS Holdings, Inc. (4)	L + 6.25% (incl. 2.00% PIK)	7.25 %	10/20/2025	238,948	236,211	218,638	12.35
Research Now Group, LLC	L + 5.50%	7.26 %	12/20/2024	31,408	30,767	28,267	1.60
The Action Environmental Group, Inc. (4)(7)	L + 6.00%	7.83 %	1/16/2026	107,723	105,461	99,913	5.64
					372,439	346,818	19.59
Communications Equipment							
CommScope, Inc. (6)	L + 3.25%	4.24 %	4/6/2026	11,181	10,322	10,622	0.60
MLN US Holdco, LLC (6)	L + 4.50%	5.50 %	11/30/2025	3,299	2,941	2,359	0.13
					13,263	12,981	0.73

Blackstone / GSO Secured Lending Fund
Consolidated Schedule of Investments
March 31, 2020
(in thousands)
(Unaudited)

Investments—non-controlled/non-affiliated (1)(5)	Reference Rate and Spread	Interest Rate (2)	Maturity Date	Par Amount/ Units	Cost (3)	Fair Value	Percentage of Net Assets
First Lien Debt (continued)							
Construction & Engineering							
IEA Energy Services LLC	L + 6.75%	8.20 %	9/25/2024	23,283	22,170	21,362	1.21
Therma LLC (4)	L + 6.50%	8.04 %	3/29/2025	152,087	149,420	136,878	7.73
					171,590	158,240	8.94
Containers & Packaging							
GS Pretium Holdings, Inc (4)(7)	L + 6.25%	7.25 %	1/15/2027	53,503	52,465	50,075	2.83
Distributors							
Bution Holdco 2, Inc. (4)	L + 6.25%	7.25 %	10/17/2025	124,375	122,077	112,870	6.37
Construction Supply Acquisition, LLC (4)	L + 6.00%	7.52 %	10/1/2025	157,986	154,666	146,137	8.26
EIS Buyer, LLC (4)(7)	L + 6.25%	7.75 %	9/30/2025	83,084	81,560	78,306	4.42
Fastlane Parent Company, Inc.	L + 4.50%	5.49 %	2/4/2026	29,663	29,166	24,731	1.40
PSS Industrial Group Corp. (4)	L + 6.00%	7.50 %	4/10/2025	58,245	54,586	46,596	2.63
Tailwind Colony Holding Corporation (4)	L + 7.50%	8.92 %	11/13/2024	32,000	31,642	29,360	1.66
Unified Door & Hardware Group, LLC (4)(7)	L + 6.25%	7.70 %	6/30/2025	38,949	38,269	35,931	2.03
					511,966	473,931	26.77
Diversified Financial Services							
Sedgwick Claims Management Services, Inc. (6)	L + 3.25%	4.24 %	12/31/2025	4,987	4,576	4,462	0.25
SelectQuote, Inc. (4)	L + 6.00%	7.60 %	11/5/2024	78,087	75,630	72,230	4.08
					80,206	76,692	4.33
Electronic Equipment, Instruments & Components							
Convergeone Holdings, Inc.	L + 5.00%	5.99 %	1/4/2026	14,728	14,230	11,599	0.65
Energy Equipment & Services							
Abaco Energy Technologies LLC (4)	L + 7.00%	8.50 %	10/4/2024	58,688	57,101	48,124	2.72
Tetra Technologies, Inc. (4)(6)	L + 6.25%	7.25 %	9/10/2025	24,055	23,908	17,560	0.99
					81,009	65,684	3.71
Health Care Equipment & Supplies							
Lifescan Global Corporation	L + 6.00%	8.06 %	10/1/2024	18,398	17,796	14,788	0.83
Surgical Specialties Corp (US) Inc. (4)(6)	L + 5.00%	6.45 %	5/7/2025	33,249	32,112	27,430	1.55
					49,908	42,218	2.38
Health Care Providers & Services							
Epoch Acquisition, Inc. (4)	L + 6.75%	8.05 %	10/4/2024	25,003	24,743	24,128	1.36
The GI Alliance Management, LLC (4)(7)	L + 6.25%	7.82 %	11/2/2024	153,349	151,228	140,490	7.94
Odyssey Holding Company, LLC (4)(7)	L + 5.75%	7.45 %	11/16/2025	13,628	13,490	12,947	0.73
					189,461	177,565	10.03
Health Care Technology							
Precyse Acquisition Corporation	L + 4.50%	5.50 %	10/20/2022	1,983	1,969	1,681	0.09
Hotels, Restaurants & Leisure							
Excel Fitness Holdings, Inc (4)	L + 5.25%	6.25 %	10/7/2025	46,941	44,982	36,379	2.05

Blackstone / GSO Secured Lending Fund
Consolidated Schedule of Investments
March 31, 2020
(in thousands)
(Unaudited)

Investments—non-controlled/non-affiliated (1)(5)	Reference Rate and Spread	Interest Rate (2)	Maturity Date	Par Amount/ Units	Cost (3)	Fair Value	Percentage of Net Assets
First Lien Debt (continued)							
Industrial Conglomerates							
Tailwind Smith Cooper Intermediate Corporation	L + 5.00%	6.08 %	5/28/2026	34,415	33,221	25,625	1.45
Insurance							
SG Acquisition Inc. (4)	L + 5.75%	6.71 %	1/27/2027	111,683	109,506	108,891	6.15
Interactive Media & Services							
Bungie, Inc. (4)	L + 6.25%	7.25 %	8/28/2024	47,200	46,576	45,076	2.54
Internet & Direct Marketing Retail							
Shutterstock, Inc.	L + 6.00%	7.45 %	9/25/2026	38,368	35,151	31,367	1.77
IT Services							
Sabre GLBL, Inc. (6)	L + 2.00%	2.99 %	2/22/2024	2,992	2,709	2,547	0.14
Travelport Worldwide Ltd. (6)	L + 5.00%	6.07 %	5/29/2026	103,470	97,867	67,876	3.83
WEB.COM Group, Inc.	L + 3.75%	4.95 %	10/10/2025	26,223	22,051	21,765	1.23
					122,627	92,188	5.20
Machinery							
Apex Tool Group, LLC	L + 5.50%	6.50 %	8/1/2024	54,340	53,018	42,590	2.40
Titan Acquisition, Ltd (6)	L + 3.00%	4.45 %	3/28/2025	20,714	18,536	17,238	0.97
					71,554	59,828	3.37
Media							
CSC Holdings, LLC (6)	L + 2.50%	3.11 %	4/15/2027	5,879	5,125	5,693	0.32
DiscoverOrg, LLC	L + 4.00 %	5.45 %	2/2/2026	4,816	4,776	4,286	0.24
Univision Communications, Inc.	L + 2.75%	3.75 %	3/15/2024	20,933	18,195	18,016	1.02
WideOpenWest Finance, LLC (6)	L + 3.25%	4.25 %	8/18/2023	13,002	11,950	12,125	0.68
					40,046	40,120	2.26
Oil, Gas & Consumable Fuels							
Eagle Midstream Canada Finance, Inc (4)(6)	L + 6.25%	7.89 %	11/26/2024	150,862	148,756	134,267	7.58
Paper & Forest Products							
Pixelle Specialty Solutions, LLC	L + 6.50%	7.50 %	10/31/2024	16,325	16,007	14,456	0.82
Professional Services							
APFS Staffing Holdings, Inc. (4)	L + 4.75%	5.68 %	4/15/2026	22,557	22,166	18,609	1.05
Deerfield Dakota Holdings, LLC	L + 3.75%	4.75 %	3/5/2027	6,000	5,505	5,160	0.29
Deerfield Holdings Corporation	L + 3.25%	4.25 %	2/13/2025	9,462	9,025	9,344	0.53
GI Revelation Acquisition LLC	L + 5.00%	5.99 %	4/16/2025	23,096	22,006	18,246	1.03
Minotaur Acquisition, Inc.	L + 5.00%	5.99 %	3/27/2026	30,276	28,887	25,684	1.45
					87,589	77,043	4.35

Blackstone / GSO Secured Lending Fund
Consolidated Schedule of Investments
March 31, 2020
(in thousands)
(Unaudited)

Investments—non-controlled/non-affiliated (1)(5)	Reference Rate and Spread	Interest Rate (2)	Maturity Date	Par Amount/ Units	Cost (3)	Fair Value	Percentage of Net Assets
First Lien Debt (continued)							
Software							
Kronos, Inc.	L + 3.00%	4.76 %	11/1/2023	5,486	4,967	5,055	0.29
LD Intermediate Holdings, Inc.	L + 5.88%	7.78 %	12/9/2022	14,369	14,143	12,357	0.70
MRI Software, LLC (4)(5)(7)	L + 5.50%	6.52 %	2/10/2026	19,865	19,647	17,522	0.99
PaySimple, Inc. (4)(7)	L + 5.50%	6.44 %	8/23/2025	29,454	28,915	26,803	1.51
Quest Software US Holdings, Inc. (6)	L + 4.25%	5.43 %	5/16/2025	2,984	2,708	2,310	0.13
Rocket Software, Inc.	L + 4.25%	5.24 %	11/28/2025	4,489	3,916	3,751	0.21
Vero Parent, Inc.	L + 6.00%	7.58 %	8/16/2024	50,873	45,655	41,207	2.33
Ultimate Software Group, Inc.	L + 3.75%	4.74 %	5/4/2026	2,992	2,484	2,818	0.16
					122,435	111,823	6.32
Specialty Retail							
CustomInk, LLC (4)	L + 6.21%	7.80 %	5/3/2026	133,125	130,859	123,806	6.99
Spencer Spirit Holdings, Inc.	L + 6.00%	6.92 %	6/19/2026	49,890	47,249	45,151	2.55
					178,108	168,957	9.54
Technology Hardware, Storage & Peripherals							
Diebold Nixdorf, Inc. (6)	L + 9.25%	10.25 %	8/31/2022	3,973	3,953	3,576	0.20
Electronics For Imaging, Inc.	L + 5.00%	6.45 %	7/23/2026	34,913	32,708	29,094	1.64
Lytix, Inc. (4)(7)	L + 6.00%	7.00 %	2/28/2026	64,250	63,087	60,172	3.40
					99,748	92,842	5.24
Trading Companies & Distributors							
The Cook & Boardman Group, LLC (7)	L + 5.75%	7.67 %	10/17/2025	36,566	36,181	30,715	1.73
SRS Distribution, Inc.	L + 3.00%	4.07 %	5/23/2025	8,114	7,251	6,978	0.39
					43,432	37,693	2.12
Transportation Infrastructure							
Spireon, Inc. (4)(7)	L + 7.50% PIK	8.63 %	10/4/2024	23,190	22,970	21,683	1.22
Wireless Telecommunication Services							
Sprint Communications, Inc. (6)	L + 3.00%	3.00 %	2/2/2024	12,242	11,490	12,196	0.69
Total First Lien Debt					\$ 3,920,281	\$ 3,593,104	202.83 %
Second Lien Debt							
IT Services							
WEB.COM Group, Inc.	L + 7.75%	8.95 %	10/9/2026	\$ 16,607	\$ 15,909	\$ 12,843	0.72 %
Media							
DiscoverOrg, LLC	L + 8.50%	10.08 %	2/1/2027	11,250	11,105	10,238	0.58
Software							
Imperva, Inc.	L + 7.75%	9.44 %	1/10/2027	1,421	1,426	1,030	0.06
Rocket Software, Inc.	L + 8.25%	9.24 %	11/27/2026	3,500	3,381	2,336	0.13
					4,807	3,366	0.19
Total Second Lien Debt					\$ 31,821	\$ 26,447	1.49 %

Blackstone / GSO Secured Lending Fund
Consolidated Schedule of Investments
March 31, 2020
(in thousands)
(Unaudited)

Investments—non-controlled/non-affiliated (1)(5)	Reference Rate and Spread	Interest Rate (2)	Maturity Date	Par Amount/ Units	Cost (3)	Fair Value	Percentage of Net Assets
Equity Investments							
Corfin Holdco, Inc. - Common Stock (4)				2,137,866	4,767	4,190	0.24 %
CustomInk, LLC - Series A Preferred Units (4)				384,520	5,200	4,833	0.27
Mode Holdings, L.P. - Class A-2 Units (4)				5,486,923	5,487	3,951	0.22
EIS Acquisition Holdings, LP - Class A Units (4)				11,200	2,488	2,780	0.16
Total Equity Investments					17,942	15,754	0.89
Total Investment Portfolio					<u>\$ 3,970,044</u>	<u>\$ 3,635,305</u>	<u>205.22 %</u>
Cash and Cash Equivalents							
State Street Institutional U.S. Government Money Market Fund					\$ 32,636	\$ 32,636	1.84 %
Other Cash and Cash Equivalents					73,363	73,363	4.14
Total Cash and Cash Equivalents					<u>\$ 105,999</u>	<u>\$ 105,999</u>	<u>5.98 %</u>
Total Portfolio Investments, Cash and Cash Equivalents					<u>\$ 4,076,043</u>	<u>\$ 3,741,304</u>	<u>211.20 %</u>

- (1) Unless otherwise indicated, issuers of debt and equity investments held by the Company (which such term “Company” shall include the Company’s consolidated subsidiaries for purposes of this Consolidated Schedule of Investments) are denominated in dollars. All debt investments are income producing unless otherwise indicated. All equity investments are non-income producing unless otherwise noted. Certain portfolio company investments are subject to contractual restrictions on sales. Under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the “1940 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, 2020, the Company does not “control” any of these portfolio companies. Under the 1940 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, 2020, the Company is not an “affiliated person” of any of its portfolio companies.
- (2) 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 (“F”) or the U.S. Prime Rate (“P”)), which generally resets periodically. For each loan, the Company has indicated the reference rate used and provided the spread and the interest rate in effect as of March 31, 2020. As of March 31, 2020, the reference rates for our variable rate loans were the 30-day L at 0.99%, the 90-day L at 1.45% and the 180-day L at 1.18% and P at 3.25%. Variable rate loans typically include a base rate floor feature, which is generally 1.00%. As of March 31, 2020, 65.9% of the portfolio at fair value had a base rate floor.
- (3) The cost represents the original cost adjusted for the amortization of discounts and premiums, as applicable, on debt investments using the effective interest method in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- (4) These investments were valued using unobservable inputs and are considered Level 3 investments. Fair value was determined in good faith by or under the direction of the Board of Trustees (see Note 2 and Note 5), pursuant to the Company’s valuation policy.
- (5) Each of the Company’s funded debt investments is pledged as collateral, other than MRI Software, LLC, under one or more of its credit facilities. A single investment may be divided into parts that are individually pledged as collateral to separate credit facilities.
- (6) The investment is not a qualifying asset under Section 55(a) of the 1940 Act. The Company may not acquire any non-qualifying asset unless, at the time of acquisition, qualifying assets represent at least 70% of the Company’s total assets. As of March 31, 2020, non-qualifying assets represented 12.4% of total assets as calculated in accordance with regulatory requirements.
- (7) Position or portion thereof is an unfunded loan commitment, and no interest is being earned on the unfunded portion, although the investment may earn unused commitment fees. Negative cost and fair value, if any, results from unamortized fees, which are capitalized to the cost of the investment. The unfunded loan commitment may be subject to a commitment termination date that may expire prior to the maturity date stated. See below for more information on the Company’s unfunded commitments:

Blackstone / GSO Secured Lending Fund
Consolidated Schedule of Investments
March 31, 2020
(in thousands)
(Unaudited)

Investments—non-controlled/non-affiliated	Commitment Type	Commitment Expiration Date	Unfunded Commitment	Fair Value
First Lien Debt				
EIS Buyer, LLC	Delayed Draw Term Loan	9/30/2020	\$ 16,800	\$ —
GS Pretium Holdings, Inc.	Delayed Draw Term Loan	1/15/2022	10,899	(218)
Lytix, Inc.	Delayed Draw Term Loan	2/28/2022	22,348	(223)
MRI Software, LLC	Delayed Draw Term Loan	1/31/2022	3,322	(19)
MRI Software, LLC	Revolver	2/10/2026	758	—
Odyssey Holding Company, LLC	Delayed Draw Term Loan	11/16/2025	3,271	—
PaySimple, Inc.	Delayed Draw Term Loan	8/23/2025	2,549	—
R1 Holdings, LLC	Delayed Draw Term Loan	1/2/2021	14,513	—
Spireon, Inc.	Delayed Draw Term Loan	6/30/2020	6,375	—
TCFI AEVEX, LLC	Delayed Draw Term Loan	3/18/2022	15,789	(158)
The Action Environmental Group, Inc.	Delayed Draw Term Loan	4/16/2021	19,439	—
The Cook & Boardman Group, LLC	Delayed Draw Term Loan	10/17/2025	14,049	—
The GI Alliance Management, LLC	Delayed Draw Term Loan	11/2/2024	22,461	(208)
Unified Door & Hardware Group, LLC	Delayed Draw Term Loan	6/29/2020	15,094	—
VDM Buyer, Inc.	Delayed Draw Term Loan	10/22/2020	18,000	—
LSF11 Skyscraper Holdco S.à r.l (Note 7)	First Lien Debt	1/31/2021	194,472	—
Total First Lien Debt Unfunded Commitments			<u>\$ 380,139</u>	<u>\$ (826)</u>

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

Blackstone / GSO Secured Lending Fund
Consolidated Schedule of Investments
December 31, 2019
(in thousands)

