

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

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: 814-00967

WHITEHORSE FINANCE, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

45-4247759

(I.R.S. Employer
Identification No.)

1450 Brickell Avenue, 31st Floor

Miami, Florida

(Address of Principal Executive Offices)

33131

(Zip Code)

(305) 381-6999

(Registrant's Telephone Number, Including Area Code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001 per share	WHF	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)
7.875% Notes due 2028	WHFCL	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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

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 Securities Exchange Act of 1934). Yes No

As of August 2, 2024 the Registrant had 23,243,088 shares of common stock, \$0.001 par value, outstanding.

WHITEHORSE FINANCE, INC.
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Part I. Financial Information

Item 1. Financial Statements

WhiteHorse Finance, Inc.
Consolidated Statements of Assets and Liabilities
(in thousands, except share and per share data)

	June 30, 2024 (Unaudited)	December 31, 2023
Assets		
Investments, at fair value		
Non-controlled/non-affiliate company investments	\$ 525,821	\$ 577,798
Non-controlled affiliate company investments	17,024	5,422
Controlled affiliate company investments	<u>117,160</u>	<u>112,948</u>
Total investments, at fair value (amortized cost \$ 704,521 and \$740,021, respectively)	660,005	696,168
Cash and cash equivalents	12,853	10,749
Restricted cash and cash equivalents	8,436	12,527
Restricted foreign currency (cost of \$ 486 and \$1,231, respectively)	467	1,211
Interest and dividend receivable	7,792	8,149
Amounts receivable on unsettled investment transactions	12,630	343
Escrow receivable	—	393
Prepaid expenses and other receivables	1,000	1,211
Total assets	<u>\$ 703,183</u>	<u>\$ 730,751</u>
Liabilities		
Debt (net of unamortized debt issuance costs of \$3,720 and \$4,564, respectively)	\$ 358,896	\$ 386,448
Distributions payable	8,949	8,949
Management fees payable	3,065	3,595
Incentive fees payable	14,630	10,470
Interest payable	1,910	2,069
Accounts payable and accrued expenses	2,656	2,089
Advances received from unfunded credit facilities	388	316
Unrealized depreciation on foreign currency forward contracts	7	43
Total liabilities	<u>390,501</u>	<u>413,979</u>
Commitments and contingencies (See Note 8)		
Net assets		
Common stock, 23,243,088 and 23,243,088 shares issued and outstanding, par value \$0.001 per share, respectively, and 100,000,000 shares authorized	23	23
Paid-in capital in excess of par	338,275	338,275
Accumulated earnings (losses)	<u>(25,616)</u>	<u>(21,526)</u>
Total net assets	<u>312,682</u>	<u>316,772</u>
Total liabilities and total net assets	<u>\$ 703,183</u>	<u>\$ 730,751</u>
Number of shares outstanding	23,243,088	23,243,088
Net asset value per share	\$ 13.45	\$ 13.63

See notes to the consolidated financial statements

WhiteHorse Finance, Inc.
Consolidated Statements of Operations (Unaudited)
(in thousands, except share and per share data)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Investment income				
From non-controlled/non-affiliate company investments				
Interest income	\$ 17,264	\$ 19,307	\$ 35,225	\$ 38,928
Payment-in-kind income	1,493	1,073	3,282	2,305
Fee income	426	920	1,074	1,953
Dividend income	36	17	54	32
From non-controlled affiliate company investments				
Interest income	10	—	34	—
Payment-in-kind income	177	115	334	66
Dividend income	—	—	—	84
From controlled affiliate company investments				
Interest income	2,496	2,328	4,992	4,538
Payment-in-kind income	164	496	250	908
Dividend income	1,416	1,339	3,712	2,945
Total investment income	23,482	25,595	48,957	51,759
Expenses				
Interest expense	7,144	7,334	14,474	14,859
Base management fees	3,065	3,705	6,182	7,416
Performance-based incentive fees	2,323	2,648	5,026	5,324
Administrative service fees	170	170	341	341
General and administrative expenses	1,221	896	2,268	2,023
Total expenses	13,923	14,753	28,291	29,963
Net investment income before excise tax	9,559	10,842	20,666	21,796
Excise tax	267	250	559	500
Net investment income after excise tax	9,292	10,592	20,107	21,296
Realized and unrealized gains (losses) on investments and foreign currency transactions				
Net realized gains (losses)				
Non-controlled/non-affiliate company investments	(113)	5	(5,728)	336
Non-controlled affiliate company investments	—	(339)	—	(339)
Foreign currency transactions	(8)	41	1	402
Foreign currency forward contracts	28	4	—	(3)
Net realized gains (losses)	(93)	(289)	(5,727)	396
Net change in unrealized appreciation (depreciation)				
Non-controlled/non-affiliate company investments	(2,373)	(2,330)	8,340	(4,427)
Non-controlled affiliate company investments	58	(3,022)	(9,952)	(4,522)
Controlled affiliate company investments	825	(600)	556	(521)
Translation of assets and liabilities in foreign currencies	146	(458)	448	(829)
Foreign currency forward contracts	(16)	(12)	36	(6)
Net change in unrealized appreciation (depreciation)	(1,360)	(6,422)	(572)	(10,305)
Net realized and unrealized gains (losses) on investments and foreign currency transactions	(1,453)	(6,711)	(6,299)	(9,909)
Net increase in net assets resulting from operations	\$ 7,839	\$ 3,881	\$ 13,808	\$ 11,387
Per Common Share Data				
Basic and diluted earnings per common share	\$ 0.34	\$ 0.17	\$ 0.59	\$ 0.49
Dividends and distributions declared per common share	\$ 0.39	\$ 0.37	\$ 0.77	\$ 0.80
Basic and diluted weighted average common shares outstanding	23,243,088	23,243,088	23,243,088	23,243,088

See notes to the consolidated financial statements

WhiteHorse Finance, Inc.
Consolidated Statements of Changes in Net Assets (Unaudited)
(in thousands, except share and per share data)