Investments—non-controlled/non-affiliated (1)(5)	Reference Rate and Spread	Interest Rate (2)	Maturity Date	Par Amount	Cost (3)	Fair Value	Percentage of Net Assets
First Lien Debt							
Air Freight and Logistics							
Livingston International Inc. (6)	L + 5.75%	7.69%	4/30/2026	\$ 116,415	\$ 113,249	\$ 115,105	6.88 %
Mode Purchaser, Inc. (4)	L + 6.25%	8.14%	12/9/2026	178,325	174,791	174,759	10.45
R1 Holdings, LLC (4)(7)	L + 6.00%	7.69%	1/2/2026	44,732	44,047	44,732	2.67
					332,087	334,596	20.00
Building Products							
Jacuzzi Brands LLC (4)(7)	L + 6.50%	8.30%	2/25/2025	91,640	90,132	90,723	5.42
Latham Pool Products, Inc.	L + 6.00%	7.76%	6/13/2025	53,571	51,824	52,812	3.16
Lindstrom, LLC (4)	L + 6.25%	8.48%	4/7/2025	130,633	128,444	129,980	7.77
Mi Windows and Doors, LLC	L + 5.50%	7.21%	11/26/2026	30,000	28,382	30,038	1.80
The Wolf Organization, LLC (4)	L + 6.50%	8.41%	9/3/2026	74,813	73,386	74,625	4.46
					372,168	378,178	22.61
Chemicals							
Alchemy US Holdco 1, LLC	L + 5.50%	7.24%	10/10/2025	3,900	3,892	3,843	0.23
Polymer Additives, Inc. (4)	L + 6.00%	7.80%	7/31/2025	29,752	28,457	24,248	1.45
VDM Buyer, Inc. (4)	L + 6.75%	8.69%	4/22/2025	€ 24,267	26,828	26,695	1.60
VDM Buyer, Inc. (4)(7)	L + 6.75%	8.71%	4/22/2025	63,730	62,603	62,455	3.73
					121,780	117,241	7.01
Commercial Services & Supplies							
Research Now Group, LLC	L + 5.50%	7.41%	12/20/2024	28,662	28,296	28,701	1.72
JSS Holdings, Inc. (4)	L + 6.25% (incl. 2.00% PIK)	7.99%	10/18/2025	237,678	234,806	234,707	14.03
					263,102	263,408	15.75
Construction & Engineering							
IEA Energy Services LLC	L + 8.25%	10.19%	9/25/2024	10,200	9,804	10,315	0.62
Therma LLC (4)	L + 6.50%	8.46%	3/29/2025	128,421	126,114	127,137	7.60
					135,918	137,452	8.22
Distributors							
Bution Holdco 2, Inc. (4)	L + 6.25%	7.99%	10/17/2025	124,688	122,280	122,194	7.30
Construction Supply Acquisition, LLC (4)(7)	L + 6.00%	7.69%	10/1/2025	135,756	132,800	134,738	8.05
Tailwind Colony Holding Corporation (4)	L + 7.50%	9.44%	11/13/2024	32,081	31,703	31,439	1.88
EIS Buyer, LLC (4)(7)	L + 6.25%	8.05%	9/30/2025	134,072	131,504	131,390	7.85
EIS Buyer, LLC (4)	L + 6.25%	8.05%	9/30/2020	19,551	19,259	19,258	1.15
Fastlane Parent Company, Inc. (4)	L + 4.50%	6.45%	2/4/2026	34,738	34,131	34,477	2.06
PSS Industrial Group Corp. (4)	L + 6.00%	7.94%	4/10/2025	58,695	54,825	57,374	3.43
Unified Door and Hardware Group, LLC (4)(7)	L + 6.25%	8.19%	6/30/2025	39,048	38,333	38,852	2.32
					564,835	569,722	34.04
Diversified Financial Services							
SelectQuote, Inc. (4)	L + 6.00%	7.70%	11/5/2024	78,087	75,497	77,697	4.64
Electronic Equipment, Instruments & Components							
Convergeone Holdings, Inc.	L + 5.00%	6.80%	1/4/2026	14,766	14,244	14,165	0.85
Energy Equipment & Services							
Abaco Energy Technologies LLC (4)	L + 7.00%	8.69%	10/4/2024	58,836	57,157	57,071	3.41
Tetra Technologies, Inc. (4)(6)	L + 6.25%	8.05%	9/10/2025	24,055	23,901	23,213	1.39
					81,058	80,284	4.80

Blackstone / GSO Secured Lending Fund
Consolidated Schedule of Investments
December 31, 2019
(in thousands)

Investments—non-controlled/non-affiliated (1)(5)	Reference Rate and Spread	Interest Rate (2)	Maturity Date	Par Amount	Cost (3)	Fair Value	Percentage of Net Assets
First Lien Debt (continued)							
Health Care Equipment & Supplies							
Lifescan Global Corporation	L + 6.00%	8.06%	10/1/2024	22,862	22,072	21,890	1.31
Surgical Specialties Corp (US) Inc. (6)	L + 5.00%	6.80%	5/7/2025	33,416	32,218	33,166	1.98
					54,290	55,056	3.29
Health Care Providers & Services							
Epoch Acquisition, Inc. (4)	L + 6.75%	8.49%	10/4/2024	25,066	24,791	25,066	1.50
The GI Alliance Management, LLC (4)(7)	L + 6.25%	8.19%	11/2/2024	109,902	107,804	108,191	6.47
Odyssey Holding Company, LLC (4)	L + 5.75%	7.78%	11/16/2025	13,628	13,483	13,492	0.81
					146,078	146,749	8.78
Health Care Technology							
Precyse Acquisition Corporation	L + 4.50%	6.30%	10/20/2022	2,962	2,940	2,482	0.15
Hotels, Restaurants & Leisure							
Excel Fitness Holdings, Inc.	L + 5.25%	7.05%	10/7/2025	47,059	45,018	47,118	2.82
Industrial Conglomerates							
Tailwind Smith Cooper Intermediate Corporation	L + 5.00%	6.80%	5/28/2026	32,502	31,754	31,202	1.86
Interactive Media & Services							
Bungie, Inc. (4)	L + 6.25%	8.05%	8/28/2024	47,200	46,541	46,846	2.80
Internet & Direct Marketing Retail							
Shutterstock, Inc.	L + 6.00%	7.94%	9/25/2026	44,053	40,216	41,611	2.49
IT Services							
Travelport Worldwide Ltd. (6)	L + 5.00%	6.94%	5/29/2026	103,730	97,896	97,299	5.81
Media							
DiscoverOrg, LLC	L + 4.50%	6.30%	2/2/2026	13,092	12,978	13,157	0.79
Radiate Holdco LLC (5)	L + 3.50%	5.30%	2/1/2024	4,975	4,908	5,015	0.30
					17,886	18,172	1.09
Machinery							
Apex Tool Group, LLC	L + 5.25%	7.30%	8/1/2024	50,955	49,820	50,391	3.01
Oil, Gas & Consumable Fuels							
Eagle Midstream Canada Finance Inc.(4)(7)	L + 6.25%	8.17%	11/26/2024	150,862	148,662	148,599	8.87
Professional Services							
APFS Staffing Holdings, Inc.	L + 5.00%	6.79%	4/15/2026	22,614	22,206	22,614	1.35
Minotaur Acquisition, Inc.	L + 5.00%	6.80%	3/27/2026	17,597	17,283	17,377	1.04
GI Revelation Acquisition LLC	L + 5.00%	6.80%	4/16/2025	15,155	14,714	14,341	0.86
					54,203	54,332	3.25
Software							
LD Intermediate Holdings, Inc.	L + 5.88%	7.93%	12/9/2022	14,572	14,314	14,608	0.87
PaySimple, Inc. (4)(5)(7)	L + 5.50%	7.30%	8/23/2025	26,488	25,984	26,328	1.57
Vero Parent, Inc.	L + 6.00%	7.91%	8/16/2024	51,000	45,471	48,705	2.91
					85,769	89,641	5.35
Specialty Retail							
CustomInk, LLC (4)	L + 6.00%	8.21%	5/3/2026	133,125	130,766	132,459	7.92
Spencer Spirit Holdings, Inc.	L + 6.00%	7.79%	6/19/2026	49,875	47,102	49,485	2.96
					177,868	181,944	10.88
Trading Companies & Distributors							
The Cook & Boardman Group, LLC	L + 5.75%	7.67%	10/17/2025	6,806	6,751	6,567	0.39
Technology Hardware, Storage & Peripherals							
Electronics For Imaging, Inc.	L + 5.00%	6.94%	7/23/2026	35,000	32,703	32,703	1.95
Transportation Infrastructure							
Spireon, Inc. (4)(7)	L + 6.50%	8.44%	10/4/2024	22,646	22,414	22,646	1.35
Total First Lien Debt					\$ 3,021,498	\$ 3,046,101	182.06 %

Blackstone / GSO Secured Lending Fund
Consolidated Schedule of Investments
December 31, 2019
(in thousands)

Investments—non-controlled/non-affiliated (1)(5)	Reference Rate and Spread	Interest Rate (2)	Maturity Date	Par Amount	Cost (3)	Fair Value	Percentage of Net Assets
Second Lien Debt							
Commercial Services & Supplies							
TKC Holdings, Inc.	L + 8.00%	9.80%	2/1/2024	1,000	997	910	0.05
IT Services							
WEB.COM Group, Inc.	L + 7.75%	9.49%	10/9/2026	16,607	15,882	16,031	0.96
Media							
DiscoverOrg, LLC	L + 8.50%	10.19%	2/1/2027	11,250	11,100	11,306	0.68
Software							
Imperva, Inc.	L + 7.75%	9.74%	1/11/2027	1,421	1,426	1,249	0.07
Rocket Software, Inc.	L + 8.25%	10.05%	11/27/2026	3,500	3,377	2,923	0.17
					4,803	4,172	0.24
Total Second Lien Debt					\$ 32,782	\$ 32,419	1.93 %
Equity Investments							
CustomInk, LLC - Series A Preferred Units (4)				384,520	\$ 5,200	\$ 5,633	0.34 %
EIS Acquisition Holdings, LP - Class A Units (4)				11,200	2,800	2,800	0.17
Mode Holdings, L.P. - Class A-2 Units (4)				5,486,923	5,487	5,487	0.33
Total Equity Investments					13,487	13,920	0.84 %
Total Investment Portfolio					\$ 3,067,767	\$ 3,092,440	184.83 %
Cash and Cash Equivalents							
Other Cash and Cash Equivalents					65,495	65,495	3.91
Total Portfolio Investments, Cash and Cash Equivalents					\$ 3,133,262	\$ 3,157,935	188.74 %

- (1) Unless otherwise indicated, issuers of debt and equity investments held by the Company (which such term “Company” shall include the Company’s consolidated subsidiaries for purposes of this Consolidated Schedule of Investments) are denominated in dollars. All debt investments are income producing unless otherwise indicated. Certain portfolio company investments are subject to contractual restrictions on sales. Under 1940 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, 2019, the Company does not “control” any of these portfolio companies. Under the 1940 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, 2019, the Company is not an “affiliated person” of any of its portfolio companies.
- (2) 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 (“F”) or the U.S. Prime Rate (“P”)), which generally resets periodically. For each loan, the Company has indicated the reference rate used and provided the spread and the interest rate in effect as of December 31, 2019. As of December 31, 2019, the reference rates for our variable rate loans were the 30-day L at 1.76%, the 90-day L at 1.91% and the 180-day L at 1.91% and P at 4.75%. Variable rate loans typically include a base rate floor feature, which is generally 1.00%. As of December 31, 2019, 79.1% of the portfolio at fair value had a base rate floor.
- (3) The cost represents the original cost adjusted for the amortization of discounts and premiums, as applicable, on debt investments using the effective interest method in accordance with U.S. GAAP.
- (4) These investments were valued using unobservable inputs and are considered Level 3 investments. Fair value was determined in good faith by or under the direction of the Board of Trustees (see Note 2 and Note 5), pursuant to the Company’s valuation policy.
- (5) Each of the Company’s debt investments are pledged as collateral, other than investments in PaySimple, Inc and Radiate Holdco LLC, under one or more of its credit facilities. A single investment may be divided into parts that are individually pledged as collateral to separate credit facilities.
- (6) The investment is not a qualifying asset under Section 55(a) of the 1940 Act. The Company may not acquire any non-qualifying asset unless, at the time of acquisition, qualifying assets represent at least 70% of the Company’s total assets. As of December 31, 2019, non-qualifying assets represented 14.1% of total assets as calculated in accordance with regulatory requirements.
- (7) Position or portion thereof is an unfunded loan commitment, and no interest is being earned on the unfunded portion, although the investment may earn unused commitment fees. Negative cost and fair value, if any, results from unamortized fees, which are capitalized to the cost of the investment. The unfunded loan commitment may be subject to a commitment termination date that may expire prior to the maturity date stated. See below for more information on the Company’s unfunded commitments:

Blackstone / GSO Secured Lending Fund
Consolidated Schedule of Investments
December 31, 2019
(in thousands)

Investments—non-controlled/non-affiliated	Commitment Type	Commitment Expiration Date	Unfunded Commitment	Fair Value
First Lien Debt				
Construction Supply Acquisition LLC	Delayed Draw Term Loan	10/1/2025	\$ 22,626	\$ —
Jacuzzi Brand LLC	Delayed Draw Term Loan	2/25/2021	8,450	—
PaySimple, Inc.	Delayed Draw Term Loan	8/23/2025	5,588	—
R1 Holdings, LLC	Delayed Draw Term Loan	1/2/2021	20,282	—
Spireon, Inc.	Delayed Draw Term Loan	6/30/2020	6,375	—
EIS Acquisition Holdings, LP	Delayed Draw Term Loan	9/30/2020	16,800	—
The GI Alliance Management, LLC	Delayed Draw Term Loan	11/2/2024	66,143	(612)
Unified Door and Hardware Group, LLC	Delayed Draw Term Loan	6/29/2020	15,094	—
VDM Buyer, Inc	Delayed Draw Term Loan	10/22/2020	18,000	—
Total First Lien Debt Unfunded Commitments			\$ 179,358	\$ (612)

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

Blackstone / GSO Secured Lending Fund
Notes to Consolidated Financial Statements
(Unaudited)

(in thousands, except per share data, percentages and as otherwise noted)

Note 1. Organization

Blackstone / GSO Secured Lending Fund (together with its consolidated subsidiaries, the “**Company**”), is a Delaware statutory trust formed on March 26, 2018, and structured as an externally managed, non-diversified closed-end investment company. On October 26, 2018, the Company elected to be regulated as a business development company (“**BDC**”) under the Investment Company Act of 1940, as amended (the “**1940 Act**”). In addition, the Company elected to be treated for U.S. federal income tax purposes, as a regulated investment company (“**RIC**”), as defined under Subchapter M of the Internal Revenue Code of 1986, as amended (the “**Code**”). The Company also intends to continue to comply with the requirements prescribed by the Code in order to maintain tax treatment as a RIC.

The Company’s investment objectives are to generate current income and, to a lesser extent, long-term capital appreciation. The Company seeks to achieve its investment objective primarily through originated loans and other securities, including syndicated loans, of private U.S. companies, specifically small and middle market companies, typically in the form of first lien senior secured and unitranche loans (including first out/last out loans), and to a lesser extent, second lien, third lien, unsecured and subordinated loans and other debt and equity securities.

The Company is externally managed by GSO Asset Management LLC (the “**Adviser**”), a subsidiary of GSO Capital Partners LP. GSO Capital Partners LP (the “**Administrator**” and, collectively with its affiliates in the credit-focused business of The Blackstone Group Inc., “**GSO**,” which, for the avoidance of doubt, excludes Harvest Fund Advisors LLC and Blackstone Insurance Solutions) provides certain administrative and other services necessary for the Company to operate pursuant to an administration agreement (the “**Administration Agreement**”). GSO is part of the credit-focused platform of The Blackstone Group Inc. (“**Blackstone**”) and is the primary part of its credit reporting segment.

The Company is conducting a private offering (the “**Private Offering**”) of its common shares of beneficial interest (i) to accredited investors, as defined in Regulation D under the Securities Act of 1933 (the “**1933 Act**”) and (ii) in the case of shares sold outside the United States, to persons that are not “U.S. persons,” as defined in Regulation S under the 1933 Act, in reliance on exemptions from the registration requirements of the 1933 Act. At each closing of the Private Offering, each investor makes a capital commitment (“**Capital Commitment**”) to purchase shares of the beneficial interest of the Company pursuant to a subscription agreement entered into with the Company. Investors are required to fund drawdowns to purchase the Company’s shares up to the amount of their Capital Commitments on an as-needed basis each time the Company delivers a notice to investors.

On October 31, 2018, the Company began its initial period of closing of capital commitments (“**Initial Closing Period**”). The Initial Closing Period will last for two years but the Adviser may modify the Initial Closing Period, if approved by the Board of Trustees (the “**Board**”), which could extend the Initial Closing Period up to one additional year. The Company commenced its loan origination and investment activities on November 20, 2018, the date of receipt of the initial drawdown from investors in the Private Offering (the “**Initial Drawdown Date**”).

Note 2. Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP. As an investment company, the Company applies the accounting and reporting guidance in Accounting Standards Codification (“**ASC**”) Topic 946, *Financial Services – Investment Companies* (“**ASC 946**”) issued by the Financial Accounting Standards Board (“**FASB**”). 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 consolidated 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 Article 6 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, consisting solely of normal recurring accruals considered necessary for the fair presentation of financial statements for the interim period presented, have been included. The current period’s results of

operations will not necessarily be indicative of results that ultimately may be achieved for the fiscal year ending December 31, 2020. All intercompany balances and transactions have been eliminated.

Certain prior period information has been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Such amounts could differ from those estimates and such differences could be material. Assumptions and estimates regarding the valuation of investments involve a higher degree of judgment and complexity and these assumptions and estimates may be significant to the consolidated financial statements.