	Common Stock		Paid-in Capital in Excess of Par	Accumulated Earnings (Losses)	Total Net Assets
	Shares	Par amount			
Balance as of December 31, 2023	23,243,088	\$ 23	\$ 338,275	\$ (21,526)	\$ 316,772
Net increase in net assets resulting from operations:					
Net investment income after excise tax	—	—	—	10,815	10,815
Net realized gains (losses) on investments and foreign currency transactions	—	—	—	(5,634)	(5,634)
Net change in unrealized appreciation (depreciation) on investments and foreign currency transactions	—	—	—	788	788
Distributions declared	—	—	—	(8,949)	(8,949)
Balance as of March 31, 2024	<u>23,243,088</u>	<u>\$ 23</u>	<u>\$ 338,275</u>	<u>\$ (24,506)</u>	<u>\$ 313,792</u>
Net increase in net assets resulting from operations:					
Net investment income after excise tax	—	—	—	9,292	9,292
Net realized gains (losses) on investments	—	—	—	(93)	(93)
Net change in unrealized appreciation (depreciation) on investments	—	—	—	(1,360)	(1,360)
Distributions declared	—	—	—	(8,949)	(8,949)
Balance as of June 30, 2024	<u>23,243,088</u>	<u>\$ 23</u>	<u>\$ 338,275</u>	<u>\$ (25,616)</u>	<u>\$ 312,682</u>
	Common Stock		Paid-in Capital in Excess of Par	Accumulated Earnings (Loss)	Total Net Assets
	Shares	Par amount			
Balance as of December 31, 2022	23,243,088	\$ 23	\$ 339,240	\$ (6,876)	\$ 332,387
Net increase in net assets resulting from operations:					
Net investment income after excise tax	—	—	—	10,704	10,704
Net realized gains (losses) on investments and foreign currency transactions	—	—	—	685	685
Net change in unrealized appreciation (depreciation) on investments and foreign currency transactions	—	—	—	(3,883)	(3,883)
Distributions declared	—	—	—	(9,878)	(9,878)
Balance as of March 31, 2023	<u>23,243,088</u>	<u>\$ 23</u>	<u>\$ 339,240</u>	<u>\$ (9,248)</u>	<u>\$ 330,015</u>
Net increase in net assets resulting from operations:					
Net investment income after excise tax	—	—	—	10,592	10,592
Net realized gains (losses) on investments	—	—	—	(289)	(289)
Net change in unrealized appreciation (depreciation) on investments	—	—	—	(6,422)	(6,422)
Distributions declared	—	—	—	(8,600)	(8,600)
Balance as of June 30, 2023	<u>23,243,088</u>	<u>\$ 23</u>	<u>\$ 339,240</u>	<u>\$ (13,967)</u>	<u>\$ 325,296</u>

See notes to the consolidated financial statements

WhiteHorse Finance, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Six months ended June 30,	
	2024	2023
Cash flows from operating activities		
Net increase in net assets resulting from operations	\$ 13,808	\$ 11,387
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by / (used in) operating activities:		
Payment-in-kind income	(3,866)	(3,668)
Net realized (gains) losses on investments	5,728	3
Net unrealized (appreciation) depreciation on investments	1,056	9,470
Net unrealized (appreciation) depreciation on translation of assets and liabilities in foreign currencies	(448)	829
Net unrealized (appreciation) depreciation on foreign currency forward contracts	(36)	6
Accretion of discount	(1,901)	(2,070)
Amortization of deferred financing costs	844	782
Acquisition of investments	(116,442)	(65,257)
Proceeds from principal payments and sales of portfolio investments	121,515	56,765
Proceeds from sales of portfolio investments to STRS JV	30,466	36,633
Net changes in operating assets and liabilities:		
Interest and dividend receivable	357	594
Prepaid expenses and other receivables	211	135
Amounts receivable on unsettled investment transactions	(12,287)	(11,487)
Management fees payable	(530)	(155)
Incentive fees payable	4,160	(503)
Accounts payable and accrued expenses	567	(859)
Interest payable	(159)	(24)
Advances received from unfunded credit facilities	72	(301)
Net cash provided by / (used in) operating activities	<u>43,115</u>	<u>32,280</u>
Cash flows from financing activities		
Borrowings	58,452	45,558
Repayments of debt	(86,400)	(62,902)
Deferred financing costs	—	(2)
Distributions paid to common stockholders, net of distributions reinvested	(17,898)	(18,129)
Net cash provided by / (used in) financing activities	<u>(45,846)</u>	<u>(35,475)</u>
Effect of exchange rate changes on cash	—	16
Net change in cash, cash equivalents and restricted cash	(2,731)	(3,179)
Cash, cash equivalents and restricted cash at beginning of period	24,487	26,264
Cash, cash equivalents and restricted cash at end of period	<u>\$ 21,756</u>	<u>\$ 23,085</u>
Supplemental and non-cash disclosure of cash flow information:		
Interest paid	\$ 13,789	\$ 14,101
Non-cash exchanges of investments	—	1,840

See notes to the consolidated financial statements

WhiteHorse Finance, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of assets and liabilities that sum to the total of the same amounts presented in the consolidated statements of cash flows:

	As of June 30,	
	2024	2023
Cash and cash equivalents	\$ 12,853	\$ 10,412
Restricted cash and cash equivalents	8,436	10,624
Restricted foreign currency	467	2,049
Total cash and cash equivalents, restricted cash and cash equivalents and restricted foreign currency presented in consolidated statements of cash flows	<u><u>\$ 21,756</u></u>	<u><u>\$ 23,085</u></u>

See notes to the consolidated financial statements

WhiteHorse Finance, Inc.
Consolidated Schedule of Investments
June 30, 2024
(in thousands)

Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽¹⁰⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽¹¹⁾	Fair Value As A Percentage of Net Assets
Debt Investments											
Advertising											
Avision Holdings, LLC (d/b/a Avision Sales Group) ⁽⁷⁾	First Lien Secured Term Loan	1.00%	SOFR	5.75%	11.19%	05/31/24	12/15/26	662	\$ 649	\$ 649	0.2 %
Avision Holdings, LLC (d/b/a Avision Sales Group) ⁽⁷⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	5.75%	11.19%	05/31/24	12/15/26	—	—	—	—
M&M OpCo, LLC (d/b/a Escalent, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	8.00%	13.43%	04/07/23	04/09/29	4,702	4,590	4,702	1.5
M&M OpCo, LLC (d/b/a Escalent, Inc.) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	8.00%	13.43%	04/07/23	04/09/29	—	—	6	—
PLTFRM Companies, LLC	First Lien Secured Term Loan			14.34% (13.34% Cash + 1.00% PIK)							
PLTFRM Companies, LLC ⁽⁷⁾	First Lien Secured Revolving Loan	3.00%	SOFR	9.00%	14.33% (13.33% Cash + 1.00% PIK)	01/29/24	01/29/29	7,948	7,730	7,831	2.6
		3.00%	SOFR	9.00%	14.33% (13.33% Cash + 1.00% PIK)	01/29/24	01/29/29	713	694	705	0.2
									13,663	13,893	4.5
Air Freight & Logistics											
Gulf Winds International Acquisition LLC (d/b/a Gulf Winds International, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	7.50%	12.94%	12/16/22	12/18/28	9,039	8,832	9,039	2.9
Gulf Winds International Acquisition LLC (d/b/a Gulf Winds International, Inc.) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.50%	12.94%	12/16/22	12/18/28	162	158	173	0.1
Motivational Marketing, LLC (d/b/a Motivational Fulfillment)	First Lien Secured Term Loan	1.00%	SOFR	9.25%	14.69% (13.94% Cash + 0.75% PIK)	07/12/21	07/12/26	10,031	9,950	8,776	2.9
Motivational Marketing, LLC (d/b/a Motivational Fulfillment)	First Lien Secured Revolving Loan			14.69% (13.94% Cash + 0.75% PIK)							
Transervice Holdings, Inc. (d/b/a Transervice Logistics, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	9.25%	12.94%	06/29/23	06/29/28	8,775	8,565	8,819	2.8
		2.00%	SOFR	7.50%	12.94%	06/29/23	06/29/28	8,775	28,677	27,841	9.0
Alternative Carriers											
Patagonia Holdco LLC (d/b/a Lumen LATAM)	First Lien Secured Term Loan	0.50%	SOFR	5.75%	11.07%	08/05/22	08/01/29	14,369	12,480	13,621	4.4
Application Software											
Alvaria Holdco (Cayman) (d/b/a Aspect Software, Inc.) ⁽¹⁵⁾⁽²⁶⁾	First Lien Secured Term Loan			12.96% (6.46% Cash + 6.50% PIK)							
Alvaria Holdco (Cayman) (d/b/a Aspect Software, Inc.) ⁽¹⁵⁾⁽²⁶⁾	First Lien Secured Term Loan	0.75%	SOFR	7.50%	12.96% (7.46% Cash + 5.50% PIK)	03/20/24	05/08/28	1,722	1,531	1,670	0.4
Alvaria Holdco (Cayman) (d/b/a Aspect Software, Inc.) ⁽¹⁵⁾⁽²⁶⁾	First Lien Secured Term Loan	0.75%	SOFR	7.50%	12.96% (7.46% Cash + 5.50% PIK)	03/20/24	05/08/28	1,145	1,017	985	0.3
Alvaria Holdco (Cayman) (d/b/a Aspect Software, Inc.) ⁽¹⁵⁾⁽²⁶⁾	First Lien Secured Term Loan	0.75%	SOFR	7.00%	12.46%	03/20/24	05/08/28	9,600	9,428	7,931	2.7
Alvaria Holdco (Cayman) (d/b/a Aspect Software, Inc.) ⁽¹⁵⁾⁽²⁶⁾	First Lien Secured Term Loan	0.75%	SOFR	7.00%	12.46%	03/20/24	05/08/28	2,400	2,357	401	0.1
MBS Highway, LLC	First Lien Secured Term Loan	1.00%	SOFR	7.50%	13.06%	10/13/22	10/13/27	9,334	9,181	9,190	2.9
Naviga Inc. (f/k/a Newscycle Solutions, Inc.) ⁽¹⁷⁾	First Lien Secured Term Loan	1.00%	SOFR	7.00%	12.40%	06/14/19	06/28/24	3,140	3,140	2,003	0.6
Naviga Inc. (f/k/a Newscycle Solutions, Inc.) ⁽¹²⁾⁽¹⁷⁾	First Lien Secured Revolving Loan	1.00%	Base Rate	6.84%	12.78%	06/14/19	06/28/24	301	301	192	0.1
Naviga Inc. (f/k/a Newscycle Solutions, Inc.)	First Lien Secured Delayed Draw Loan										
UserZoom Technologies, Inc. (d/b/a UserZoom, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	5.00%	10.44%	05/14/24	07/31/24	94	93	93	—
		1.00%	SOFR	7.50%	12.81%	01/12/23	04/05/29	9,819	9,594	9,913	3.2
									36,642	32,378	10.3
Broadcasting											
Coastal Television Broadcasting Group LLC	First Lien Secured Term Loan	1.00%	SOFR	7.00%	12.44%	12/30/21	12/30/26	8,444	8,348	8,339	2.7
Coastal Television Broadcasting Group LLC ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.00%	12.44%	12/30/21	12/30/26	—	—	(1)	—
									8,348	8,338	2.7
Broadline Retail											
BBQ Buyer, LLC (d/b/a BBQ Guys)	First Lien Secured Term Loan			14.94% (13.94% Cash + 1.00% PIK)							
BBQ Buyer, LLC (d/b/a BBQ Guys)	First Lien Secured Delayed Draw Loan	1.50%	SOFR	9.50%	14.94% (13.94% Cash + 1.00% PIK)	08/28/20	08/28/25	12,892	12,820	12,892	4.2
Luxury Brand Holdings, Inc. (d/b/a Ross-Simons, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	5.75%	11.09%	12/04/20	06/04/26	2,629	2,613	2,629	0.8
									4,580	4,580	1.5
									19,981	20,101	6.5

WhiteHorse Finance, Inc.
Consolidated Schedule of Investments
June 30, 2024
(in thousands)

Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽¹⁰⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽¹¹⁾	Fair Value As A Percentage of Net Assets
Building Products											
Trimlite Buyer LLC (d/b/a Trimlite LLC) ⁽⁵⁾⁽¹³⁾⁽²⁵⁾	First Lien Secured Term Loan	1.00%	CORRA	6.50%	11.53%	07/27/21	07/27/27	18,984	\$ 14,988	\$ 13,871	4.4%
									14,988	13,871	4.4
Commodity Chemicals											
FGI Acquisition Corp. (d/b/a Flexitalic Group SAS)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.98%	10/28/19	10/29/26	16,110	15,775	16,110	5.3
US Methanol Midco LLC (d/b/a US Methanol LLC)	First Lien Secured Term Loan	1.00%	SOFR	8.25%	13.74%	12/20/22	12/20/27	4,993	4,916	4,993	1.6
US Methanol Midco LLC (d/b/a US Methanol LLC)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	8.25%	13.74%	12/20/22	12/20/27	9,136	8,973	9,136	2.9
									29,664	30,239	9.8
Communications Equipment											
Ribbon Communications Operating Company, Inc. (d/b/a Ribbon Communications Inc.) ⁽⁶⁾	First Lien Secured Term Loan	1.00%	SOFR	6.25%	11.59%	06/21/24	06/21/29	8,800	8,625	8,625	2.9
Ribbon Communications Operating Company, Inc. (d/b/a Ribbon Communications Inc.) ⁽⁶⁾⁽¹⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	6.25%	11.59%	06/21/24	06/21/29	—	—	8,625	8,625
											2.9
Construction & Engineering											
Pavement Partners Interco, LLC (d/b/a Pave America, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.23%	06/28/24	02/07/28	607	589	589	0.2
									589	589	0.2
Construction Materials											
Claridge Products and Equipment, LLC	First Lien Secured Term Loan	1.00%	SOFR	8.75%	14.19% (11.94% Cash + 2.25% PIK)	12/30/20	12/30/25	6,542	6,506	5,758	1.8
Claridge Products and Equipment, LLC ⁽⁷⁾⁽¹²⁾	First Lien Secured Revolving Loan	1.00%	Base Rate	8.31%	15.10% (12.85% Cash + 2.25% PIK)	12/30/20	12/30/25	632	629	548	0.2
									7,135	6,306	2.0
Data Processing & Outsourced Services											
BUSA Acquisition Co. (d/b/a BankCard USA Merchant Services Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.81%	04/04/24	03/30/29	7,981	7,753	7,781	2.5
BUSA Acquisition Co. (d/b/a BankCard USA Merchant Services Inc.) ⁽¹⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.84%	04/04/24	03/30/29	735	714	717	0.2
Future Payment Technologies, L.P.	First Lien Secured Term Loan	1.00%	SOFR	8.25%	13.68%	12/23/16	12/05/25	21,043	20,982	21,043	6.7
									29,449	29,541	9.4
Distributors											
Foodservices Brand Group, LLC (d/b/a Crown Brands Group)	First Lien Secured Term Loan	1.00%	SOFR	8.00%	13.49%	11/22/22	12/09/25	357	357	228	0.1
Midwest Texas Tea CA, LLC (d/b/a US Petroleum Partners, LLC)	First Lien Secured Bridge Loan	1.00%	SOFR	14.00%	19.44% (13.44% Cash + 6.00% PIK)	12/22/23	12/22/25	1,510	1,478	1,534	0.5
Midwest Texas Tea CA, LLC (d/b/a US Petroleum Partners, LLC) ⁽¹⁷⁾	First Lien Secured Term Loan	1.00%	SOFR	7.25%	12.69%	12/22/23	12/22/28	9,490	9,278	9,411	3.0
Midwest Texas Tea CA, LLC (d/b/a US Petroleum Partners, LLC) ⁽¹⁷⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	7.25%	12.69%	12/22/23	12/22/28	403	394	403	0.1
Midwest Texas Tea CA, LLC (d/b/a US Petroleum Partners, LLC) ⁽¹⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.25%	12.69%	12/22/23	12/22/28	267	261	269	0.1
									11,768	11,845	3.8
Diversified Chemicals											
Manchester Acquisition Sub LLC (d/b/a Draslovka Holding AS)	First Lien Secured Term Loan	0.75%	SOFR	5.75%	11.25%	11/16/21	12/01/26	1,167	1,136	1,099	0.4
Chase Products Co. (f/k/a Starco) ⁽⁶⁾⁽²¹⁾	First Lien Secured Term Loan	N/A	N/A	12.00%	12.00% PIK	03/16/23	03/16/28	3,144	3,144	2,958	0.9
									4,280	4,057	1.3
Diversified Support Services											
NNA Services, LLC	First Lien Secured Term Loan	1.00%	SOFR	7.25%	12.73%	08/27/21	08/27/26	9,271	9,221	9,270	3.0
									9,221	9,270	3.0