During the first quarter of 2020, there was a global outbreak of a novel coronavirus COVID-19, which has spread to over 100 countries, including the United States, and has spread to every state in the United States. The World Health Organization has designated COVID-19 as a pandemic, and numerous countries, including the United States, have declared national emergencies with respect to COVID-19. The global impact of the outbreak has been rapidly evolving, and as cases of COVID-19 have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel, closing financial markets and/or restricting trading, and limiting operations of non-essential businesses. Such actions are creating disruption in global supply chains, and adversely impacting many industries. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of COVID-19 on economic and market conditions. The Company believes the estimates and assumptions underlying the consolidated financial statements are reasonable and supportable based on the information available as of March 31, 2020, however uncertainty over the ultimate impact COVID-19 will have on the global economy generally, and the Company's business in particular, makes any estimates and assumptions as of March 31, 2020 inherently less certain than they would be absent the current and potential impacts of COVID-19. Actual results may ultimately differ from those estimates.

Consolidation

As provided under ASC 946, the Company will not consolidate its investment in a company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Accordingly, the Company consolidated the results of the Company's wholly-owned subsidiaries.

As of March 31, 2020, the Company's consolidated subsidiaries were BGSL Jackson Hole Funding LLC ("**Jackson Hole Funding**"), BGSL Breckenridge Funding LLC ("**Breckenridge Funding**") and BGSL Big Sky Funding LLC ("**Big Sky Funding**") and BGSL Investments LLC ("**BGSL Investments**") and collectively with Jackson Hole Funding, Breckenridge Funding and Big Sky Funding, the "**SPVs**").

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and highly liquid investments, such as money market funds, with original maturities of three months or less. Cash and cash equivalents are carried at cost, which approximates fair value. The Company deposits its cash and cash equivalents with financial institutions and, at times, may exceed the Federal Deposit Insurance Corporation insured limit.

Investments

Investment transactions are recorded on the trade date. Realized gains or losses are measured by the difference between the net proceeds received (excluding prepayment fees, if any) and the amortized cost basis of the investment using the specific identification method without regard to unrealized gains or losses previously recognized, and include investments charged off during the period, net of recoveries. The net change in unrealized gains or losses primarily reflects the change in investment values, including the reversal of previously recorded unrealized gains or losses with respect to investments realized during the period.

The Company is required to report its investments for which current market values are not readily available at fair value. The Company values its investments in accordance with FASB ASC 820, *Fair Value Measurements* ("**ASC 820**"), which defines fair value as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the applicable measurement date. ASC 820 prioritizes the use of observable market prices

derived from such prices over entity-specific inputs. Due to the inherent uncertainties of valuation, certain estimated fair values may differ significantly from the values that would have been realized had a ready market for these investments existed, and these differences could be material. See “– Note 5. Fair Value Measurements.”

Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. The Company utilizes mid-market pricing (i.e., mid-point of average bid and ask prices) to value these investments. These market quotations are obtained from independent pricing services, if available; otherwise from at least two principal market makers or primary market dealers. To assess the continuing appropriateness of pricing sources and methodologies, the Adviser regularly performs price verification procedures and issues challenges as necessary to independent pricing services or brokers, and any differences are reviewed in accordance with the valuation procedures. The Adviser does not adjust the prices unless it has a reason to believe market quotations are not reflective of the fair value of an investment. Examples of events that would cause market quotations to not reflect fair value could include cases when a security trades infrequently or not at all, causing a quoted purchase or sale price to become stale, or in the event of a “fire sale” by a distressed seller. All price overrides require approval from the Board.

Where prices or inputs are not available or, in the judgment of the Board, not reliable, valuation techniques based on the facts and circumstances of the particular investment will be utilized. Securities that are not publicly traded or for which market prices are not readily available are valued at fair value as determined in good faith by the Board, based on, among other things, the input of the Adviser, the Audit Committee of the Board (the “**Audit Committee**”) and independent valuation firms engaged on the recommendation of the Adviser and at the direction of the Board. These valuation approaches involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the investments or market and the investments’ complexity.

The Company’s Board undertakes a multi-step valuation process each quarter in connection with determining the fair value of the Company’s investments for which market quotations are not readily available, or are available but deemed not reflective of the fair value of an investment, which includes, among other procedures, the following:

- The valuation process begins with each investment being preliminarily valued by the Adviser’s valuation team in conjunction with the Adviser’s investment professionals responsible for each portfolio investment;
- In addition, independent valuation firms engaged by the Board prepare valuations of all the Company’s investments over a de minimis threshold. The independent valuation firms provide a final range of values on such investments to the Board and the Adviser. The independent valuation firms also provide analyses to support their valuation methodology and calculations;
- The Adviser’s Valuation Committee reviews each valuation recommendation to confirm they have been calculated in accordance with the valuation policy and compares such valuations to the independent valuation firms’ valuation ranges to ensure the Adviser’s valuations are reasonable;
- The Valuation Committee makes valuation recommendations to the Audit Committee;
- The Audit Committee reviews the valuation recommendations made by the Adviser’s Valuation Committee, including the independent valuation firms’ valuations, and once approved, recommends them for approval by the Board; and
- The Board reviews 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 Audit Committee, the Adviser’s Valuation Committee and, where applicable, the independent valuation firms.

Valuation of each of our investments will generally be made as described above as of the end of each fiscal quarter. In cases where we determine our net asset value (“NAV”) at times other than a quarter end, we intend to update the value of securities with market quotations to the most recent market quotation. For securities without market quotations, non-quarterly valuations will generally be the most recent quarterly valuation unless a material event has occurred since the most recent quarter end with respect to the investment. Independent valuation firms are generally not used for non-quarterly valuations.

As part of the valuation process, the Board takes into account relevant factors in determining the fair value of its investments, many of which are loans, including and in combination, as relevant, of: (i) the estimated enterprise value of a portfolio company, (ii) the nature and realizable value of any collateral, (iii) the portfolio company’s ability to make payments based on its earnings and cash flow, (iv) the markets in which the portfolio company does business, (v) a comparison of the portfolio company’s securities to any similar publicly traded securities, and (vi) overall changes in the interest rate environment and the credit markets that may affect the price at which similar investments may be made in the future. When an external event

such as a purchase transaction, public offering or subsequent equity or debt sale occurs, the Board considers whether the pricing indicated by the external event corroborates its valuation. See “—Note 5. Fair Value Measurements.”

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

Derivative Instruments

The Company recognizes all derivative instruments as assets or liabilities at fair value in its consolidated financial statements. Derivative contracts entered into by the Company are not designated as hedging instruments, and as a result the Company presents changes in fair value through current period gains or losses.

In the normal course of business, the Company has commitments and risks resulting from its investment transactions, which may include those involving derivative instruments. Derivative instruments are measured in terms of the notional contract amount and derive their value based upon one or more underlying instruments. While the notional amount gives some indication of the Company’s derivative activity, it generally is not exchanged, but is only used as the basis on which interest and other payments are exchanged. Derivative instruments are subject to various risks similar to non-derivative instruments including market, credit, liquidity, and operational risks. The Company manages these risks on an aggregate basis as part of its risk management process.

Forward Purchase Agreement

The Company was a party to a forward purchase agreement pursuant to which the Company agreed to purchase certain assets held in the Middle Market Warehouse (defined in Note 7) at a purchase price based on the cost of the asset to the warehouse provider plus amounts of unpaid interest, original issue discount and structuring fees accrued to the warehouse provider during the time the warehouse provider owned the asset.

Forward purchase agreements are recognized at fair value through current period gains or losses on the date on which the contract is entered into and are subsequently re-measured at fair value. All forward purchase agreements are carried as assets when fair value is positive and as liabilities when fair value is negative. A forward purchase agreement is derecognized when the obligation specified in the contract is discharged, canceled or expired.

Foreign Currency Transactions

Amounts denominated in foreign currencies are translated into U.S. dollars on the following basis: (i) investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based upon currency exchange rates effective on the last business day of the period; and (ii) purchases and sales of investments, borrowings and repayments of such borrowings, income, and expenses denominated in foreign currencies are translated into U.S. dollars based upon currency exchange rates prevailing on the transaction dates.

The Company includes net changes in fair values on investments held resulting from foreign exchange rate fluctuations in translation of assets and liabilities in foreign currencies on the Consolidated Statements of Operations, if any. Foreign security and currency translations may involve certain considerations and risks not typically associated with investing in U.S. companies and U.S. government securities. These risks include, but are not limited to, currency fluctuations and revaluations and future adverse political, social and economic developments, which could cause investments in foreign markets to be less liquid and prices more volatile than those of comparable U.S. companies or U.S. government securities.

Revenue Recognition

Interest Income

Interest income is recorded on an accrual basis and includes the accretion of discounts and amortizations 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 loan 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. Upon prepayment of a loan or debt security,

any prepayment premiums, unamortized upfront loan origination fees and unamortized discounts are recorded as interest income in the current period. For the three months ended March 31, 2020 and 2019, the Company recorded \$1.9 million and \$0.0 million in prepayment premiums, respectively, and \$1.2 million and \$0.0 million, in accelerated accretion of upfront loan origination fees and unamortized discounts, respectively.

PIK Income

The Company has 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. If at any point the Company believes PIK is not expected to be realized, the investment generating PIK will be placed on non-accrual status. When a PIK investment is placed on non-accrual status, the accrued, uncapitalized interest is generally reversed through interest income. To maintain the Company’s status as a RIC, this non-cash source of income must be paid out to shareholders in the form of dividends, even though the Company has not yet collected cash. For the three months ended March 31, 2020 and 2019, the Company recorded PIK income of \$2.6 million and \$0.0 million, respectively.

Dividend Income

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

Fee Income

The Company may receive various fees in the ordinary course of business such as structuring, consent, waiver, amendment, syndication fees as well as fees for managerial assistance rendered by the Company to the portfolio companies. Such fees are recognized as income when earned or the services are rendered.

Non-Accrual Income

Loans are generally placed on non-accrual status when there is reasonable doubt that principal or interest will be collected in full. Accrued interest is generally reversed when a loan is placed on non-accrual status. Additionally, any original issue discount and market discount are no longer accreted to interest income as of the date the 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 is paid current and, in management’s judgment, are likely to remain current. Management may make exceptions to this treatment and determine to not place a loan on non-accrual status if the loan has sufficient collateral value and is in the process of collection.

Organization Expenses and Offering Expenses

Costs associated with the organization of the Company are expensed as incurred, subject to the limitations discussed below. These expenses consist primarily of legal fees and other costs of organizing the Company.

Costs associated with the offering of the Company’s shares will be capitalized as “deferred offering costs” on the Consolidated Statements of Assets and Liabilities and amortized over a twelve-month period from incurrence, subject to the limitation below. These expenses consist primarily of legal fees and other costs incurred in connection with the Company’s continuous Private Offering of its shares.

The Company will not bear more than an amount equal to 0.10% of the aggregate Capital Commitments of the Company for organization and offering expenses in connection with the offering of shares. If actual organization and offering costs incurred exceed 0.10% of the Company’s total Capital Commitments, the Adviser or its affiliate will bear the excess costs. To the extent the Company’s Capital Commitments later increase, the Adviser or its affiliates may be reimbursed for past payments of excess organization and offering costs made on the Company’s behalf provided that the total organization and offering costs borne by the Company do not exceed 0.10% of total Capital Commitments and provided further that the Adviser or its affiliates may not be reimbursed for payment of excess organization and offering expenses that were incurred more than three years prior to the proposed reimbursement. For the three months ended March 31, 2020 and 2019, the Company did not accrue any organization costs. For the three months ended March 31, 2020 and 2019, the Company accrued offering costs of \$0.3 million and \$0.2 million, respectively.

Deferred Financing Costs and Debt Issuance Costs

Deferred financing and debt issuance costs represent fees and other direct incremental costs incurred in connection with the Company's borrowings. These expenses are deferred and amortized into interest expense over the life of the related debt instrument using the straight-line method. Deferred financing costs related to revolving credit facilities are presented separately as an asset on the Company's Statements of Assets and Liabilities. Debt issuance costs related to any issuance of installment debt or notes are presented net against the outstanding debt balance of the related security.

Income Taxes

The Company has elected to be treated as a BDC under the 1940 Act. The Company also has elected to be treated as a RIC under the Code. So long as the Company maintains its status as a RIC, it generally will not pay corporate-level U.S. federal income taxes on any ordinary income or capital gains that it distributes at least annually to its shareholders as dividends. Rather, any tax liability related to income earned and distributed by the Company would represent obligations of the Company's investors and would not be reflected in the consolidated financial statements of the Company.

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. Tax positions not deemed to meet the "more-likely-than-not" threshold are reserved and recorded as a tax benefit or expense in the current year. All penalties and interest associated with income taxes are included in income tax expense. Conclusions regarding tax positions are subject to review and may be adjusted at a later date based on factors including, but not limited to, on-going analyses of tax laws, regulations and interpretations thereof.

To qualify for and maintain qualification as a RIC, the Company must, among other things, meet certain source-of-income and asset diversification requirements. In addition, to qualify for RIC tax treatment, the Company must distribute to its shareholders, for each taxable year, at least 90% of the sum of (i) its "investment company taxable income" for that year (without regard to the deduction for dividends paid), which is generally its ordinary income plus the excess, if any, of its realized net short-term capital gains over its realized net long-term capital losses and (ii) its net tax-exempt income.

In addition, based on the excise tax distribution requirements, the Company is subject to a 4% nondeductible federal excise tax on undistributed income unless the Company distributes in a timely manner in each taxable year an amount at least equal to the sum of (i) 98% of its ordinary income for the calendar year, (ii) 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 (iii) any income realized, but not distributed, in prior years. 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.

For the three months ended March 31, 2020 and 2019, the Company incurred \$0.1 million and \$0.0 million, respectively, of U.S. federal excise tax.

Distributions

To the extent that the Company has taxable income available, the Company intends to make quarterly distributions to its shareholders. Distributions to shareholders are recorded on the record date. All distributions will be paid at the discretion of the Board and will depend on our earnings, financial condition, maintenance of our tax treatment as a RIC, compliance with applicable BDC regulations and such other factors as the Board may deem relevant from time to time.

Recent Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform. The amendments in ASU 2020-04 provide optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The standard is effective as of March 12, 2020 through December 31, 2022. Management is currently evaluating the impact of the optional guidance on the Company's consolidated financial statements and disclosures. The Company did not utilize the optional expedients and exceptions provided by ASU 2020-04 during the quarter ended March 31, 2020.

In August 2018, the FASB issued ASU 2018-13, Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement, which changes the fair value disclosure requirements. The new guidance includes new, eliminated and modified fair value disclosures. Among other requirements, the guidance requires disclosure of the range and weighted average of the significant unobservable inputs for Level 3 fair value measurements and the way it is calculated. The guidance

also eliminated the following disclosures: (i) amount and reason for transfers between Level 1 and Level 2, (ii) policy for timing of transfers between levels of the fair value hierarchy and (iii) valuation processes for Level 3 fair value measurement. The guidance is effective for all entities for interim and annual periods beginning after December 15, 2019. Early adoption is permitted upon issuance of the guidance. The adoption of this guidance did not have a material effect on the Company's consolidated financial statements.

In August 2018, the SEC adopted amendments to certain disclosure requirements intended to eliminate redundant, duplicative, overlapping, outdated, or superseded, in light of other SEC disclosure requirements, US GAAP requirements, or changes in the information environment in its Disclosure Update and Simplification release (the "DUS Release"). In part, the DUS Release requires an investment company to present distributable earnings in total, rather than showing the three components of distributable earnings. The compliance date for the DUS Release was for all filings on or after November 5, 2018. The Company has adopted the DUS Release on November 5, 2018, which did not have a material impact on the Company's consolidated financial statements.

Note 3. Agreements and Related Party Transactions

Investment Advisory Agreement

On October 1, 2018, the Company entered into an investment advisory agreement with the Adviser (the "**Investment Advisory Agreement**"), pursuant to which the Adviser manages the Company on a day-to-day basis. The Adviser is responsible for originating prospective investments, conducting research and due diligence investigations on potential investments, analyzing investment opportunities, negotiating and structuring the Company's investments and monitoring its investments and portfolio companies on an ongoing basis.

The Company pays the Adviser a fee for its services under the Investment Advisory Agreement consisting of two components: a management fee and an incentive fee. The cost of both the management fee and the incentive fee will ultimately be borne by the shareholders. The initial term of the Investment Advisory Agreement is two years from October 1, 2018 and, unless earlier terminated, the Investment Advisory Agreement will renew automatically for successive annual periods, provided that such continuance is specifically approved at least annually by the vote of the Board of Trustees and by the vote of a majority of the trustees who are not parties to the Investment Advisory Agreement or "interested persons" (as such term is defined in Section 2(a)(19) of the 1940 Act) (the "**Independent Trustees**").

Base Management Fee

The management fee is payable quarterly in arrears at an annual rate of (i) prior to a quotation or listing of the Company's securities on a national securities exchange (including through an initial public offering) or a sale of all or substantially all of its assets to, or a merger or other liquidity transaction with, an entity in which the Company's shareholders receive shares of a publicly-traded company which continues to be managed by the Adviser or an affiliate thereof ("**Exchange Listing**"), 0.75%, and (ii) following an Exchange Listing, 1.0%, in each case of the average value of the Company's gross assets at the end of the two most recently completed calendar quarters. For purposes of the Investment Advisory Agreement, gross assets means the Company's total assets determined on a consolidated basis in accordance with U.S. GAAP, excluding undrawn commitments but including assets purchased with borrowed amounts. For the first calendar quarter in which the Company had operations, gross assets were measured as the average of gross assets at the Initial Drawdown Date and at the end of such first calendar quarter. If an Exchange Listing occurs on a date other than the first day of a calendar quarter, the management fee will be calculated for such calendar quarter at a weighted rate calculated based on the fee rates applicable before and after the Exchange Listing based on the number of days in such calendar quarter before and after the Exchange Listing.