WhiteHorse Finance, Inc.
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Issuer	Investment Type ⁽¹⁾	Floor	Reference ⁽²⁾	Spread Above Index	Interest ⁽³⁾	Acquisition Date ⁽¹⁰⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽¹¹⁾	Fair Value As A Percentage of Net Assets
Education Services											
EducationDynamics, LLC	First Lien Secured Term Loan				12.44% (11.94% Cash + 0.50% PIK)						
		1.00%	SOFR	7.00%		09/15/21	09/15/26	12,494	\$ 12,385	\$ 11,803	3.8 %
EducationDynamics, LLC ⁽⁷⁾	First Lien Secured Revolving Loan				12.44% (11.94% Cash + 0.50% PIK)						
		1.00%	SOFR	7.00%		09/15/21	09/15/26	—	—	(56)	—
EducationDynamics, LLC ⁽⁴⁾	Subordinated Unsecured Term Loan	N/A	N/A	4.00%	4.00%	09/15/21	03/15/27	167	167	138	—
									12,552	11,885	3.8
Electric Utilities											
CleanChoice Energy, Inc.	First Lien Secured Term Loan	1.00%	SOFR	7.59%	13.06%	10/12/21	10/12/26	15,955	15,759	16,083	5.1
									15,759	16,083	5.1
Environmental & Facilities Services											
Branford Filtration, LLC (d/b/a Clean Solutions Group)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.98%	11/17/23	11/17/28	11,555	11,327	11,613	3.7
Branford Filtration, LLC (d/b/a Clean Solutions Group) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.98%	11/17/23	11/17/28	—	—	8	—
Industrial Specialty Services USA LLC	First Lien Secured Term Loan				13.23% (12.23% Cash + 1.00% PIK)						
		1.00%	SOFR	7.75%		12/31/21	12/31/26	10,584	10,479	10,400	3.3
									21,806	22,021	7.0
Health Care Facilities											
Bridgepoint Healthcare, LLC	First Lien Secured Term Loan	1.00%	SOFR	8.00%	13.44%	10/05/21	10/05/26	8,795	8,715	8,644	2.8
Bridgepoint Healthcare, LLC ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	8.00%	13.44%	10/05/21	10/05/26	238	236	223	0.1
									8,951	8,867	2.9
Health Care Services											
Lab Logistics, LLC	First Lien Secured Term Loan	1.00%	SOFR	7.25%	12.69%	10/16/19	12/31/25	5,422	5,420	5,422	1.7
Lab Logistics, LLC	First Lien Secured Delayed Draw Loan	1.00%	SOFR	7.25%	12.69%	10/16/19	12/31/25	5,062	5,062	5,062	1.6
									10,482	10,484	3.3
Health Care Supplies											
ABB/Con-cise Optical Group LLC (d/b/a ABB Optical Group, LLC)	First Lien Secured Term Loan				12.99%	02/23/22	02/23/28	20,409	20,099	18,768	6.0
		0.75%	SOFR	7.50%					20,099	18,768	6.0
Heavy Electrical Equipment											
Power Service Group CR Acquisition Inc. (d/b/a Power Plant Services)	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.23%	06/25/21	06/25/26	8,732	8,659	8,820	2.8
Power Service Group CR Acquisition Inc. (d/b/a Power Plant Services)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.75%	12.23%	07/11/22	06/25/26	1,346	1,330	1,359	0.4
									9,989	10,179	3.2
Home Furnishings											
Hollander Intermediate LLC (d/b/a Hollander Sleep Products, LLC)	First Lien Secured Term Loan				14.21%	09/19/22	09/21/26	4,687	4,664	4,170	1.3
Sleep OpCo LLC (d/b/a Brooklyn Bedding LLC)	First Lien Secured Term Loan	3.00%	SOFR	8.75%	11.95%	10/12/21	10/12/26	20,511	20,322	20,511	6.6
Sleep OpCo LLC (d/b/a Brooklyn Bedding LLC) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.95%	10/12/21	10/12/26	—	—	24	—
Whitestone Home Furnishings, LLC (d/b/a Saatva, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.94%	11/06/23	08/20/26	2,960	2,903	2,948	0.9
									27,889	27,653	8.8
Household Appliances											
Token Buyer, Inc. (d/b/a Therm-O-Disc, Inc.)	First Lien Secured Term Loan	0.50%	SOFR	6.00%	11.48%	05/26/22	05/31/29	7,106	6,702	5,402	1.7
									6,702	5,402	1.7
Household Products											
The Kyjen Company, LLC (d/b/a Outward Hound)	First Lien Secured Term Loan				12.96% (11.96% Cash + 1.00% PIK)						
		1.00%	SOFR	7.50%		04/05/21	04/05/26	11,358	11,299	10,903	3.5
The Kyjen Company, LLC (d/b/a Outward Hound) ⁽⁷⁾	First Lien Secured Revolving Loan				12.96% (11.96% Cash + 1.00% PIK)						
		1.00%	SOFR	7.50%		04/05/21	04/05/26	—	—	(33)	—
									11,299	10,870	3.5