For the three months ended March 31, 2020 and 2019, base management fees were \$6.5 million and \$1.5 million, respectively. As of March 31, 2020 and December 31, 2019, \$6.5 million and \$5.0 million, respectively, was payable to the Adviser relating to management fees.

Incentive Fees

The incentive fee consists of two components that are determined independently of each other, with the result that one component may be payable even if the other is not. One component is based on income and the other component is based on capital gains, each as described below:

(i) Income based incentive fee:

The first part of the incentive fee, an income based incentive fee, is calculated and payable quarterly in arrears based on the Company's pre-incentive fee net investment income as defined in the Investment Advisory Agreement. Pre-incentive fee net investment income means, as the context requires, either the dollar value of, or percentage rate of return on the value of the Company's net assets at the end of the immediately preceding quarter from, interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses accrued for the quarter (including the 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 shares, but excluding the incentive fee. Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest and zero coupon securities)), accrued income that the Company has not yet received in cash. Pre-incentive fee net investment income excludes any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. The Company excludes the impact of expense support payments and recoupments from pre-incentive fee net investment income.

The Company pays its Adviser an income based incentive fee with respect to the Company's pre-incentive fee net investment income in each calendar quarter as follows:

- No income based incentive fee if the Company's pre-incentive fee net investment income, expressed as a return on the value of our net assets at the end of the immediately preceding calendar quarter, does not exceed the hurdle rate of 1.5%;
- 100% of the Company's pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than or equal to 1.76% (7.06% annualized) prior to an Exchange Listing, or 1.82% (7.27% annualized) following an Exchange Listing, of the value of the Company's net assets. This "catch-up" portion is meant to provide the Adviser with approximately 15% prior to an Exchange Listing, or 17.5% following an Exchange Listing, of the Company's pre-incentive fee net investment income as if a hurdle rate did not apply if the "catch up" is achieved; and
- 15% prior to an Exchange Listing, or 17.5% following an Exchange Listing, of the Company's pre-incentive fee net investment income, if any, that exceeds the rate of return of 1.76% (7.06% annualized) prior to an Exchange Listing, or 1.82% (7.27% annualized) following an Exchange Listing.

These calculations are prorated for any period of less than three months and adjusted for any share issuances or repurchases during the relevant quarter. If an Exchange Listing occurs on a date other than the first day of a calendar quarter, the income based incentive fee with respect to the Company's pre-incentive fee net investment income shall be calculated for such calendar quarter at a weighted rate calculated based on the fee rates applicable before and after the Exchange Listing based on the number of days in such calendar quarter before and after the Exchange Listing.

(ii) Capital gains based incentive fee:

The second part of the incentive fee, a capital gains incentive fee, will be determined and payable in arrears as of the end of each calendar year in an amount equal to 15% prior to an Exchange Listing, or 17.5% following an Exchange Listing, of realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees as calculated in accordance with U.S. GAAP. The Company will accrue, but will not pay, a capital gains incentive fee with respect to unrealized appreciation because a capital gains incentive fee would be owed to the Adviser if the Company were to sell the relevant investment and realize a capital gain.

For the three months ended March 31, 2020 and 2019, the Company accrued income based incentive fees of \$8.3 million and \$1.1 million, respectively. As of March 31, 2020 and December 31, 2019, \$8.3 million and \$6.3 million, respectively, was payable to the Adviser for income based incentive fees. For the three months ended March 31, 2020 and 2019, the Company accrued capital gains incentive fees of \$(4.2) million and \$0.5 million, respectively. As of March 31, 2020, the Company did not have any accrued capital gains incentive fee since there were cumulative net unrealized and realized losses as of such date. As of December 31, 2019, the Company had accrued capital gains incentive fees of \$4.2 million, none of which was payable on such date under the Investment Advisory Agreement.

Administration Agreement

On October 1, 2018, the Company entered into an Administration Agreement with GSO. Under the terms of the Administration Agreement, the Administrator provides, or oversees the performance of, administrative and compliance services, including, but not limited to, maintaining financial records, overseeing the calculation of NAV, compliance monitoring (including diligence and oversight of the Company's other service providers), preparing reports to shareholders and reports filed with the United States Securities and Exchange Commission ("**SEC**"), preparing materials and coordinating meetings of the Company's Board, managing the payment of expenses and the performance of administrative and professional services rendered by others and providing office space, equipment and office services. The Administrator may also offer to provide, on the Company's behalf, managerial assistance to the Company's portfolio companies. The initial term of the agreement is two years from October 1, 2018 and, unless terminated earlier, the Administration Agreement will renew automatically for successive annual periods, provided that such continuance is approved at least annually by (i) the vote of the Board 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 trustees.

For providing these services, the Company will reimburse the Administrator for its costs, expenses and allocable portion of overhead (including rent, office equipment and utilities) and other expenses incurred by the Administrator in performing its administrative obligations under the Administration Agreement, including but not limited to: (i) the Company's chief compliance officer, chief financial officer and their respective staffs; (ii) investor relations, legal, information technology, operations and other non-investment professionals at the Administrator that perform duties for the Company; and (iii) any internal audit group personnel of Blackstone or any of its affiliates. The Administrator has elected to forgo any reimbursement for rent and other occupancy costs for the three months ended March 31, 2020 and 2019.

For the three months ended March 31, 2020 and 2019, the Company incurred \$0.6 million and \$0.4 million, respectively, in expenses under the Administration Agreement, which were recorded in administrative service expenses in the Company's Consolidated Statements of Operations. As of March 31, 2020 and December 31, 2019, \$0.6 million and \$0.9 million, respectively, was unpaid and included in due to affiliate in the Consolidated Statements of Assets and Liabilities, respectively.

Sub-Administration and Custody Agreement

On October 1, 2018, the Administrator entered into a sub-administration agreement (the "**Sub-Administration Agreement**") with State Street Bank and Trust Company (the "**Sub-Administrator**") under which the Sub-Administrator provides various accounting and administrative services to the Company. The Sub-Administrator also serves as the Company's custodian (the "**Custodian**"). The initial term of the Sub-Administration Agreement is two years from the effective date and after expiration of the initial term and the Sub-Administration Agreement shall automatically renew for successive one-year periods, unless a written notice of non-renewal is delivered prior to 120 days prior to the expiration of the initial term or renewal term.

For the three months ended March 31, 2020 and 2019, the Company incurred expenses for services provided by the Sub-Administrator and the Custodian of \$0.3 million and \$0.1 million, respectively, which were recorded in other general and administrative expenses in the Company's Consolidated Statements of Operations.

Expense Support and Conditional Reimbursement Agreement

On December 12, 2018, the Company entered into an Expense Support and Conditional Reimbursement Agreement (the "**Expense Support Agreement**") with the Adviser. The Adviser may elect to pay certain expenses of the Company on the Company's behalf (each, an "**Expense Payment**"), provided that no portion of the payment will be used to pay any interest of the Company. Any Expense Payment that the Adviser has committed to pay must be paid by the Adviser to the Company in any combination of cash or other immediately available funds no later than forty-five days after such commitment was made in writing, and/or offset against amounts due from the Company to the Adviser or its affiliates.

Following any calendar quarter in which Available Operating Funds (as defined below) exceed the cumulative distributions accrued to the Company's shareholders based on distributions declared with respect to record dates occurring in such calendar quarter (the amount of such excess being hereinafter referred to as "**Excess Operating Funds**"), the Company shall pay such Excess Operating Funds, or a portion thereof, to the Adviser until such time as all Expense Payments made by the Adviser to the Company within three years prior to the last business day of such calendar quarter have been reimbursed. Any payments required to be made by the Company shall be referred to herein as a "**Reimbursement Payment**." Available Operating Funds means the sum of (i) the Company's net investment company taxable income (including net short-term capital gains reduced by net long-term capital losses), (ii) the Company's net capital gains (including the excess of net long-term capital gains over net short-term capital losses) and (iii) dividends and other distributions paid to the Company on account of

investments in portfolio companies (to the extent such amounts listed in clause (iii) are not included under clauses (i) and (ii) above).

No Reimbursement Payment for any calendar quarter shall be made if the annualized rate of regular cash distributions declared by the Company on record dates in the applicable calendar quarter of such Reimbursement Payment is less than the annualized rate of regular cash distributions declared by the Company on record dates in the calendar quarter in which the Expense Payment was committed to which such Reimbursement Payment relates. The Company's obligation to make a Reimbursement Payment shall automatically become a liability of the Company on the last business day of the applicable calendar quarter. The Company may or may not be obligated to reimburse remaining expense support in the future, except to the extent the Adviser has waived its right to receive such payment for the applicable quarter.

The following table presents a summary of Expense Payments and the related Reimbursement Payments since the Company's commencement of operations:

For the Quarters Ended	Expense Payments by Adviser	Reimbursement Payments to Adviser	Unreimbursed Expense Payments
December 31, 2018	\$ 1,696	\$ (1,200)	\$ 496
March 31, 2019	570	—	570
Total	\$ 2,266	\$ (1,200)	\$ 1,066

For the three months ended March 31, 2020 and 2019, the Adviser made Expense Payments in the amount of \$0.0 million and \$0.6 million, respectively. For the three months ended March 31, 2020 and 2019, the Company made Reimbursement Payments related to Expense Payments by the Adviser of \$0.4 million and \$0.0 million, respectively. The Company may or may not reimburse remaining expense support in the future.

Note 4. Investments

The composition of the Company's investment portfolio at cost and fair value was as follows:

	March 31, 2020			December 31, 2019		
	Cost	Fair Value	% of Total Investments at Fair Value	Cost	Fair Value	% of Total Investments at Fair Value
First lien debt	\$ 3,920,281	\$ 3,593,104	98.84 %	\$ 3,021,498	\$ 3,046,101	98.50 %
Second lien debt	31,821	26,447	0.73	32,782	32,419	1.05
Equity investments	17,942	15,754	0.43	13,487	13,920	0.45
Total	\$ 3,970,044	\$ 3,635,305	100.00 %	\$ 3,067,767	\$ 3,092,440	100.00 %

The industry composition of investments at fair value was as follows:

	March 31, 2020	December 31, 2019
Aerospace & Defense	7.51 %	— %
Air Freights & Logistics	8.70	11.00
Airlines	0.22	—
Building Products	9.90	12.23
Capital Markets	0.25	—
Chemicals	2.95	3.79
Commercial Services & Supplies	9.54	8.55
Communications Equipment	0.34	—
Construction & Engineering	4.35	4.44
Containers & Packaging	1.38	—
Distributors	13.11	18.51
Diversified Financial Services	2.11	2.51
Electronic Equipment, Instruments & Components	0.32	0.46
Energy Equipment & Services	1.81	2.60
Health Care Equipment & Supplies	1.16	1.78
Health Care Providers & Services	4.88	4.75
Health Care Technology	0.05	0.08
Hotels, Restaurants & Leisure	1.00	1.52
Industrial Conglomerates	0.70	1.01
Insurance	3.00	—
Interactive Media & Services	1.24	1.51
Internet & Direct Marketing Retail	0.86	1.35
IT Services	2.89	3.66
Machinery	1.65	1.63
Media	1.39	0.95
Oil, Gas & Consumable Fuels	3.69	4.81
Paper & Forest Products	0.40	—
Professional Services	2.12	1.76
Software	3.17	3.03
Specialty Retail	4.78	6.07
Technology Hardware, Storage & Peripherals	2.55	1.06
Trading Companies & Distributors	1.04	0.21
Transportation Infrastructure	0.60	0.73
Wireless Telecommunication Services	0.34	—
Total	100.00 %	100.00 %

The geographic composition of investments at cost and fair value was as follows:

March 31, 2020				
	Cost	Fair Value	% of Total Investments at Fair Value	Fair Value as % of Net Assets
United States	\$ 3,555,641	\$ 3,287,401	90.43 %	185.58 %
Canada	284,424	252,597	6.95	14.26
Luxembourg	129,979	95,307	2.62	5.38
Total	\$ 3,970,044	\$ 3,635,305	100.00 %	205.22 %

December 31, 2019				
	Cost	Fair Value	% of Total Investments at Fair Value	Fair Value as % of Net Assets
United States	\$ 2,675,743	\$ 2,698,272	87.25 %	161.27 %
Canada	261,911	263,704	8.53	15.76
Luxembourg	130,113	130,464	4.22	7.80
Total	\$ 3,067,767	\$ 3,092,440	100.00 %	184.83 %

As of March 31, 2020 and December 31, 2019, no loans in the portfolio were on non-accrual status.

Note 5. Fair Value Measurements

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the applicable measurement date.

The fair value hierarchy under ASC 820 prioritizes the inputs to valuation methodology used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The levels used for classifying investments are not necessarily an indication of the risk associated with investing in these securities. The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs to the valuation methodology are quoted prices available in active markets for identical instruments as of the reporting date. The types of financial instruments included in Level 1 include unrestricted securities, including equities and derivatives, listed in active markets.
- Level 2: Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. The types of financial instruments in this category 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 that are included in this category include debt and equity investments in privately held entities, collateralized loan obligations (“CLOs”) 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 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. Transfers between levels, if any, are recognized at the beginning of the quarter in which the transfer occurs.

In addition to using the above inputs in investment valuations, the Company applies the valuation policy approved by its Board that is consistent with ASC 820. Consistent with the valuation policy, the Company evaluates the source of the inputs, including any markets in which its investments are trading (or any markets in which securities with similar attributes are

trading), in determining fair value. When an investment is valued based on prices provided by reputable dealers or pricing services (that is, broker quotes), the Company subjects those prices to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level 2 or Level 3 investment.

In the absence of independent, reliable market quotes, an enterprise value analysis is typically performed to determine the value of equity investments, control debt investments and non-control debt investments that are credit-impaired, and to determine if debt investments are credit impaired. Enterprise value (“**EV**”) means the entire value of the portfolio company to a market participant, including the sum of the values of debt and equity securities used to capitalize the enterprise at a point in time. When an investment is valued using an EV analysis, the EV of a portfolio company is first determined and allocated over the portfolio company’s securities in order of their preference relative to one another (i.e. “waterfall” allocation).

If debt investments are credit-impaired, which occurs when there is insufficient coverage under the EV analysis through the respective investment’s position in the capital structure, the Adviser uses the enterprise value “waterfall” approach or a recovery method (if a liquidation or restructuring is deemed likely) to determine fair value. For debt investments that are not determined to be credit-impaired, the Adviser uses a market interest rate yield analysis (discussed below) to determine fair value.

The Adviser will generally utilize approaches including the market approach, the income approach or both approaches, as appropriate, when calculating EV. The primary method for determining EV for non-control investments, and control investments without reliable projections, uses a multiple analysis whereby appropriate multiples are applied to the portfolio company’s earnings before interest, taxes, depreciation and amortization (“**EBITDA**”) or another key financial metric (e.g. such as revenues, cash flows or net income) (“**Performance Multiple**”). Performance Multiples are typically determined based upon a review of publicly traded comparable companies and market comparable transactions, if any. The second method for determining EV (and primary method for control investments with reliable projections) uses a discounted cash flow analysis whereby future expected cash flows and the anticipated terminal value of the portfolio company are discounted to determine a present value using estimated discount rates. The income approach is generally used when the Adviser has visibility into the long term projected cash flows of a portfolio company, which is more common with control investments.

Subsequently, for non-control debt investments that are not credit-impaired, and where there is an absence of available market quotations, fair value is determined using a yield analysis. To determine fair value using a yield analysis, the expected cash flows are projected based on the contractual terms of the debt security and discounted back to the measurement date based on a market yield. A market yield is determined based upon an assessment of current and expected market yields for similar investments and risk profiles. The Company considers the current contractual interest rate, the maturity and other terms of the investment relative to risk of the company and the specific investment. A key determinant of risk, among other things, is the leverage through the investment relative to the enterprise value of the portfolio company. As debt investments held by the Company are substantially illiquid with no active transaction market, the Company depends on primary market data, including newly funded transactions, as well as secondary market data with respect to high yield debt instruments and syndicated loans, as inputs in determining the appropriate market yield, as applicable. The fair value of loans with call protection is generally capped at par plus applicable prepayment premium in effect at the measurement date.

The following table presents the fair value hierarchy of financial instruments:

March 31, 2020				
	Level 1	Level 2	Level 3	Total
First lien debt	\$ —	\$ 750,438	\$ 2,842,666	\$ 3,593,104
Second lien debt	—	26,447	—	26,447
Equity investments	—	—	15,754	15,754
Total	\$ —	\$ 776,885	\$ 2,858,420	\$ 3,635,305

December 31, 2019				
	Level 1	Level 2	Level 3	Total
First lien debt	\$ —	\$ 804,708	\$ 2,241,393	\$ 3,046,101
Second lien debt	—	32,419	—	32,419
Equity investments	—	—	13,920	13,920
Total	\$ —	\$ 837,127	\$ 2,255,313	\$ 3,092,440

The following table presents changes in the fair value of financial instruments for which Level 3 inputs were used to determine the fair value:

Three Months Ended March 31, 2020				
	First Lien Debt	Second Lien Debt	Equity Investments	Total Investments
Fair value, beginning of period	\$ 2,241,393	\$ —	\$ 13,920	\$ 2,255,313
Purchases of investments	747,842	—	4,456	752,298
Proceeds from principal repayments and sales of investments	(80,671)	—	—	(80,671)
Accretion of discount/amortization of premium	4,143	—	—	4,143
Net realized gain (loss)	286	—	—	286
Net change in unrealized appreciation (depreciation)	(233,447)	—	(2,622)	(236,069)
Transfers into Level 3 ⁽¹⁾	221,845	—	—	221,845
Transfers out of Level 3 ⁽¹⁾	(58,725)	—	—	(58,725)
Fair value, end of period	\$ 2,842,666	\$ —	\$ 15,754	\$ 2,858,420
Net change in unrealized appreciation (depreciation) included in earnings related to financial instruments still held as of March 31, 2020 included in net unrealized appreciation (depreciation) on the Consolidated Statements of Operations	\$ (233,460)	\$ —	\$ (2,622)	\$ (236,082)

Three Months Ended March 31, 2019				
	First Lien Debt	Second Lien Debt	Total Investments	Forward Purchase Obligation
Fair value, beginning of period	\$ 328,125	\$ —	\$ 328,125	\$ (222)
Purchases of investments	260,286	11,082	271,368	—
Proceeds from principal repayments and sales of investments	(12,860)	—	(12,860)	—
Accretion of discount/amortization of premium	360	3	363	—
Net realized gain (loss)	90	—	90	—
Net change in unrealized appreciation (depreciation)	2,809	194	3,003	118
Transfers into Level 3 ⁽¹⁾	9,067	1,539	10,606	—
Transfers out of Level 3 ⁽¹⁾	(60,192)	—	(60,192)	—
Fair value, end of period	\$ 527,685	\$ 12,818	\$ 540,503	\$ (104)
Net change in unrealized appreciation (depreciation) included in earnings related to financial instruments still held as of March 31, 2019 included in net unrealized appreciation (depreciation) on the Consolidated Statements of Operations	\$ 2,770	\$ 194	\$ 2,964	\$ 118

(1) For the three months ended March 31, 2020 and 2019, transfers into or out of Level 3 were primarily due to decreased or increased price transparency, respectively.

The following table presents quantitative information about the significant unobservable inputs of the Company's Level 3 financial instruments. The table is not intended to be all-inclusive but instead captures the significant unobservable inputs relevant to the Company's determination of fair value.

March 31, 2020						
	Fair Value	Valuation Technique	Unobservable Input	Range		Weighted Average ⁽¹⁾
				Low	High	
Investments in first lien debt	\$ 2,237,546	Yield analysis	Discount rate	7.54 %	15.39 %	9.32 %
	605,120	Market quotations	Broker quoted price	77.50	97.50	89.06
	2,842,666					
Investments in equity	15,754	Market approach	Performance multiple	5.57x	12.00x	8.96x
Total	\$ 2,858,420					

December 31, 2019						
	Fair Value	Valuation Technique	Unobservable Input	Range		Weighted Average ⁽¹⁾
				Low	High	
Investments in first lien debt	\$ 1,886,531	Yield analysis	Discount rate	7.68 %	13.58 %	8.39 %
	354,862	Market quotations	Broker quoted price	81.50	99.50	97.87
	2,241,393					
Investments in equity	13,920	Market approach	Performance multiple	6.15x	13.50x	10.18x
Total	\$ 2,255,313					

(1) Weighted averages are calculated based on fair value of investments.

The significant unobservable input used in the yield analysis is the discount rate based on comparable market yields. The significant unobservable input used for market quotations are the quoted prices from independent pricing services. The significant unobservable input used under the market approach is the performance multiple. Significant increases in discount rates would result in a significantly lower fair value measurement. Significant decreases in quoted prices or performance multiples would result in a significantly lower fair value measurement.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period. Additionally, the fair value of the Company's investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that the Company may ultimately realize. Further, such investments are generally subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If the Company was required to liquidate a portfolio investment in a forced or liquidation sale, it could realize significantly less than the value at which the Company has recorded it. In addition, changes in the market environment and other events that may occur over the life of the investments may cause the gains or losses ultimately realized on these investments to be different than the unrealized gains or losses reflected in the valuations currently assigned.

Financial Instruments Not Carried at Fair Value

The carrying amounts of the Company's financial assets and liabilities, other than investments at fair value, approximate fair value. These financial instruments are categorized as Level 3 within the hierarchy.

Note 6. Borrowings

In accordance with the 1940 Act, with certain limitations, the Company is allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, is at least 150% after such borrowing. As of March 31, 2020 and December 31, 2019, the Company's asset coverage was 198.7% and 215.1%, respectively.

Subscription Facility

On November 6, 2018, the Company entered into a revolving credit facility (which was subsequently amended on September 16, 2019 and as further amended from time to time, the **“Subscription Facility”**) with Bank of America, N.A., as the administrative agent, the sole lead arranger, the letter of credit issuer and a lender, and the other lenders from time to time party thereto.

The initial maximum commitment amount of the Subscription Facility was \$200 million. Effective September 16, 2019, the maximum commitment amount of the Subscription Facility was increased to \$400 million, subject to availability under the borrowing base, which is based on the undrawn capital commitments of the shareholders, and restrictions imposed on borrowings under the 1940 Act. The maximum commitment amount of the Subscription Facility may be increased to \$700 million 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 Company is permitted to borrow under the Subscription Facility for any purpose permitted under its constituent documents.

Borrowings under the Subscription Facility bear interest, at the Company’s election at the time of drawdown, at a rate per annum equal to (i) in the case of LIBOR rate loans, an adjusted LIBOR rate for the applicable interest period plus 2.00% or (ii) in the case of reference rate loans, the greatest of (A) the prime rate plus 1.00%, (B) the federal funds rate plus 1.50%, and (C) one-month adjusted LIBOR plus 2.00%. Loans may be converted from one rate to another at any time at the Company’s election, subject to certain conditions. Effective November 6, 2018, the Company pays an unused commitment fee equal to (x) 0.30% per annum when the outstanding principal obligations are less than 50% of the maximum commitment and (y) 0.25% per annum when the outstanding principal obligations are greater than or equal to 50% of the maximum commitment.

The Subscription Facility will mature upon the earliest of: (i) November 6, 2020 (the **“Stated Maturity Date”**); (ii) the date upon which the administrative agent declares the obligations under the Subscription Facility due and payable after the occurrence of an event of default; (iii) 30 days prior to the termination of the Company’s constituent documents; (iv) 30 days prior to the date on which the Company’s ability to call capital contributions for the purpose of repaying the obligations under the Subscription Facility is terminated; and (v) the date the Company terminates the lender commitments pursuant to the Subscription Facility. The Stated Maturity Date may be extended, at the Company’s option, for two additional terms not longer than 364 days each, subject to customary conditions, including (x) the consent of the administrative agent and the extending lenders and (y) payment of an extension fee.

The Subscription Facility is secured by a pledge of the Company’s right, title, and interest in and to the undrawn capital commitments of the Company’s investors. The Subscription Facility includes customary affirmative and negative covenants and consent rights granted to the lenders, as well as usual and customary events of default for revolving credit facilities of this nature.

As of March 31, 2020 and December 31, 2019, the Company was in compliance with all covenants and other requirements of the Subscription Facility.

Jackson Hole Funding Facility

On November 16, 2018, BGSL Jackson Hole Funding LLC (**“Jackson Hole Funding”**), the Company’s wholly-owned subsidiary that holds primarily originated loan investments, entered into a senior secured revolving credit facility (which was subsequently amended on February 6, 2019 and September 20, 2019 and as further amended from time to time, the **“Jackson Hole Funding Facility”**) with JPMorgan Chase Bank, National Association (**“JPM”**). JPM serves as administrative agent, Citibank, N.A., serves as collateral agent and securities intermediary, Virtus Group, LP serves as collateral administrator and the Company serves as portfolio manager under the Jackson Hole Funding Facility.

Advances under the Jackson Hole Funding Facility bear interest at a per annum rate equal to the three-month LIBOR in effect, plus the applicable margin of 2.375% per annum. Effective January 16, 2019, Jackson Hole Funding pays a commitment fee of 0.60% per annum (or 0.375% per annum until March 20, 2020) on the average daily unused amount of the financing commitments until the third anniversary of the Jackson Hole Funding Facility.

The initial maximum commitment amount of the Jackson Hole Funding Facility was \$300 million. Effective September 20, 2019, the maximum commitment amount of the Jackson Hole Funding Facility was increased to \$600 million. The Jackson Hole Funding Facility has an accordion feature, subject to the satisfaction of various conditions, which could bring total commitments under the Jackson Hole Funding Facility to up to \$900 million. Proceeds from borrowings under the Jackson Hole Funding Facility may be used to fund portfolio investments by Jackson Hole Funding and to make advances under delayed draw term loans where Jackson Hole Funding is a lender. The period during which Jackson Hole Funding may make

borrowings under the Jackson Hole Funding Facility expires on November 16, 2021 and the Jackson Hole Funding Facility is scheduled to mature on May 16, 2023 (“**Maturity Date**”).

Jackson Hole Funding’s obligations to the lenders under the Jackson Hole Funding Facility are secured by a first priority security interest in Jackson Hole Funding’s portfolio of investments and cash. The obligations of Jackson Hole Funding under the Jackson Hole Funding Facility are non-recourse to the Company, and the Company’s exposure under the Jackson Hole Funding Facility is limited to the value of its investment in Jackson Hole Funding.

In connection with the Jackson Hole Funding Facility, Jackson Hole Funding has made certain customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. The Jackson Hole Funding Facility contains customary events of default for similar financing transactions, including if a change of control of Jackson Hole Funding occurs or if the Company is no longer the portfolio manager of Jackson Hole Funding. Upon the occurrence and during the continuation of an event of default, JPM may declare the outstanding advances and all other obligations under the Jackson Hole Funding Facility immediately due and payable.

The occurrence of an event of default (as described above) or a market value event (as defined in the Jackson Hole Funding Facility) triggers a requirement that Jackson Hole Funding obtain the consent of JPM prior to entering into any sale or disposition with respect to portfolio assets, and the occurrence of a market value event triggers the right of JPM to direct Jackson Hole Funding to enter into sales or dispositions with respect to any portfolio assets, in each case in JPM’s sole discretion.

As of March 31, 2020 and December 31, 2019, the Company was in compliance with all covenants and other requirements of the Jackson Hole Funding Facility.

Breckenridge Funding Facility

On December 21, 2018, BGSL Breckenridge Funding LLC (“**Breckenridge Funding**”), the Company’s wholly owned subsidiary that holds primarily syndicated loan investments, entered into a senior secured revolving credit facility (which was subsequently amended on June 11, 2019, August 2, 2019, September 27, 2019 and April 13, 2020, and as further amended from time to time, the “**Breckenridge Funding Facility**”) with BNP Paribas (“**BNP**”). BNP serves as administrative agent, Wells Fargo Bank, National Association serves as collateral agent and the Company serves as servicer under the Breckenridge Funding Facility.

Advances under the Breckenridge Funding Facility bear interest at a per annum rate equal to the three-month LIBOR (or other Base Rate) in effect, plus an applicable margin of 1.75%, 2.00% or 2.22% per annum, as applicable, depending on the nature of the advances being requested under the facility. Breckenridge Funding will pay a commitment fee of 0.70% per annum if the unused facility amount is greater than 50% or 0.35% per annum if the unused facility amount is less than or equal to 50% and greater than 25%, based on the average daily unused amount of the financing commitments until December 21, 2022, in addition to certain other fees as agreed between Breckenridge Funding and BNP.

The initial maximum commitment amount of the BNP SPV Facility was \$400 million. Effective June 11, 2019, the maximum commitment amount of the BNP SPV Facility was increased to \$575 million; effective September 27, 2019, the maximum commitment amount of the BNP SPV Facility was increased to \$875 million and on April 13, 2020, the maximum commitment amount of the BNP Facility was increased to \$1,125 million. Proceeds from borrowings under the BNP SPV Facility may be used to fund portfolio investments by Breckenridge Funding and to make advances under delayed draw and revolving loans where Breckenridge Funding is a lender. The period during which Breckenridge Funding may make borrowings under the BNP SPV Facility expires on December 21, 2022 (or such later date as may be agreed by Breckenridge Funding, BNP, as administrative agent, and the lenders under the BNP SPV Facility) and the BNP SPV Facility is scheduled to mature on December 21, 2024.

Breckenridge Funding’s obligations to the lenders under the Breckenridge Funding Facility are secured by a first priority security interest in all of Breckenridge Funding’s portfolio of investments and cash. The obligations of Breckenridge Funding under the Breckenridge Funding Facility are non-recourse to the Company, and the Company’s exposure under the Breckenridge Funding Facility is limited to the value of its investment in Breckenridge Funding.

In connection with the Breckenridge Funding Facility, Breckenridge Funding has made certain customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. The Breckenridge Funding Facility contains customary events of default for similar financing transactions, including if a change of control of Breckenridge Funding occurs or if the Company is no longer the servicer of Breckenridge Funding. Upon the occurrence and during the continuation of an event of default, BNP may declare the

outstanding advances and all other obligations under the Breckenridge Funding Facility immediately due and payable. The occurrence of an event of default (as described above) suspends the ability of Breckenridge Funding to acquire or sell additional assets.

As of March 31, 2020 and December 31, 2019, the Company was in compliance with all covenants and other requirements of the Breckenridge Funding Facility.

Big Sky Funding Facility

On December 10, 2019, BGSL Big Sky Funding LLC (“**Big Sky Funding**”), the Company’s wholly-owned subsidiary, entered into a senior secured revolving credit facility (the “**Big Sky Funding Facility**”) with Bank of America, N.A. (“**Bank of America**”). Bank of America serves as administrative agent, Wells Fargo Bank, N.A. serves as collateral administrator and the Company serves as manager under the Revolving Credit Facility.

Advances under the Big Sky Funding Facility bear interest at a per annum rate equal to the one-month or three-month London Interbank Offered Rate in effect, plus the applicable margin of 1.60% per annum. Big Sky Funding is required to utilize a minimum percentage of the financing commitments (the “**Minimum Utilization Amount**”), which amount increases in three-month intervals from 20% six months after the closing date of the Revolving Credit Facility to 80% 15 months after the closing date of the Revolving Credit Facility and thereafter. Unused amounts below the Minimum Utilization Amount accrue a fee at a rate of 1.60% per annum. In addition, Big Sky Funding will pay an unused fee of 0.45% per annum on the daily unused amount of the financing commitments in excess of the Minimum Utilization Amount, commencing three months after the closing date of the Big Sky Funding Facility.

The initial maximum commitment amount of the Big Sky Funding Facility is \$400 million. The Big Sky Funding Facility has an accordion feature, subject to the satisfaction of various conditions, which could bring total commitments under the Big Sky Funding Facility to up to \$500 million. Proceeds from borrowings under the Big Sky Funding Facility may be used to fund portfolio investments by Big Sky Funding and to make advances under revolving loans or delayed draw term loans where Big Sky Funding is a lender. All amounts outstanding under the Big Sky Funding Facility must be repaid by December 10, 2022.

Big Sky Funding’s obligations to the lenders under the Big Sky Funding Facility are secured by a first priority security interest in all of Big Sky Funding’s portfolio investments and cash. The obligations of Big Sky Funding under the Big Sky Funding Facility are non-recourse to the Company, and the Company’s exposure under the Big Sky Funding Facility is limited to the value of the Company’s investment in Big Sky Funding.

In connection with the Big Sky Funding Facility, Big Sky Funding has made certain customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar facilities. The Revolving Credit Facility contains customary events of default for similar financing transactions, including if a change of control of SPV occurs. Upon the occurrence and during the continuation of an event of default, Bank of America may declare the outstanding advances and all other obligations under the Revolving Credit Facility immediately due and payable. The occurrence of an event of default (as described above) triggers a requirement that SPV obtain the consent of Bank of America prior to entering into any sale or disposition with respect to portfolio investments.

As of March 31, 2020 and December 31, 2019, the Company was in compliance with all covenants and other requirements of the Big Sky Funding Facility.

The Company’s outstanding debt obligations were as follows:

	March 31, 2020				
	Aggregate Principal Committed	Outstanding Principal	Carrying Value	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
Subscription Facility	\$ 400,000	\$ 213,270	\$ 213,270	\$ 186,730	\$ 142,903
Jackson Hole Funding Facility ⁽³⁾	600,000	599,190	599,190	810	—
Breckenridge Funding Facility	875,000	853,710	853,710	21,290	21,290
Big Sky Funding Facility	400,000	127,950	127,950	272,050	45,755
Total	\$ 2,275,000	\$ 1,794,120	\$ 1,794,120	\$ 480,880	\$ 209,948

December 31, 2019

	Aggregate Principal Committed	Outstanding Principal	Carrying Value	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
Subscription Facility	\$ 400,000	\$ 119,752	\$ 119,752	\$ 280,248	\$ 280,248
Jackson Hole Funding Facility ⁽³⁾	600,000	514,151	514,151	85,849	5,843
Breckenridge Funding Facility	875,000	820,311	820,311	54,689	10,769
Big Sky Funding Facility	400,000	—	—	400,000	25,481
Total	\$ 2,275,000	\$ 1,454,214	\$ 1,454,214	\$ 820,786	\$ 322,341

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

(2) The amount available reflects any limitations related to each respective credit facility's borrowing base.

(3) Under the JPM SPV Facility, the Company may borrow in U.S. dollars or certain other permitted currencies. As of March 31, 2020 and December 31, 2019, the Company had borrowings denominated in Euros (EUR) of 23.7 million and (EUR) 23.9 million, respectively.

As of March 31, 2020 and December 31, 2019, \$5.0 million and \$5.3 million, respectively, of interest expense and \$0.2 million and \$0.2 million, respectively, of unused commitment fees were included in interest payable. For the three months ended March 31, 2020 and 2019, the weighted average interest rate on all borrowings outstanding was 3.82% and 4.95% (including unused fees), respectively, and the average principal debt outstanding was \$1,623.8 million and \$353.7 million, respectively.