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Interactive Media & Services											
MSI Information Services, Inc.	First Lien Secured Term Loan	1.00%	SOFR	7.75%	13.25%	04/25/22	04/24/26	7,333	\$ 7,266	\$ 6,376	2.0 %
MSI Information Services, Inc. (7)(12)	First Lien Secured Revolving Loan	1.00%	Base Rate	6.84%	15.06%	04/25/22	04/24/26	825	818	690	0.2
Zephyr Buyer, L.P. (d/b/a The Weather Company, LLC) (7)	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.08%	01/31/24	01/31/30	14,158	13,829	13,934	4.5
Zephyr Buyer, L.P. (d/b/a The Weather Company, LLC) (7)	First Lien Secured Revolving Loan	1.00%	SOFR	6.75%	12.08%	01/31/24	01/31/30	—	—	13	—
IT Consulting & Other Services											
ATSG, Inc.	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.98%	11/12/21	11/12/26	3,761	3,725	3,693	1.2
Leisure Facilities											
Honors Holdings, LLC (d/b/a Orange Theory) ⁽¹⁷⁾	First Lien Secured Term Loan	1.00%	SOFR	7.50%	12.98% PIK	09/06/19	09/06/24	11,788	11,736	10,023	3.2
Honors Holdings, LLC (d/b/a Orange Theory) ⁽¹⁷⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	7.50%	12.99% PIK	09/06/19	09/06/24	5,281	5,267	4,490	1.4
Honors Holdings, LLC (d/b/a Orange Theory) ⁽⁷⁾⁽¹⁷⁾	First Lien Secured Revolving Loan	1.00%	Prime	6.30%	12.59% PIK	06/04/24	09/06/24	811	811	689	0.2
Lift Brands, Inc.	First Lien Secured Term Loan A	1.00%	SOFR	7.50%	12.94%	06/29/20	06/29/25	5,489	5,472	5,489	1.8
Lift Brands, Inc.	First Lien Secured Term Loan B	N/A	N/A	9.50%	9.50% PIK	06/29/20	06/29/25	1,519	1,514	1,519	0.5
Snap Fitness Holdings, Inc. (d/b/a Lift Brands, Inc.) ⁽⁹⁾	First Lien Secured Term Loan C	N/A	N/A	9.50%	9.50% PIK	06/29/20	N/A	1,737	1,734	1,736	0.6
Leisure Products											
Playmonster Group LLC ⁽⁶⁾⁽¹⁹⁾	Priority First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.25% PIK	12/09/22	06/08/26	1,213	1,195	1,055	0.3
Playmonster Group LLC ⁽⁶⁾⁽¹⁷⁾⁽¹⁹⁾	First Lien Secured Term Loan	1.00%	SOFR	9.00%	14.48% PIK	01/24/22	06/08/26	4,548	3,661	1,024	0.3
Leviathan Intermediate Holdco, LLC	First Lien Secured Term Loan	1.50%	SOFR	7.50%	12.98%	12/27/22	12/27/27	13,278	13,009	13,411	4.3
Leviathan Intermediate Holdco, LLC ⁽⁷⁾	First Lien Secured Revolving Loan	1.50%	SOFR	7.50%	12.98%	12/27/22	12/27/27	—	—	12	—
Life Sciences Tools & Services											
LSCS Holdings, Inc. (d/b/a Eversana Life Science Services, LLC)	Second Lien Secured Term Loan	0.50%	SOFR	8.00%	13.46%	11/23/21	12/16/29	5,000	4,949	5,002	1.6
Office Services & Supplies											
American Crafts, LC ⁽¹⁴⁾	Super Senior Priority First Lien Secured Term Loan	1.00%	SOFR	8.50%	13.94% PIK	05/02/24	05/28/26	2,317	2,317	2,317	0.7
American Crafts, LC ⁽¹⁴⁾	Super Senior Priority First Lien Secured Term Loan	1.00%	SOFR	8.50%	13.94% PIK	01/31/24	05/28/26	1,200	1,200	1,200	0.4
American Crafts, LC ⁽¹⁴⁾	Super Priority First Lien Secured Term Loan	1.00%	SOFR	8.50%	13.94% PIK	07/25/23	05/28/26	2,043	2,043	2,012	0.6
American Crafts, LC ⁽¹⁴⁾⁽¹⁷⁾⁽²⁰⁾	Priority First Lien Secured Term Loan	1.00%	SOFR	8.50%	13.94% PIK	12/22/22	05/28/26	5,479	5,105	3,396	1.1
American Crafts, LC ⁽¹⁴⁾⁽¹⁷⁾⁽²⁰⁾	First Lien Secured Term Loan	1.00%	SOFR	8.50%	13.94% PIK	05/28/21	05/28/26	10,125	8,720	442	0.1
American Crafts, LC ⁽¹⁴⁾⁽¹⁷⁾⁽²⁰⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	8.50%	13.94% PIK	01/25/22	05/28/26	1,700	1,458	74	—
Packaged Foods & Meats											
PANOS Brands, LLC	First Lien Secured Term Loan	1.00%	SOFR	5.75%	11.07%	05/14/24	05/14/29	4,088	4,009	4,009	1.3
PANOS Brands, LLC ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	5.75%	11.07%	05/14/24	05/14/29	—	—	—	—
Real Estate Operating Companies											
Salon Republic Holdings, LLC (d/b/a Salon Republic, LLC)	First Lien Secured Term Loan	1.00%	SOFR	7.50%	12.94%	12/02/22	12/02/27	5,099	4,993	5,125	1.6
Salon Republic Holdings, LLC (d/b/a Salon Republic, LLC) ⁽⁷⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	7.50%	12.93%	12/02/22	12/02/27	900	887	945	0.3
Salon Republic Holdings, LLC (d/b/a Salon Republic, LLC) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.50%	12.93%	12/02/22	12/02/27	—	—	18	—
										5,880	6,088
										—	1.9