The components of interest expense were as follows:

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Borrowing interest expense	\$ 15,245	\$ 4,110
Facility unused fees	282	272
Amortization of financing costs	544	290
Total interest expense	\$ 16,071	\$ 4,672
Cash paid for interest expense	\$ 15,723	\$ 1,257

Note 7. Commitments and Contingencies

Portfolio Company Commitments

The Company's investment portfolio may contain debt investments which are in the form of lines of credit or delayed draw commitments, which require us to provide funding when requested by portfolio companies in accordance with underlying loan agreements. As of March 31, 2020 and December 31, 2019, the Company had delayed draw term loans and revolvers with an aggregate of \$185.7 million and \$179.4 million of unfunded commitments, respectively.

Additionally, from time to time, the Adviser and its affiliates may commit to an investment on behalf of the funds it manages. Certain terms of these investments are not finalized at the time of the commitment and each respective fund's allocation may change prior to the date of funding. In this regard, as of March 31, 2020, we estimate \$194.5 million respectively of investments that are committed but not yet funded.

Warehousing Transactions

The Company entered into two warehousing transactions whereby the Company agreed, subject to certain conditions, to purchase certain assets from parties unaffiliated with the Adviser. Such warehousing transactions were designed to assist the Company in deploying capital upon receipt of drawdown proceeds. One of these warehousing transactions related primarily to originated or anchor investments in middle market loans (the "**Middle Market Warehouse**"). The other warehouse related primarily to broadly syndicated loans (the "**Syndicated Warehouse**" and, together with the Middle Market Warehouse, the "**Warehousing Transactions**") prior to the acquisition of the equity interests of the Syndicated Warehouse by the Company and merger of the Syndicated Warehouse with the Company's wholly-owned subsidiary, as described below. Both the Middle Market Warehouse and the Syndicated Warehouse have been terminated.

Middle Market Warehouse

On September 10, 2018, the Company entered into a Warehousing Transaction for primarily middle market loans with a warehouse provider unaffiliated with the Adviser. The warehouse investments for the Middle Market Warehouse were ultimately selected by the warehouse provider, in its sole discretion, for an account which it solely controlled. Recommendations for such investments were made on a non-discretionary basis by an affiliate of the Adviser, but only if the Adviser determined the investment was desirable for the Company. The Company was a party to a forward purchase agreement pursuant to which the Company agreed to purchase certain assets held in the Middle Market Warehouse at a purchase price based on the cost of the asset to the warehouse provider plus amounts of unpaid interest, original issue discount and structuring fees accrued to the warehouse provider during the time the warehouse provider owned the asset.

On July 12, 2019, the Company purchased all investments held by the Middle Market Warehouse for a total consideration of \$86.9 million (including \$0.2 million of accrued interest). The Middle Market Warehouse was terminated on September 10, 2019.

Since the Company had a contractual obligation to acquire all qualifying assets in the Middle Market Warehouse through a forward purchase agreement, the mark-to-market gain/loss of all investments was recognized in the Company's consolidated financial statements. The Company did not, however, have any direct interest in the underlying assets nor did it have the power to control the activities most significant to the economic performance of the Middle Market Warehouse, and therefore, such assets were not included in the Company's consolidated financial statements. This gain/loss amount is calculated as the difference between (1) the current purchase price the Company would be obligated to pay to purchase each asset under the forward purchase agreement and (2) the current fair value as determined by the Company's valuation policy. For the three months ended March 31, 2020 and 2019, the Company had a total unrealized loss of \$0.0 million and \$0.1 million, respectively, relating to this forward purchase obligation.

Syndicated Warehouse

On August 21, 2018, the Company entered into a Warehousing Transaction with a third party whereby the Company (or the Company's designees) agreed, subject to certain contingencies, to purchase the equity interests of a warehouse vehicle from such third party at a price equal to the initial capital contribution made by the third party equity holder plus accrued but unpaid interest on the underlying assets in the warehouse vehicle remaining after the payment of all other obligations outstanding under the credit agreement of the Syndicated Warehouse vehicle other than principal on the loan made under such credit agreement. The warehouse investments for the Syndicated Warehouse vehicle were selected by an affiliate of the Adviser as the collateral manager of the Syndicated Warehouse. Neither the Adviser nor any of its affiliates received any additional compensation from the Company in connection with serving as collateral manager of the warehouse vehicle.

The Company exercised its rights to acquire the equity interests of the Syndicated Warehouse on December 11, 2018, at which time the assets and liabilities of the warehouse started to be included in the Company's consolidated financial statements for a total purchase price of \$24.9 million.

On December 28, 2018, the Company caused a certificate of merger to be filed with the Delaware Secretary of State to merge the Syndicated Warehouse, a Cayman Islands exempted company, into Breckenridge Funding, a Delaware limited liability company, at which time all the assets and liabilities of the Syndicated Warehouse became owned by Breckenridge Funding. Breckenridge is, and at the time of the merger the Syndicated Warehouse was, a wholly-owned bankruptcy remote subsidiary of the Company. The Syndicated Warehouse and Breckenridge were established in connection with non-recourse credit facilities provided by BNP Paribas as lender on August 21, 2018 and December 21, 2018, respectively. In connection with the merger, the Company caused the credit facility at the Syndicated Warehouse to be paid off and terminated.

Other Commitments and Contingencies

From time to time, the Company may become a party to certain legal proceedings incidental to the normal course of its business. At March 31, 2020, management is not aware of any pending or threatened material litigation.

Impact of COVID-19

As further discussed in Note 2, the full extent of the impact of COVID-19 on the global economy generally, and the Company's business in particular is uncertain. As of March 31, 2020, no contingencies have been recorded on the Company's Consolidated Statements of Assets and Liabilities as a result of COVID-19, however as the global pandemic continues and the economic implications worsen, it may have long-term impacts on the Company's financial condition, results of operations, and cash flows. Refer to Note 2 for further discussion of COVID-19.

Note 8. Net Assets

Subscriptions and Drawdowns

In connection with its formation, the Company has the authority to issue an unlimited number of shares at \$0.001 per share par value.

During the three months ended March 31, 2020 and 2019, the Company entered into additional subscription agreements (the “**Subscription Agreements**”) with investors providing for the private placement of the Company’s shares. Under the terms of the Subscription Agreements, investors are required to fund drawdowns to purchase the Company’s shares up to the amount of their respective Capital Commitment on an as-needed basis each time the Company delivers a drawdown notice to its investors. As of March 31, 2020, the Company had received Capital Commitments totaling \$3,240.5 million (\$1,166.6 million remaining undrawn), of which \$74.5 million (\$26.8 million remaining undrawn) are from affiliated entities of the Adviser.

The following table summarizes the total shares issued and proceeds received related to the Company’s capital drawdowns delivered pursuant to the Subscription Agreements for the three months ended March 31, 2020 (dollars in millions):

Common Share Issuance Date	Number of Common Shares Issued	Aggregate Offering Price
January 30, 2020	16,864,983	\$ 440.9
Total	16,864,983	\$ 440.9

On March 25, 2020, the Company issued a capital call and delivered capital drawdown notices totaling \$324.0 million, which was due on April 8, 2020. Subscribed but unissued shares are presented in equity with a deduction of subscriptions receivable until cash is received for a subscription. No cash was received related to this capital call as of March 31, 2020.

The following table summarizes the total shares issued and proceeds received related to the Company’s capital drawdowns delivered pursuant to the Subscription Agreements for the three months ended March 31, 2019 (dollars in millions):

Common Share Issuance Date	Number of Common Shares Issued	Aggregate Offering Price
January 24, 2019	5,666,095	\$ 142.1
March 28, 2019	9,818,817	247.5
Total	15,484,912	\$ 389.6

Distributions

The following table summarizes the Company’s distributions declared and payable for the three months ended March 31, 2020 (dollars in thousands except per share amounts):

Date Declared	Record Date	Payment Date	Per Share Amount	Total Amount
January 29, 2020	January 29, 2020	May 15, 2020	\$ 0.1593	\$ 10,241
February 26, 2020	March 31, 2020	May 15, 2020	0.3407	27,688
Total distributions			\$ 0.5000	\$ 37,929

The following table summarizes the Company’s distributions declared and payable for the three months ended March 31, 2019 (dollars in thousands except per share amounts):

Date Declared	Record Date	Payment Date	Per Share Amount	Total Amount
January 22, 2019	January 23, 2019	May 15, 2019	\$ 0.1239	\$ 1,192
February 28, 2019	March 27, 2019	May 15, 2019	0.3536	5,406
March 26, 2019	March 31, 2019	May 15, 2019	0.0225	565
Total distributions			\$ 0.5000	\$ 7,163

Dividend Reinvestment

The Company has adopted a dividend reinvestment plan ("**DRIP**"), pursuant to which it reinvests all cash dividends declared by the Board on behalf of its shareholders who do not elect to receive their dividends in cash. As a result, if the Board and the Company declares, a cash dividend or other distribution, then the Company's shareholders who have not opted out of its dividend reinvestment plan will have their cash distributions automatically reinvested in additional shares as described below, rather than receiving the cash dividend or other distribution. Distributions on fractional shares will be credited to each participating shareholder's account to three decimal places. A participating shareholder will receive an amount of shares equal to the amount of the distribution on that participant's shares divided by the most recent quarter-end NAV per share that is available on the date such distribution was paid (unless the Board determines to use the NAV per share as of another time). Shareholders who receive distributions in the form of shares will generally be subject to the same U.S. federal, state and local tax consequences as if they received cash distributions; however, since their cash distributions will be reinvested, those shareholders will not receive cash with which to pay any applicable taxes. The Company intends to use newly issued shares to implement the plan. Shares issued under the dividend reinvestment plan will not reduce outstanding Capital Commitments.

Pursuant to the DRIP, the following table summarizes the amounts received and shares issued to shareholders who have not opted out of the DRIP during the three months ended March 31, 2020 (dollars in thousands except per share amounts):

Payment Date	DRIP Shares Value	DRIP Shares Issued
January 30, 2020	\$ 2,882	112,302
Total distributions	\$ 2,882	112,302

During the three months ended March 31, 2019, there were no DRIP shares issued.

Note 9. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Net increase (decrease) in net assets resulting from operations	\$ (307,460)	\$ 13,969
Weighted average shares outstanding (basic and diluted)	75,856,683	14,275,804
Earnings (loss) per common share (basic and diluted)	\$ (4.05)	\$ 0.98

Note 10. Financial Highlights

The following are the financial highlights for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Per Share Data:		
Net asset value, beginning of period	\$ 26.02	\$ 24.57
Net investment income ⁽¹⁾	0.67	0.46
Net unrealized and realized gain (loss) ⁽²⁾	(4.39)	0.67
Net increase (decrease) in net assets resulting from operations	(3.72)	1.13
Distributions declared ⁽³⁾	(0.50)	(0.50)
Total increase (decrease) in net assets	(4.22)	0.63
Net asset value, end of period	\$ 21.80	\$ 25.20
Shares outstanding, end of period	81,267,027	25,106,231
Total return based on NAV ⁽⁴⁾	(14.32)%	4.60 %
Ratios:		
Ratio of net expenses to average net assets ⁽⁵⁾	6.52 %	9.82 %
Ratio of net investment income to average net assets ⁽⁵⁾	11.18 %	7.44 %
Portfolio turnover rate	3.87 %	20.97 %
Supplemental Data:		
Net assets, end of period	\$ 1,771,461	\$ 632,753
Total capital commitments, end of period	\$ 3,240,465	\$ 1,390,990
Ratios of total contributed capital to total committed capital, end of period	64.00 %	45.21 %
Asset coverage ratio	198.7 %	322.8 %

- (1) The per share data was derived by using the weighted average shares outstanding during the period.
- (2) For the three months ended March 31, 2020 and 2019, the amount shown does not correspond with the aggregate amount for the period as it includes a \$0.33 and \$0.16 impact, respectively, from the effect of the timing of capital transactions.
- (3) The per share data for distributions was derived by using the actual shares outstanding at the date of the relevant transactions (refer to Note 8).
- (4) Total return (not annualized) is calculated as the change in NAV per share during the period, plus distributions per share (assuming dividends and distributions are reinvested in accordance with the Company's dividend reinvestment plan) divided by the beginning NAV per share.
- (5) Amounts are annualized except for expense support amounts relating to organizational costs. For the three months ended March 31, 2020 and 2019, the ratio of total operating expenses to average net assets was 6.43% and 10.47%, respectively, on an annualized basis, excluding the effect of expense support/(recoupment) by the Adviser which represented (0.09%) and 0.65%, respectively, of average net assets.

Note 11. Subsequent Events

The Company's management evaluated subsequent events through the date of issuance of the consolidated financial statements. There have been no subsequent events that occurred during such period that would require disclosure in, or would be required to be recognized in, the consolidated financial statements as of March 31, 2020, except as discussed below.

In April 2020, the Company received the amount of \$324.0 million related to the capital call issued on March 25, 2020.

On April 7, 2020, the Board declared a distribution of \$0.0385 per share, which is payable on August 14, 2020 to shareholders of record as of April 7, 2020.

On April 13, 2020, the Company amended the Breckenridge Funding Facility to, among other things, increase the maximum commitment amount to \$1,125.0 million.

On April 20, 2020, the Company entered into Subscription Agreements with additional investors totaling \$105.8 million of capital commitments in the aggregate.

On May 6, 2020, the Board of Trustees and the Independent Trustees, voting separately, approved the continuance of the Company's Investment Advisory Agreement and Administration Agreement for a one-year period through May 31, 2021.

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

The information contained in this section should be read in conjunction with “Item 1. Financial Statements.” This discussion contains forward-looking statements, which relate to future events our future performance or financial condition and involves numerous risks and uncertainties, including, but not limited to, those set forth in “Risk Factors” in Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2019 and Part II, Item 1A of and elsewhere in this Form 10-Q.

Overview and Investment Framework

We are a Delaware statutory trust structured as a non-diversified, closed-end management investment company that has elected to be regulated as a BDC under the 1940 Act. In addition, for U.S. federal income tax purposes, we elected to be treated as a RIC under the Code. We are managed by our Adviser. The Administrator will provide the administrative services necessary for us to operate.

Our investment objectives are to generate current income and, to a lesser extent, long-term capital appreciation.

Under normal market conditions, we generally invest at least 80% of our total assets (net assets plus borrowings for investment purposes) in secured debt investments (including investments that are secured by equity interests) and our portfolio is composed primarily of first lien senior secured and unitranche loans (including first out/last out loans), generally with total investment sizes less than \$300 million, which criteria may change from time to time. To a lesser extent, we have and may continue to also invest in second lien, third lien, unsecured or subordinated loans, generally with total investment sizes less than \$100 million, which criteria may change from time to time, and other debt and equity securities. We do not currently focus on investments in issuers that are distressed or in need of rescue financing.

We commenced our loan origination and investment activities contemporaneously with the Initial Drawdown on November 20, 2018. The proceeds from the Initial Drawdown and availability under our credit facilities provided us with the necessary seed capital to commence operations. See “—Financial Condition, Liquidity and Capital Resources—Borrowings.” We anticipate raising additional equity capital for investment purposes through additional closings under the Private Offering.

Key Components of Our Results of Operations

Investments

We focus primarily on loans and securities, including syndicated loans, of private U.S. companies, specifically small and middle market companies, which we define as companies with annual revenue of \$50 million to \$2.5 billion, at the time of investment. Specifically, for our originated investments, we target companies with \$25 million to \$75 million of EBITDA. In many market environments, we believe such a focus offers an opportunity for superior risk-adjusted returns.

Our level of investment activity (both the number of investments and the size of each investment) can and will vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to middle market companies, the level of merger and acquisition activity for such companies, the general economic environment, trading prices of loans and other securities and the competitive environment for the types of investments we make.

Revenues

We generate revenues in the form of interest income from the debt securities we hold and dividends and capital appreciation on either direct equity investments or equity interests obtained in connection with originating loans, such as options, warrants or conversion rights. Our debt investments typically have a term of five to eight years and bear interest at floating rates on the basis of a benchmark such as LIBOR. In some instances, we receive payments on our debt investments based on scheduled amortization of the outstanding balances. In addition, we may 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. In some cases, our investments may provide for deferred interest payments or PIK interest. The principal amount of loans and any accrued but unpaid interest generally become due at the maturity date.

In addition, we generate revenue in the form of commitment, loan origination, structuring or diligence fees, fees for providing managerial assistance to our portfolio companies, and possibly consulting fees.

Expenses

Except as specifically provided below, all investment professionals and staff of the Adviser, when and to the extent engaged in providing investment advisory services to us, and the base compensation, bonus and benefits, and the routine overhead expenses, of such personnel allocable to such services, will be provided and paid for by the Adviser. We will bear all other costs and expenses of our operations, administration and transactions, including, but not limited to (a) investment advisory fees, including management fees and incentive fees, to the Adviser, pursuant to the Investment Advisory Agreement; (b) our allocable portion of compensation, overhead (including rent, office equipment and utilities) and other expenses incurred by the Administrator in performing its administrative obligations under the Administration Agreement, including but not limited to: (i) our chief compliance officer, chief financial officer and their respective staffs; (ii) investor relations, legal, operations and other non-investment professionals at the Administrator that perform duties for us; and (iii) any internal audit group personnel of Blackstone or any of its affiliates; and (c) all other expenses of our operations and transactions.

With respect to costs incurred in connection with the Company's organization and offering costs, if actual organization and offering costs incurred exceed 0.10% of our total Capital Commitments, the Adviser or its affiliates will bear the excess costs. To the extent our Capital Commitments later increase, the Adviser or its affiliates may be reimbursed for past payments of excess organization and offering costs made on our behalf provided that the total organization and offering costs borne by us do not exceed 0.10% of total Capital Commitments and provided further that the Adviser or its affiliates may not be reimbursed for payment of excess organization and offering expenses that were incurred more than three years prior to the proposed reimbursement. Any sales load, platform fees, servicing fees or similar fees or expenses charged directly to an investor in our Private Offering by a placement agent or similar party will not be considered organization or offering expenses of the Company for purposes of our cap on organization and offering expenses.

From time to time, the Adviser, the Administrator or their affiliates may pay third-party providers of goods or services. We will reimburse the Adviser, Administrator or such affiliates thereof for any such amounts paid on our behalf. From time to time, the Adviser or the Administrator may defer or waive fees and/or rights to be reimbursed for expenses. In this regard, the Administrator has waived the right to be reimbursed for rent and related occupancy costs. However, the Administrator may seek reimbursement for such costs in future periods. All of the foregoing expenses will ultimately be borne by our shareholders, subject to the cap on organization and offering expenses described above.

Costs and expenses of the Administrator and the Adviser that are eligible for reimbursement by us will be reasonably allocated to the Company on the basis of time spent, assets under management, usage rates, proportionate holdings, a combination thereof or other reasonable methods determined by the Administrator in accordance with policies adopted by the Board.

On December 12, 2018, we entered into an Expense Support Agreement with the Adviser. The Expense Support Agreement provides that, at such times as the Adviser determines, the Adviser may pay certain Expense Payments of the Company, provided that no portion of the payment will be used to pay any of our interest expense. Such Expense Payment must be made in any combination of cash or other immediately available funds no later than forty-five days after a written commitment from the Adviser to pay such expense, and/or by an offset against amounts due from us to the Adviser or its affiliates. Following any calendar quarter in which Available Operating Funds (as defined in the Expense Support Agreement) exceed Excess Operating Funds, we shall pay Reimbursement Payments to the Adviser until such time as all Expense Payments made by the Adviser to us within three years prior to the last business day of such calendar quarter have been reimbursed. The amount of the Reimbursement Payment for any calendar quarter shall equal the lesser of (i) the Excess Operating Funds in such quarter and (ii) the aggregate amount of all Expense Payments made by the Adviser to us within three years prior to the last business day of such calendar quarter that have not been previously reimbursed by us to the Adviser. The Expense Support Agreement provides additional restrictions on the amount of each Reimbursement Payment for any calendar quarter. The Adviser may waive its right to receive all or a portion of any Reimbursement Payment in any particular calendar quarter, so that such Reimbursement Payment may be reimbursable in a future calendar quarter.

Portfolio and Investment Activity

For the three months ended March 31, 2020, we acquired \$1,070.6 million aggregate principal amount (including equity amounts which are aggregate cost) of investments (including \$89.8 million of unfunded commitments), \$1,068.5 million of which was first lien debt and \$2.1 million of which was equity.

For the three months ended March 31, 2019, we acquired \$579.8 million aggregate principal amount of investments (including \$34.9 million of unfunded commitments), \$567.0 million of which was first lien debt and \$12.8 million of which was second lien debt.

Our investment activity is presented below (information presented herein is at cost unless otherwise indicated) (dollar amounts in thousands).

	As of and for the three months ended March 31, 2020	As of and for the three months ended March 31, 2019
Investments:		
Total investments, beginning of period	\$ 3,067,767	\$ 548,753
New investments purchased	1,025,539	540,294
Net accretion of discount on investments	6,188	766
Net realized gain (loss) on investments	699	1,726
Investments sold or repaid	(130,149)	(158,469)
Total investments, end of period	\$ 3,970,044	\$ 933,070
Amount of investments funded at principal:		
First lien debt investments	\$ 1,059,701	\$ 538,526
Second lien debt investments	—	12,750
Equity investments	2,138	—
Total	\$ 1,061,839	\$ 551,276
Proceeds from investments sold or repaid:		
First lien debt investments	\$ (129,244)	\$ (156,421)
Second lien debt investments	(905)	(322)
Equity investments	—	—
Total	\$ (130,149)	\$ (156,743)
Number of portfolio companies	80	54
Weighted average yield on debt and income producing investments, at cost ⁽¹⁾	8.04 %	8.86 %
Weighted average yield on debt and income producing investments, at fair value ⁽¹⁾	8.78 %	8.84 %
Percentage of debt investments bearing a floating rate	100 %	100 %
Percentage of debt investments bearing a fixed rate	— %	— %

- (1) Computed as (a) the annual stated interest rate or yield plus the annual accretion of discounts or less the annual amortization of premiums, as applicable, on accruing debt included in such securities, divided by (b) total first lien and second lien debt (at fair value or cost, as applicable) included in such securities. Actual yields earned over the life of each investment could differ materially from the yields presented above.
- (2) As of March 31, 2020 and 2019, the weighted average total portfolio yield at cost was 8.01% and 8.86%, respectively. The weighted average total portfolio yield at fair value was 8.74% and 8.84%, respectively.

Our investments consisted of the following (dollar amounts in thousands):

	March 31, 2020			December 31, 2019		
	Cost	Fair Value	% of Total Investments at Fair Value	Cost	Fair Value	% of Total Investments at Fair Value
First lien debt	\$ 3,920,281	\$ 3,593,104	98.84 %	\$ 3,021,498	\$ 3,046,101	98.50 %
Second lien debt	31,821	26,447	0.73	32,782	32,419	1.05
Equity investments	17,942	15,754	0.43	13,487	13,920	0.45
Total	\$ 3,970,044	\$ 3,635,305	100.00 %	\$ 3,067,767	\$ 3,092,440	100.00 %

As of March 31, 2020 and December 31, 2019, no loans in the portfolio were on non-accrual status.

Results of Operations

The following table represents the operating results (dollar amounts in thousands):

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Total investment income	\$ 80,195	15,239
Net expenses	29,419	8,667
Net investment income before excise tax	50,776	6,572
Excise tax expense	104	—
Net investment income after excise tax	50,672	6,572
Net unrealized appreciation (depreciation)	(358,827)	5,671
Net realized gain (loss)	695	1,726
Net increase (decrease) in net assets resulting from operations	\$ (307,460)	\$ 13,969

Net increase (decrease) in net assets resulting from operations can vary from period to period as a result of various factors, including acquisitions, the level of new investment commitments, the recognition of realized gains and losses and changes in unrealized appreciation and depreciation on the investment portfolio. As a result, comparisons may not be meaningful.

Investment Income

Investment income, was as follows (dollar amounts in thousands):

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Interest income	\$ 77,591	\$ 15,226
PIK income	2,602	—
Fee income	2	13
Total investment income	\$ 80,195	\$ 15,239

For the three months ended March 31, 2020, total investment income (which includes prepayment premiums and accelerated accretion of upfront loan origination fees and unamortized discounts of \$1.9 million and \$1.2 million, respectively, which are included within interest income in the Consolidated Statements of Operations) increased from the three months ended March 31, 2019, primarily driven by our deployment of capital and increased invested balance of our investments. The size of our investment portfolio at fair value increased to \$3,635.3 million at March 31, 2020 from \$935.2 million at March 31, 2019.

The COVID-19 pandemic could cause liquidity issues at our portfolio companies which could restrict their ability to make cash interest payments. Additionally, we may experience full or partial losses on our investments which may ultimately reduce our investment income in future periods.

As of March 31, 2020, with the exception of four equity investments (which represented 0.43% of the total fair value of the portfolio), all investments were income producing senior secured debt investments.

Expenses

Expenses were as follows (dollar amounts in thousands):

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Interest expense	\$ 16,071	\$ 4,672
Management fees	6,537	1,492
Income based incentive fee	8,268	1,143
Capital gains incentive fee	(4,218)	475
Professional fees	526	233
Board of Trustees' fees	115	123
Administrative service expenses	583	426
Other general and administrative	830	451
Amortization of offering costs	307	222
Excise tax expense	104	—
Total expenses (including excise tax expense)	29,123	9,237
Expense support	—	(570)
Recoupment of expense support	400	—
Net expenses (including excise tax expense)	\$ 29,523	\$ 8,667

The increase in interest expense for the three months ended March 31, 2020 compared to the three months ended March 31, 2019, was driven by increased borrowings under our credit facilities resulting from increased deployment of capital for investments. For the three months ended March 31, 2020 and 2019, the average principal debt outstanding increased to \$1,623.8 million from \$353.7 million, respectively, partially offset by a decrease in our weighted average interest rate to 3.82% at March 31, 2020 from 4.95% at March 31, 2019.

The increase in management fees and income based incentive fees for the three months ended March 31, 2020 compared to the three months ended March 31, 2019 was driven by a higher level of assets resulting from the deployment of capital. Management fees are calculated using the average value of our gross assets at the end of the two most recently completed calendar quarters. Ending assets at March 31, 2020 was \$3,782.5 million compared to \$1,016.8 million at March 31, 2019. For the three months ended March 31, 2020 and 2019, there was \$55.1 million and \$7.6 million of pre-incentive fee net investment income which resulted in income based incentive fees of \$8.3 million and \$1.1 million, respectively.

For the three months ended March 31, 2020, we accrued capital gains incentive fees of \$(4.2) million due to net realized and unrealized losses of \$358.1 million in the current period. 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 we were at a net realized and unrealized cumulative loss position as of March 31, 2020, all previously accrued capital gains incentive fees were reversed in the current quarter.

Organization costs and offering costs include expenses incurred in our initial formation and our Private Offering. Professional fees include legal, rating agencies, audit, tax, valuation, technology and other professional fees incurred related to the management of us. 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, their respective staff and other non-investment professionals that perform duties for us. Other general and administrative expenses include insurance, filing, research, our sub-administrator, subscriptions and other costs. The increase in professional fees, administrative service fees and other general and administrative expenses for the three months ended March 31, 2020 compared to the three months ended March 31, 2019, was primarily driven by the deployment of capital.

The Adviser may elect to make Expense Payments on our behalf, subject to future Reimbursement Payments pursuant to the Expense Support Agreement described above in “—Key Components of Our Results of Operations—Expenses.”

Income Taxes, Including Excise Taxes

We elected to be treated as a RIC under Subchapter M of the Code, and we intend to operate in a manner so as to continue to qualify for the tax treatment applicable to RICs. To qualify for tax treatment as a RIC, we must, among other things, distribute to our shareholders in each taxable year generally at least 90% of the sum of our investment company taxable income,

as defined by the Code (without regard to the deduction for dividends paid), and net tax-exempt income for that taxable year. To maintain our tax treatment as a RIC, we, among other things, intend to make the requisite distributions to our shareholders, which generally relieve us from corporate-level U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may carry forward taxable income (including net capital gains, if any) in excess of current year dividend distributions from the current tax year into the next tax year and pay a nondeductible 4% U.S. federal excise tax on such taxable income, as required. To the extent that we determine that our estimated current year annual taxable income will be in excess of estimated current year dividend distributions from such income, we will accrue excise tax on estimated excess taxable income.

For the three months ended March 31, 2020 and 2019, we incurred \$0.1 million and \$0.0 million, respectively, of U.S. federal excise tax.

Net Unrealized Gain (Loss)

Net unrealized gain (loss) was comprised of the following (dollar amounts in thousands):

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Net unrealized gain (loss) on investments	\$ (358,814)	\$ 5,553
Net unrealized gain (loss) on forward purchase obligation	—	118
Net unrealized gain (loss) on translation of assets and liabilities in foreign currencies	(13)	—
Net unrealized gain (loss)	\$ (358,827)	\$ 5,671

For the three months ended March 31, 2020, the net unrealized losses on investments were primarily a result of significant mark downs in the fair value of our investment portfolio, including our quoted syndicated loan investments and our non-quoted investments. The fair value of our investments were negatively impacted by a widening credit spread environment during the quarter due to heightened market volatility resulting from the COVID-19 pandemic. Our investments in certain industries, such as Travel and Leisure and Energy, were most impacted from this market volatility. With respect to quoted investments, the broadly syndicated loan market faced significant technical selling pressure as market participants began selling assets in an effort to realize liquidity. To the extent that the credit risk of our portfolio companies increases as a result of financial impacts due to COVID-19, we may incur additional unrealized losses in the future.

For the three months ended March 31, 2019, the valuations of our debt investments generally increased as a result of a tightening credit spread environment and strength in the syndicated loan market during the period.

Net Realized Gain (Loss)

The realized gains and losses on fully exited and partially exited investments comprised of the following (dollar amounts in thousands):

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Net realized gain (loss) on investments	\$ 699	\$ 1,726
Net realized gain (loss) on translation of assets and liabilities in foreign currencies	(4)	—
Net realized gain (loss)	\$ 695	\$ 1,726

For the three months ended March 31, 2020 and 2019, we generated net realized gains of \$0.7 million and \$1.7 million, respectively, resulting primarily from full or partial sales of quoted loans.

The COVID-19 pandemic may cause us to experience full or partial losses on our investments which may result in realized losses upon the exit of our investments.

Financial Condition, Liquidity and Capital Resources

We generate cash from the net proceeds from the drawdown of Capital Commitments, proceeds from net borrowings on our credit facilities and income earned on our debt investments. The primary uses of our cash and cash equivalents are for (i) originating loans and purchasing senior secured debt investments, (ii) funding the costs of our operations (including fees paid to

our Adviser and expense reimbursements paid to our Administrator), (iii) debt service, repayment and other financing costs of our borrowings and (iv) cash distributions to the holders of our shares.

As of March 31, 2020 and December 31, 2019, we had four revolving credit facilities outstanding, as described in “—*Borrowings*” below. We may from time to time enter into additional credit facilities, increase the size of our existing credit facilities or issue debt securities. Any such incurrence or issuance would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to incur borrowings, issue debt securities or issue preferred stock, if immediately after the borrowing or issuance, the ratio of total assets (less total liabilities other than indebtedness) to total indebtedness plus preferred stock, is at least 150%. As of March 31, 2020 and December 31, 2019, we had an aggregate amount of \$1,794.1 million and \$1,454.2 million of senior securities outstanding and our asset coverage ratio was 198.7% and 215.1%, respectively. We seek to carefully consider our unfunded commitments for the purpose of planning our ongoing financial leverage. Further, we maintain sufficient borrowing capacity within the 150% asset coverage limitation to cover any outstanding unfunded commitments we are required to fund.

Cash and cash equivalents as of March 31, 2020, taken together with our \$480.9 million of available capacity under our credit facilities (subject to borrowing base availability) and our \$1,166.6 million of uncalled Capital Commitments is expected to be sufficient for our investing activities and to conduct our operations in the near term. However, disruption in the financial markets caused by the COVID-19 outbreak has restricted our access to financing. We may not be able to find new financing for future investments or liquidity needs and, even if we are able to obtain such financing, such financing will likely not be on as favorable terms as we could have obtained prior to the outbreak of the pandemic. Furthermore, because of declining values of certain of our assets, we have and may continue to post additional unencumbered assets to secure certain of our loans, leaving less remaining unencumbered assets for future financing. These factors may limit our ability to make new investments and adversely impact our results of operations.

As of March 31, 2020, we had \$106.0 million in cash and cash equivalents. During the three months ended March 31, 2020, cash used in operating activities was \$721.8 million, primarily as a result of funding portfolio investments of \$1,022.9 million; partially offset by proceeds from sale of investments of \$130.1 million and an increase in payables for investments purchased of \$145.8 million. Cash provided by financing activities was \$762.3 million during the period, which was primarily the result of proceeds from the issuance of shares of \$446.8 million, net borrowings on our credit facilities of \$340.5 million; partially offset by dividends paid in cash of \$24.9 million.

As of March 31, 2019, we had \$20.6 million in cash and cash equivalents. During the three months ended March 31, 2019, cash used in operating activities was \$441.0 million, primarily as a result of funding portfolio investments of \$540.3 million and a decrease in payables for investments purchased of \$67.1 million; partially offset by proceeds from sale of investments of \$158.5 million. Cash provided by financing activities was \$455.4 million during the period, which was the result of proceeds from the issuance of shares of \$356.5 million, net borrowings on our credit facilities of \$99.0 million, partially offset by deferred financing costs of \$0.1 million.

Equity

The following table summarizes the total shares issued and proceeds received related to capital drawdowns delivered pursuant to the Subscription Agreements for the three months ended March 31, 2020 (dollar amounts in millions, unless otherwise noted):

Common Share Issuance Date	Number of Common Shares Issued	Aggregate Offering Price
January 30, 2020	16,864,983	\$ 440.9
Total	16,864,983	\$ 440.9

On March 25, 2020, we issued a capital call and delivered capital drawdown notices totaling \$324.0 million which was due on April 8, 2020. Subscribed but unissued shares are presented in equity with a deduction of subscriptions receivable until cash is received for a subscription. No cash was received as of March 31, 2020.

The following table summarizes the total shares issued and proceeds received related to capital drawdowns delivered pursuant to the Subscription Agreements for the three months ended March 31, 2019 (dollar amounts in millions, unless otherwise noted):

Common Share Issuance Date	Number of Common Shares Issued	Aggregate Offering Price
January 24, 2019	5,666,095	\$ 142.1
March 28, 2019	9,818,817	247.5
Total	15,484,912	\$ 389.6

Distributions and Dividend Reinvestment

The following table summarizes our distributions declared and payable for the three months ended March 31, 2020 (dollar amounts in thousands, unless otherwise noted):

Date Declared	Record Date	Payment Date	Per Share Amount	Total Amount
January 29, 2020	January 29, 2020	May 15, 2020	\$ 0.1593	\$ 10,241
February 26, 2020	March 31, 2020	May 15, 2020	0.3407	27,688
Total distributions			\$ 0.5000	\$ 37,929

The following table summarizes our distributions declared and payable for the three months ended March 31, 2019 (dollar amounts in thousands, unless otherwise noted):

Date Declared	Record Date	Payment Date	Per Share Amount	Total Amount
January 22, 2019	January 23, 2019	May 15, 2019	\$ 0.1239	\$ 1,192
February 28, 2019	March 27, 2019	May 15, 2019	0.3536	5,406
March 26, 2019	March 31, 2019	May 15, 2019	0.0225	565
Total distributions			\$ 0.5000	\$ 7,163

With respect to distributions, we have adopted an “opt out” dividend reinvestment plan for shareholders. As a result, in the event of a declared cash distribution or other distribution, each shareholder that has not “opted out” of the dividend reinvestment plan will have their dividends or distributions automatically reinvested in additional shares rather than receiving cash distributions. Shareholders who receive distributions in the form of shares will be subject to the same U.S. federal, state and local tax consequences as if they received cash distributions.