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Real Estate Services											
Monarch Collective Holdings, LLC	First Lien Secured Term Loan	1.50%	SOFR	6.75%	12.08%	01/10/24	01/10/29	9,353	\$ 9,140	\$ 9,223	2.9 %
Monarch Collective Holdings, LLC ⁽⁷⁾	First Lien Secured Delayed Draw Loan	1.50%	SOFR	6.75%	12.08%	01/10/24	01/10/29	872	860	860	0.3
Specialized Consumer Services											
Camp Facility Services Holdings, LLC (d/b/a Camp Construction Services, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.94%	11/16/21	11/16/27	10,993	10,869	10,899	3.5
HC Salon Holdings, Inc. (d/b/a Hair Cuttery)	First Lien Secured Term Loan	1.00%	SOFR	7.00%	12.60%	09/30/21	09/30/26	11,346	11,244	11,346	3.6
HC Salon Holdings, Inc. (d/b/a Hair Cuttery) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.00%	12.60%	09/30/21	09/30/26	—	—	6	—
Security & Alarm Services											
Event Services America, Inc. (d/b/a Contemporary Services Corporation)	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.09%	01/31/24	01/31/29	7,000	6,840	6,930	2.2
Specialized Finance											
WHF STRS Ohio Senior Loan Fund LLC ⁽⁴⁾⁽⁵⁾⁽⁷⁾⁽⁹⁾⁽¹⁴⁾⁽¹⁸⁾	Subordinated Note	N/A	SOFR	6.50%	11.83%	07/19/19	N/A	84,416	84,416	84,416	27.0
Systems Software											
Arcserve Cayman Opco LP (d/b/a Arcserve (USA), LLC) ⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽²²⁾⁽²³⁾⁽²⁶⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	8.00%	13.44% PIK	01/03/24	01/04/27	645	629	1,279	0.4
Arcserve Cayman Opco LP (d/b/a Arcserve (USA), LLC) ⁽⁶⁾⁽²²⁾⁽²⁶⁾	Unsecured Loan	N/A	N/A	9.00%	9.00% PIK	01/03/24	07/02/29	555	542	555	0.2
Arcserve Cayman Opco LP (d/b/a Arcserve (USA), LLC) ⁽⁶⁾⁽²²⁾⁽²⁶⁾	Unsecured Loan	N/A	N/A	9.00%	9.00% PIK	01/03/24	07/02/29	568	555	568	0.2
Technology Hardware, Storage & Peripherals											
Telestream Holdings Corporation	First Lien Secured Term Loan	1.00%	SOFR	9.75%	15.19% (5.44% Cash + 9.75% PIK)	10/15/20	10/15/25	17,285	17,153	17,022	5.4
Telestream Holdings Corporation ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	9.75%	15.19% (5.44% Cash + 9.75% PIK)	10/15/20	10/15/25	1,061	1,053	1,043	0.3
Transaction & Payment Processing Services											
TOT Group, Inc. (d/b/a Net Element Inc.)	First Lien Secured Term Loan	1.00%	SOFR	7.50%	12.83%	06/28/24	06/28/29	8,239	8,054	8,054	2.6
TOT Group, Inc. (d/b/a Net Element Inc.) ⁽⁷⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	7.50%	12.83%	06/28/24	06/28/29	—	—	—	—
TOT Group, Inc. (d/b/a Net Element Inc.) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.50%	12.83%	06/28/24	06/28/29	—	8,054	8,054	2.6
Total Debt Investments										\$ 638,111	\$ 613,622
Equity Investments ⁽²⁴⁾											196.3 %
Advertising											
Avision Holdings, LLC (d/b/a Avision Sales Group) ⁽⁴⁾	Class A LLC Interests	N/A	N/A	N/A	N/A	12/15/21	N/A	200	\$ 287	\$ 498	0.2 %
Merriman Holdings LP (d/b/a Escalent, Inc.) ⁽⁴⁾	Class A Units	N/A	N/A	N/A	N/A	04/07/23	N/A	327	333	341	0.1
Air Freight & Logistics										620	839
Motivational CIV, LLC (d/b/a Motivational Fulfillment) ⁽⁴⁾	Class B Units	N/A	N/A	N/A	N/A	07/12/21	N/A	1,250	1,250	—	—
Broadline Retail										1,250	—
BBQ Buyer, LLC (d/b/a BBQGuys) ⁽⁴⁾	Shares	N/A	N/A	N/A	N/A	08/28/20	N/A	1,100	1,100	1,119	0.4
Ross-Simons Topco, LP (d/b/a Ross-Simons, Inc.) ⁽⁴⁾	Preferred Units	N/A	N/A	8.00%	8.00% PIK	12/04/20	N/A	600	514	648	0.2
										1,614	1,767
											0.6

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Building Products											
PFB Holding Company, LLC (d/b/a PFB Corporation) ⁽⁴⁾ (13)	Class A Units	N/A	N/A	N/A	N/A	12/17/21	N/A	1	\$ 423	\$ 1,034	0.3 %
									423	1,034	0.3
Construction & Engineering											
Sterling Pure Blocker, LLC (d/b/a Banner Industries, Inc.) ⁽⁴⁾	Class B Units	N/A	N/A	N/A	N/A	12/01/23	N/A	404	404	404	0.1
									404	404	0.1
Diversified Chemicals											
Pressurized Holdings, LLC (f/k/a Starco) ⁽⁴⁾⁽⁶⁾⁽²¹⁾	Common Units	N/A	N/A	N/A	N/A	03/16/23	N/A	—	—	—	—
Pressurized Holdings, LLC (f/k/a Starco) ⁽⁴⁾⁽⁶⁾⁽⁸⁾⁽²¹⁾	Preferred Units	N/A	N/A	14.00%	14.00% PIK	03/16/23	N/A	—	4,537	178	0.1
									4,537	178	0.1
Diversified Financial Services											
SFS Global Holding Company (d/b/a Sigue Corporation) ⁽⁴⁾	Warrants	N/A	N/A	N/A	N/A	06/28/18	12/28/25	—	—	—	—
Sigue Corporation ⁽⁴⁾	Warrants	N/A	N/A	N/A	N/A	06/28/18	12/28/25	22	2,890	—	—
									2,890	—	—
Diversified Support Services											
Quest Events, LLC ⁽⁴⁾	Common Units	N/A	N/A	N/A	N/A	12/28/18	N/A	324	367	144	—
ImageOne Industries, LLC ⁽⁴⁾	Common A Units	N/A	N/A	N/A	N/A	09/20/19	N/A	151	8	9	—
									375	153	—
Education Services											
Eddy Acquisitions, LLC (d/b/a EducationDynamics, LLC) ⁽⁴⁾	Preferred Units	N/A	N/A	12.00%	12.00%	09/15/21	N/A	167	167	1	—
									167	1	—
Environmental & Facilities Services											
BPII-JL Group Holdings LP (d/b/a Juniper Landscaping Holdings LLC) ⁽⁴⁾	Class A Units	N/A	N/A	N/A	N/A	12/29/21	N/A	90	942	1,400	0.4
									942	1,400	0.4
Food Distributors											
Two Ridge CRS, LP (d/b/a CRS OneSource) ⁽⁴⁾	Class A Common Units	N/A	N/A	N/A	N/A	05/10/24	N/A	63	317	317	0.1
									317	317	0.1
Industrial Machinery & Supplies & Components											
BL Products Parent, LP (d/b/a Bishop Lifting Products, Inc.) ⁽⁴⁾	Class A Units	N/A	N/A	N/A	N/A	02/01/22	N/A	733	788	1,253	0.4
									788	1,253	0.4
Interactive Media & Services											
What If Media Group, LLC ⁽⁴⁾	Common Units	N/A	N/A	N/A	N/A	07/02/21	N/A	3,081	851	1,919	0.6
									851	1,919	0.6
IT Consulting & Other Services											
CX Holdco LLC (d/b/a Cennox Inc.) ⁽⁴⁾	Common Units	N/A	N/A	N/A	N/A	05/04/21	N/A	1,068	1,116	1,261	0.4
Keras Holdings, LLC (d/b/a KSM Consulting, LLC) ⁽⁴⁾	Shares	N/A	N/A	N/A	N/A	12/31/20	N/A	496	496	746	0.2
Vistria Blocked MGT Investor, LP (d/b/a MGT Consulting Group) ⁽⁴⁾	Series A Units	N/A	N/A	N/A	N/A	04/10/23	N/A	—	314	524	0.2
									1,926	2,531	0.8
Leisure Facilities											
Snap Fitness Holdings, Inc. (d/b/a Lift Brands, Inc.) ⁽⁴⁾	Class A Common Stock	N/A	N/A	N/A	N/A	06/29/20	N/A	2	1,941	167	0.1
Snap Fitness Holdings, Inc. (d/b/a Lift Brands, Inc.) ⁽⁴⁾	Warrants	N/A	N/A	N/A	N/A	06/29/20	N/A	1	793	68	—
									2,734	235	0.1

WhiteHorse Finance, Inc.
Consolidated Schedule of Investments
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(in thousands)

Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽¹⁰⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽¹¹⁾	Fair Value As A Percentage of Net Assets
Leisure Products											
Playmonster Group Equity, Inc. (d/b/a Playmonster Group LLC) ⁽⁴⁾⁽⁶⁾⁽⁸⁾⁽¹⁹⁾	Preferred Stock	N/A	N/A	14.00%	14.00% PIK	01/24/22	N/A	36	\$ 3,600	\$ —	— %
Playmonster Group Equity, Inc. (d/b/a Playmonster Group LLC) ⁽⁴⁾⁽⁶⁾⁽¹⁹⁾	Common Stock	N/A	N/A	N/A	N/A	01/24/22	N/A	72	460 4,060	— —	— %
Office Services & Supplies											
American Crafts Holdings, LLC (d/b/a American Crafts, LC) ⁽⁴⁾⁽¹⁴⁾⁽²⁰⁾	Warrants	N/A	N/A	N/A	N/A	12/22/22	12/22/32	—	—	—	— %
New American Crafts Holdings, LLC (d/b/a American Crafts, LC) ⁽⁴⁾⁽¹⁴⁾⁽²⁰⁾	Class A Units	N/A	N/A	N/A	N/A	03/16/23	N/A	1	— —	— —	— %
Paper & Plastic Packaging Products & Materials											
Max Solutions Inc. ⁽⁴⁾	Common Stock	N/A	N/A	N/A	N/A	09/29/22	N/A	4	400 400	61 61	— %
Real Estate Operating Companies											
Salon Republic Investments LLC (d/b/a Salon Republic, LLC) ⁽⁴⁾⁽⁸⁾	Preferred Stock	N/A	N/A	8.00%	8.00% PIK	12/02/22	N/A	200	200	227	0.1
Salon Republic Investments LLC (d/b/a Salon Republic, LLC) ⁽⁴⁾	Common Stock	N/A	N/A	N/A	N/A	12/02/22	N/A	400	400 600	266 493	0.1 0.2
Specialized Consumer Services											
Camp Facility Services Parent, LLC (d/b/a Camp Construction Services, Inc.) ⁽⁴⁾⁽⁸⁾	Preferred Units	N/A	N/A	10.00%	10.00% PIK	11/16/21	N/A	15	840 840	1,088 1,088	0.3 %
Specialized Finance											
WHF STRS Ohio Senior Loan Fund (4)(5)(7)(14)(18)	LLC Interests	N/A	N/A	N/A	N/A	07/19/19	N/A	21,104	21,104 21,104	23,303 23,303	7.5 %
Systems Software											
Arcserve Cayman GP LLC (d/b/a Arcserve (USA), LLC) ⁽⁴⁾⁽⁶⁾⁽²²⁾⁽²⁶⁾	Common Units	N/A	N/A	N/A	N/A	01/03/24	N/A	663	—	—	— %
Arcserve Cayman Topco LP (d/b/a Arcserve (USA), LLC) ⁽⁴⁾⁽⁶⁾⁽²²⁾⁽²⁶⁾	Common Units	N/A	N/A	N/A	N/A	01/03/24	N/A	663	19,568 19,568	9,407 9,407	3.0 %
Total Equity Investments											
Total Investments									\$ 66,410 \$ 704,521	\$ 46,383 \$ 660,005	14.8 % 211.1 %
Money market funds (included in cash and cash equivalents and restricted cash and cash equivalents)											
Goldman Sachs Money Market Fund (CUSIP: 38141W315) ⁽¹⁶⁾					5.20%				\$ 1,515	\$ 1,515	0.5 %
Invesco Treasury Money Market Fund (CUSIP: X9USDINVE) ⁽¹⁶⁾					4.66%				12,814 14,329	12,814 14,329	4.1 4.6 %
Total Money Market Funds									\$ 718,850	\$ 674,334	215.7 %

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Forward Currency Contracts

Counterparty	Currency to be sold	1,619	CAD	\$	1,177	USD	Settlement date	Unrealized appreciation	Unrealized depreciation
Morgan Stanley	C\$						8/7/24	\$ —	\$ (7)
Total								\$ —	\$ (7)

(1) Except as otherwise noted, all investments are non-controlled/non-affiliate investments as defined by the Investment Company Act of 1940, as amended (the "1940 Act"), provide collateral for the Company's credit facility, and are domiciled in the United States.

(2) The investments bear interest at a rate that may be determined by reference to the Secured Overnight Financing Rate ("SOFR"), the Canadian Overnight Repo Rate Average ("CORRA"), the Sterling Overnight Index Average ("SONIA"), or the U.S. Prime Rate ("Prime"), all of which may reset monthly, quarterly or semiannually.

(3) The interest rate is the "all-in-rate" including the current index and spread, the fixed rate, and the payment-in-kind ("PIK") interest rate, as the case may be.

(4) The investment or a portion of the investment does not provide collateral for the Company's credit facility.

(5) Not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of total assets. Qualifying assets represented 81.3% of total assets as of the date of the consolidated schedule of investments.

(6) Investment is a non-controlled/affiliate investment as defined by the 1940 Act. See Note 4.

(7) The investment has an unfunded commitment in addition to any amounts presented in the consolidated schedule of investments as of June 30, 2024. See Note 8.

(8) Preferred equity investment is a non-income producing security.

(9) Security is perpetual with no defined maturity date.

(10) Except as otherwise noted, all of the Company's portfolio company investments, which as of the date of the consolidated schedule of investments represented 211.1% of the Company's net assets or 93.9% of the Company's total assets, are subject to legal restrictions on sales.

(11) The fair value of each investment was determined using significant unobservable inputs. See Note 5.

(12) The investment was comprised of two contracts, which were indexed to Prime and a different base rate, SOFR, SONIA or CORRA.

(13) Principal amount is non-USD denominated and is based in Canadian dollars.

(14) Investment is a controlled affiliate investment as defined by the 1940 Act. See Note 4.

(15) Investment is structured as a unitranche loan in which the Company may receive additional interest on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

(16) The rate shown is the annualized seven-day yield as of June 30, 2024.

(17) The investment is on non-accrual status.

(18) On January 14, 2019, the Company entered into an agreement with State Teachers Retirement System of Ohio, a public pension fund established under Ohio law ("STRS Ohio"), to create WHF STRS Ohio Senior Loan Fund, LLC ("STRS JV"), a joint venture, which invests primarily in senior secured first and second lien term loans.

(19) On January 24, 2022, as part of a restructuring agreement between the Company and PlayMonster LLC, the Company's first lien secured term loan and delayed draw loan investments to PlayMonster LLC were converted into a new first lien secured term loan, preferred stock and common stock of Playmonster Group LLC. See Note 4.

(20) In March 2023, as a result of a restructuring agreement between the Company and American Crafts, LC, the Company's investments are controlled affiliate investments, as defined by the 1940 Act. See Note 4.

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- (21) In March 2023, as part of a restructuring agreement between the Company and Sklar Holdings, Inc (d/b/a Starco), the Company's first lien secured term loan investment was converted into a new first lien secured term loan to Chase Products Co. (f/k/a Starco) and preferred units and common units of Pressurized Holdings, LLC (f/k/a Starco). See Note 4.
- (22) In January 2024, as part of a restructuring agreement between the Company and Arcstor Midco, LLC (d/b/a Arcserve (USA), LLC), the Company's first lien secured term loan and priority first lien delayed draw loan investments in Arcstor Midco, LLC (d/b/a Arcserve (USA), LLC), converted into a new first lien secured delayed draw loan and unsecured notes in Arcserve Cayman Opco LP (d/b/a Arcserve (USA), LLC) and common equity of Arcserve Cayman GP LLC (d/b/a Arcserve (USA), LLC), and Arcserve Cayman Topco LP (d/b/a Arcserve (USA), LLC). See Note 4.
- (23) As part of the restructuring agreement between the Company and Arcstor Midco, LLC (d/b/a Arcserve (USA), LLC), fair value on the first lien secured delayed draw loan includes a preferred return that is earned on capital funded.
- (24) Ownership of certain equity investments may occur through a holding company or partnership.
- (25) The issuer is domiciled in Canada.
- (26) The issuer is domiciled in Cayman Islands.