Pursuant to our dividend reinvestment plan, the following table summarize the amounts received and shares issued to shareholders who have not opted out of our dividend reinvestment plan during the three months ended March 31, 2020 (dollars in thousands except per share amounts):

Payment Date	DRIP Shares Value	DRIP Shares Issued
January 30, 2020	\$ 2,882	112,302
Total distributions	\$ 2,882	112,302

During the three months ended March 31, 2019, there were no DRIP shares issued.

Borrowings

Our outstanding debt obligations were as follows (dollar amounts in thousands):

March 31, 2020					
	Aggregate Principal Committed	Outstanding Principal	Carrying Value	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
Subscription Facility	\$ 400,000	\$ 213,270	\$ 213,270	\$ 186,730	\$ 142,903
Jackson Hole Funding Facility ⁽³⁾	600,000	599,190	599,190	810	—
Breckenridge Funding Facility	875,000	853,710	853,710	21,290	21,290
Big Sky Funding Facility	400,000	127,950	127,950	272,050	45,755
Total	\$ 2,275,000	\$ 1,794,120	\$ 1,794,120	\$ 480,880	\$ 209,948

December 31, 2019					
	Aggregate Principal Committed	Outstanding Principal	Carrying Value	Unused Portion ⁽¹⁾	Amount Available ⁽²⁾
Subscription Facility	\$ 400,000	\$ 119,752	\$ 119,752	\$ 280,248	\$ 280,248
Jackson Hole Funding Facility ⁽³⁾	600,000	514,151	514,151	85,849	5,843
Breckenridge Funding Facility	875,000	820,311	820,311	54,689	10,769
Big Sky Funding Facility	400,000	—	—	400,000	25,481
Total	\$ 2,275,000	\$ 1,454,214	\$ 1,454,214	\$ 820,786	\$ 322,341

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

(2) The amount available reflects any limitations related to each respective credit facility's borrowing base.

(3) Under the JPM SPV Facility, we may borrow in U.S. dollars or certain other permitted currencies. As of March 31, 2020 and December 31, 2019, we had borrowings denominated in Euros (EUR) of 23.7 million and (EUR) 23.9 million, respectively.

For the three months ended March 31, 2020 and 2019, the weighted average interest rate on all borrowings outstanding was 3.82% and 4.95% (including unused fees), respectively, and the average principal debt outstanding was \$1,623.8 million and \$353.7 million, respectively.

For additional information on our debt obligations see “Item 1. Consolidated Financial Statements—Notes to Consolidated Financial Statements—Note 6. Borrowings.”

Off-Balance Sheet Arrangements

Portfolio Company Commitments

Our investment portfolio contains and is expected to continue to contain debt investments which are in the form of lines of credit or delayed draw commitments, which require us to provide funding when requested by portfolio companies in accordance with underlying loan agreements. As of March 31, 2020 and December 31, 2019, we had delayed draw term loans and revolvers with an aggregate of \$185.7 million and \$179.4 million of unfunded commitments, respectively.

Additionally, from time to time, the Adviser and its affiliates may commit to an investment on behalf of the funds it manages. Certain terms of these investments are not finalized at the time of the commitment and each respective fund's allocation may change prior to the date of funding. In this regard, as of March 31, 2020, we estimate \$194.5 million respectively of investments that are committed but not yet funded.

Warehousing Transactions

We entered into two Warehousing Transactions whereby we agreed, subject to certain conditions, to purchase certain assets from parties unaffiliated with the Adviser. Such Warehousing Transactions were designed to assist us in deploying capital upon receipt of drawdown proceeds. The Middle Market Warehouse related primarily to originated or anchor investments in middle market loans. The Syndicated Warehouse related primarily to broadly syndicated loans prior to the acquisition of the equity interests of the Syndicated Warehouse by us and merger of the Syndicated Warehouse with our wholly-owned subsidiary, as described below. See—“Item 1A.—Risk Factors — Risks Related to an Investment in the Shares — Risks related to the Warehousing Transactions” in our annual report on Form 10-K for the year ended December 31, 2019.

For additional information on our Warehousing Transactions see “*Item 1. Consolidated Financial Statements—Notes to Consolidated Financial Statements—Note 7. Commitments and Contingencies.*”

Other Commitments and Contingencies

From time to time, we may become a party to certain legal proceedings incidental to the normal course of its business. At March 31, 2020, management is not aware of any pending or threatened litigation.

Contractual Obligations

Our contractual consisted of the following as of March 31, 2020 (dollar amounts in thousands):

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Subscription Facility	\$ 213,270	\$ 213,270	\$ —	\$ —	\$ —
Jackson Hole Funding Facility	599,190	—	—	599,190	—
Breckenridge Funding Facility	853,710	—	—	853,710	—
Big Sky Funding Facility	127,950	—	127,950	—	—
Total Contractual Obligations	\$ 1,794,120	\$ 213,270	\$ 127,950	\$ 1,452,900	\$ —

Related-Party Transactions

We have entered into a number of business relationships with affiliated or related parties, including the following:

- the Investment Advisory Agreement;
- the Administration Agreement; and
- Expense Support and Conditional Reimbursement Agreement.

In addition to the aforementioned agreements, we, our Adviser and certain of our Adviser’s affiliates have been granted exemptive relief by the SEC to co-invest with other funds managed by our Adviser or its affiliates in a manner consistent with our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. See “*Item 1. Consolidated Financial Statements—Notes to Consolidated Financial Statements—Note 3. Agreements and Related Party Transactions.*”

Recent Developments

During the first quarter of 2020, there was a global outbreak of COVID-19, which has spread to over 100 countries, including the United States, and has spread to every state in the United States. The World Health Organization has designated COVID-19 as a pandemic, and numerous countries, including the United States, have declared national emergencies with respect to COVID-19. The global impact of the outbreak has been rapidly evolving, and as cases of COVID-19 have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel, closing financial markets and/or restricting trading, and limiting operations of non-essential businesses. Such actions are creating disruption in global supply chains, and adversely impacting many industries. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown.

The outbreak of COVID-19 has had and may continue to have a material adverse impact on our financial condition, liquidity, results of operations and NAV, among other factors. We expect that these impacts are likely to continue to some extent as the outbreak persists and potentially even longer. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus on economic and market conditions, and, as a result, present material uncertainty and risk with respect to us and the performance of our investments. The full extent of the impact and effects of COVID-19 will depend on future developments, including, among other factors, the duration and spread of the outbreak, along with related travel advisories, quarantines and restrictions, the recovery time of the disrupted supply chains and industries, the impact of labor market interruptions, the impact of government interventions, and uncertainty with respect to the duration of the global economic slowdown. COVID-19 and the current financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to our performance, financial condition, results of operations and ability to pay distributions.

Critical Accounting Policies

The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets, and any other parameters used in determining such estimates could cause actual results to differ. Our critical accounting policies, including those relating to the valuation of our investment portfolio, are described in our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on February 28, 2020, and elsewhere in our filings with the SEC. There have been no significant changes in our critical accounting policies and practices.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Uncertainty with respect to the economic effects of the COVID-19 outbreak has introduced significant volatility in the financial markets, and the effect of the volatility could materially impact our market risks, including those listed below. We are subject to financial market risks, including valuation risk and interest rate risk.

Valuation Risk

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

As of March 31, 2020, the fair value at which we may sell our investments in quoted debt investments is not known, but a 10% change in such investments may result in an unrealized gain or loss of \$123.6 million.

Interest Rate Risk

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. We intend to fund portions of our investments with borrowings, and at such time, our net investment income will be affected by the difference between the rate at which we invest and the rate at which we borrow. Accordingly, we cannot assure shareholders that a significant change in market interest rates will not have a material adverse effect on our net investment income.

As of March 31, 2020, 100% of our debt investments at fair value were at floating rates. Based on our Consolidated Statements of Assets and Liabilities as of March 31, 2020, the following table shows the annualized impact on net income of hypothetical base rate changes in interest rates (considering base rate floors and ceilings for floating rate instruments assuming no changes in our investment and borrowing structure) (dollar amounts in thousands):

	Interest Income	Interest Expense	Net Income
Up 300 basis points	\$ 120,831	\$ (53,824)	\$ 67,007
Up 200 basis points	80,175	(35,882)	44,293
Up 100 basis points	39,520	(17,941)	21,579
Down 100 basis points	(22,583)	17,850	(4,733)
Down 200 basis points	(25,332)	27,087	1,755

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

In accordance with Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended, we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q and determined that our disclosure controls and procedures are effective as of the end of the period covered by the Quarterly Report on Form 10-Q.

(b) Changes in Internal Controls Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2020 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.

We are not currently subject to any material legal proceedings, nor, to our knowledge, are any material legal proceeding threatened against us. From time to time, we may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. Our business is also subject to extensive regulation, which may result in regulatory proceedings against us. While the outcome of any such future legal or regulatory proceedings cannot be predicted with certainty, we do not expect that any such future proceedings will have a material effect upon our financial condition or results of operations.

Item 1A. Risk Factors.

The risk factors presented below supplement, update, supersede and/or replace, as appropriate, the risk factors found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (“2019 Annual Report”).

General economic conditions could adversely affect the performance of our investments.

The global growth cycle is in a mature phase and signs of slowdown are evident in certain regions around the world, although most economists continue to expect moderate economic growth in the near term, with limited signals of an imminent recession in the U.S. as consumer and government spending remain healthy. Although the broader outlook remains constructive and progress was made on trade, including a phase one deal with China and the United States-Mexico-Canada Agreement, geopolitical instability continues to pose risk. In particular, the recent outbreak of the novel coronavirus and related respiratory disease (“COVID-19”) in many countries, which is a rapidly evolving situation, has disrupted global travel and supply chains, and has adversely impacted global commercial activity and a number of industries, such as transportation, hospitality and entertainment. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of COVID-19, or any future pandemics that may arise, which may have a continued adverse impact on economic and market conditions, and may lead to significant declines in corporate earnings or loan performance, and the ability of corporate borrowers to service their debt, any of which could trigger a period of global economic slowdown, and have an adverse impact on the performance and financial results of the Company, and the value and the liquidity of the shares.

Force Majeure events may adversely affect our operations.

The Company may be affected by force majeure events (e.g., acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, nationalization of industry and labor strikes). Force majeure events could adversely affect the ability of the Company or a counterparty to perform its obligations. The liability and cost arising out of a failure to perform obligations as a result of a force majeure event could be considerable and could be borne by the Company. Certain force majeure events, such as war or an outbreak of an infectious disease, could have a broader negative impact on the global or local economy, thereby affecting the Company. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control, could result in a loss to the Company if an investment is affected, and any compensation provided by the relevant government may not be adequate.

The current outbreak of the novel coronavirus, or COVID-19, has caused severe disruptions in the U.S. and global economy and already has had and is expected to continue to have a materially adverse impact on our financial condition and results of operations.

During the first quarter of 2020, there was a global outbreak of a novel coronavirus (“COVID-19”), which has spread to over 100 countries, including the United States, and has spread to every state in the United States. On March 11, 2020 the World Health Organization designated COVID-19 as a pandemic, and on March 13, 2020 the United States declared a national emergency with respect to COVID-19. The global impact of the outbreak has been rapidly evolving, and as cases of COVID-19 have continued to be identified in additional countries, many countries have reacted by instituting quarantines, restrictions on travel, closing financial markets and/or restricting trading, and limiting hours of operations of non-essential businesses. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries, including industries in which our portfolio companies operate. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown.

The outbreak of COVID-19 has had, and is expected to continue to have, a material adverse impact on our NAV, financial condition, liquidity, results of operations, and the businesses of our portfolio companies, among other factors. We expect that these impacts are likely to continue to some extent as the outbreak persists and potentially even longer. Although many or all facets of our business have been or could be impacted by COVID-19, we currently believe the following impacts to be the most material to the Company:

- Our NAV has significantly decreased as a result of the outbreak. As of March 31, 2020, our NAV per share was \$21.80 as compared to \$26.02 as of December 31, 2019. We expect our NAV per share in the future will be different, and possibly materially different, from our March 31, 2020 NAV per share. The recent decrease was the result of significant mark downs in the fair value of our investment portfolio, including our quoted syndicated loan investments and our private loan and other investments. The fair value of these investments deteriorated as a result of market conditions triggered by the COVID-19 pandemic, including increased credit risk for our portfolio companies as their businesses were impacted by the outbreak and technical selling pressure as other market participants began selling assets in an effort to realize liquidity. It’s possible that the fair value of our investments, and therefore our NAV per share, could continue to decrease during the period of the COVID-19 outbreak and potentially longer. We believe our investments in portfolio companies in certain industries have been and will continue to be most affected by the COVID-19 outbreak, but the majority of our investments have been and may continue to be affected by the outbreak.
- The portfolio companies that are borrowers of our loans may not be able to make interest payments, which would adversely impact our net income and results of operations. Many of these portfolio companies’ businesses are adversely affected by COVID-19 and are experiencing lost revenue as quarantines and other social disruption have slowed or stopped purchases of their products or services or have forced them to limit or suspend operations. Furthermore, although most of our loans are secured by first lien security interests in the applicable portfolio company’s assets, if a portfolio company defaults on its loan there is no guarantee we will be able to recover the principal amount of the loan.
- Disruption in the financial markets caused by the COVID-19 outbreak has restricted our access to financing. We may not be able to find new financing for future investments or liquidity needs and, even if we are able to obtain such financing, such financing will likely not be on as favorable terms as we could have obtained prior to the outbreak of the pandemic. Furthermore, because of declining values of certain of our assets, we have and may continue to post additional unencumbered assets to secure certain of our loans, leaving less remaining unencumbered assets for future financing. These factors may limit our ability to make new investments and adversely impact our results of operations.

The immediately preceding outcomes are those we consider to be most material as a result of the pandemic. We have also experienced and may experience other negative impacts to our business as a result of the pandemic that could exacerbate other risks described in this prospectus, including:

- weakening financial conditions of or the bankruptcy or insolvency of portfolio companies, which may result in the inability of such portfolio companies to meet debt obligations, delays in collecting accounts receivable, defaults, or forgiveness or deferral of interest payments from such portfolio companies;
- significant volatility in the markets for syndicated loans, which could cause rapid and large fluctuations in the values of such investments and adverse effects on the liquidity of any such investments;
- deteriorations in credit and financing market conditions, which may adversely impact our ability to access financing for our investments on favorable terms or at all;

- operational impacts on our Adviser, Administrator and our other third-party advisors, service providers, vendors and counterparties, including independent valuation firms, our sub-administrator, our lenders and other providers of financing, brokers and other counterparties that we purchase and sell assets to and from, derivative counterparties, and legal and diligence professionals that we rely on for acquiring our investments;
- limitations on our ability to ensure business continuity in the event our, or our third-party advisors' and service providers' continuity of operations plan is not effective or improperly implemented or deployed during a disruption;
- the availability of key personnel of the Adviser, Administrator and our other service providers as they face changed circumstances and potential illness during the pandemic;
- difficulty in valuing our assets in light of significant changes in the financial markets, including difficulty in forecasting discount rates and making market comparisons, and circumstances affecting the Adviser's, Administrator's and our service providers' personnel during the pandemic;
- limitations on our ability to raise new capital and to call capital from existing investors;
- significant changes to the valuations of pending investments; and
- limitations on our ability to make distributions to our shareholders due to material adverse impacts on our cash flows from operations or liquidity.

The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus on economic and market conditions, and, as a result, present material uncertainty and risk with respect to us and the performance of our investments. The full extent of the impact and effects of COVID-19 will depend on future developments, including, among other factors, the duration and spread of the outbreak, along with related travel advisories, quarantines and restrictions, the recovery time of the disrupted supply chains and industries, the impact of labor market interruptions, the impact of government interventions, and uncertainty with respect to the duration of the global economic slowdown. COVID-19 and the current financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to our performance, financial condition, results of operations and ability to pay distributions.

The outbreak of the epidemics/pandemics could adversely affect the performance of our investments.

Certain countries have been susceptible to epidemics/pandemics, most recently COVID-19, which has been designated as a pandemic by world health authorities. The outbreak of such epidemics/pandemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which the Company invests), and thereby is expected to adversely affect the performance of the Company's investments. Furthermore, the rapid development of epidemics/pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Company and the performance of its investments.

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

Refer to "Item 1. Financial Statements—Notes to Consolidated Financial Statements—Note 8. Net Assets" in this Form 10-Q for issuances of our shares during the quarter. Such issuances were part of our Private Offering pursuant to Section 4(a)(2) of the 1933 Act and Regulation D thereunder.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description of Exhibits
<u>10.1</u>	<u>Fourth Amendment to the Revolving Credit Agreement between BGSL Breckenridge Funding LLC, the lenders party thereto, BNP Paribas, the Company and Wells Fargo Bank, National Association, dated April 13, 2020.*</u>
<u>31.1</u>	<u>Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</u>
<u>31.2</u>	<u>Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</u>
<u>32.1</u>	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</u>
<u>32.2</u>	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</u>

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Blackstone / GSO Secured Lending Fund

Date: May 7, 2020

/s/ Brad Marshall

Brad Marshall

Chief Executive Officer

Date: May 7, 2020

/s/ Stephan Kuppenheimer

Stephan Kuppenheimer

Chief Financial Officer