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Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽¹⁰⁾	Maturity Date	Principal/Share Amount	Amortized Cost	Fair Value ⁽¹¹⁾	Fair Value As A Percentage of Net Assets
Debt Investments											
Advertising											
M&M OpCo, LLC (d/b/a Escalent, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	8.00%	13.45%	04/07/23	04/09/29	4,726	\$ 4,602	\$ 4,580	1.4 %
M&M OpCo, LLC (d/b/a Escalent, Inc.) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	8.00%	13.45%	04/07/23	04/09/29	—	—	(1)	—
Air Freight & Logistics											
Gulf Winds International Acquisition LLC (d/b/a Gulf Winds International, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	7.00%	12.46%	12/16/22	12/18/28	4,804	4,685	4,738	1.5
Gulf Winds International Acquisition LLC (d/b/a Gulf Winds International, Inc.) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.00%	12.46%	12/16/22	12/18/28	—	—	7	—
Motivational Marketing, LLC (d/b/a Motivational Fulfillment)	First Lien Secured Term Loan	1.00%	SOFR	7.25%	12.71% (11.96% Cash + 0.75% PIK)	07/12/21	07/12/26	9,989	9,888	8,790	2.8
Motivational Marketing, LLC (d/b/a Motivational Fulfillment) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.25%	12.71% (11.96% Cash + 0.75% PIK)	07/12/21	07/12/26	473	468	338	0.1
Transervice Holdings, Inc. (d/b/a Transervice Logistics, Inc.)	First Lien Secured Term Loan	2.00%	SOFR	7.50%	12.96%	06/29/23	06/29/28	8,888	8,648	8,743	2.8
Alternative Carriers											
Patagonia Holdco LLC (d/b/a Lumen LATAM)	First Lien Secured Term Loan	0.50%	SOFR	5.75%	11.12%	08/05/22	08/01/29	14,442	12,357	13,191	4.2
Application Software											
Atlas Purchaser, Inc. (d/b/a Aspect Software, Inc.)	First Lien Secured Term Loan	0.75%	SOFR	5.25%	10.88%	08/29/22	05/08/28	3,066	2,675	2,269	0.7
Atlas Purchaser, Inc. (d/b/a Aspect Software, Inc.)	Second Lien Secured Term Loan	0.75%	SOFR	9.00%	14.64%	05/03/21	05/07/29	15,000	14,699	9,744	3.1
MBS Highway, LLC	First Lien Secured Term Loan	1.00%	SOFR	7.50%	13.18%	10/13/22	10/13/27	9,381	9,204	9,089	2.9
Naviga Inc. (f/k/a NewsCycle Solutions, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	7.00%	12.45%	06/14/19	02/27/24	3,148	3,148	3,113	1.0
Naviga Inc. (f/k/a NewsCycle Solutions, Inc.) ⁽⁷⁾⁽¹²⁾	First Lien Secured Revolving Loan	1.00%	Base Rate	6.84%	12.78%	06/14/19	02/27/24	271	271	268	0.1
UserZoom Technologies, Inc. (d/b/a UserZoom, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	7.50%	12.99%	01/12/23	04/05/29	9,819	9,570	9,719	3.2
Automotive Retail											
Team Car Care Holdings, LLC (Heartland Auto) ⁽¹²⁾	First Lien Secured Term Loan	1.00%	Base Rate	7.48%	13.09%	02/16/18	12/31/24	12,407	12,391	12,407	3.9
Broadcasting											
Coastal Television Broadcasting Group LLC	First Lien Secured Term Loan	1.00%	SOFR	7.00%	12.46%	12/30/21	12/30/26	7,418	7,329	7,246	2.3
Coastal Television Broadcasting Group LLC ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.00%	12.46%	12/30/21	12/30/26	—	—	(3)	—
Broadline Retail											
BBQ Buyer, LLC (d/b/a BBQ Guys)	First Lien Secured Term Loan				14.96% (13.96% Cash + 1.00% PIK)						
BBQ Buyer, LLC (d/b/a BBQ Guys)	First Lien Secured Delayed Draw Loan	1.50%	SOFR	9.50%	14.96% (13.96% Cash + 1.00% PIK)	08/28/20	08/28/25	12,891	12,787	12,818	4.1
Luxury Brand Holdings, Inc. (d/b/a Ross-Simons, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.96%	12/04/20	06/04/26	5,280	5,233	5,280	1.7
Potpouri Group, Inc.	First Lien Secured Term Loan	1.50%	SOFR	8.25%	13.71%	07/03/19	07/03/24	13,799	13,767	13,799	4.4
Building Products											
Trimlite Buyer LLC (d/b/a Trimlite LLC) ⁽⁵⁾⁽¹³⁾⁽²³⁾	First Lien Secured Term Loan	1.00%	CDOR	6.50%	11.94%	07/27/21	07/27/27	19,624	15,472	14,810	4.7
Cable & Satellite											
Bulk Midco, LLC	First Lien Secured Term Loan				12.96% (11.96% Cash + 1.00% PIK)						
Bulk Midco, LLC	First Lien Secured Revolving Loan	1.00%	SOFR	7.50%	12.96% (11.96% Cash + 1.00% PIK)	10/28/22	06/10/24	19,267	19,237	18,997	6.0
		1.00%	SOFR	7.50%	12.96% (11.96% Cash + 1.00% PIK)	10/28/22	06/10/24	2,000	1,989	1,972	0.6
									21,226	20,969	6.6

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Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽¹⁰⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽¹¹⁾	Fair Value As A Percentage of Net Assets
Commodity Chemicals											
FGI Acquisition Corp. (d/b/a Flexitalic Group SAS)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	12.00%	10/28/19	10/29/26	16,193	\$ 15,786	\$ 16,110	5.1 %
US Methanol Midco LLC (d/b/a US Methanol LLC)	First Lien Secured Term Loan	1.00%	SOFR	7.75%	13.28%	12/20/22	12/20/27	5,203	5,111	5,153	1.6
US Methanol Midco LLC (d/b/a US Methanol LLC)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	7.75%	13.29%	12/20/22	12/20/27	9,540	9,345	9,449	3.0
									30,242	30,712	9.7
Construction & Engineering											
Banner Acquisition Holdings, LLC (d/b/a Banner Industries, Inc.) ⁽⁷⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.00%	11.38%	12/01/23	01/02/29	140	137	137	—
									137	137	
Construction Materials											
Clardige Products and Equipment, LLC	First Lien Secured Term Loan			13.50%							
				(12.00% Cash + 1.50% PIK)							
Clardige Products and Equipment, LLC ⁽⁷⁾⁽¹²⁾	First Lien Secured Revolving Loan	1.00%	SOFR	8.00%	14.41%	12/30/20	12/30/25	7,452	7,395	6,405	2.0
				(12.91% Cash + 1.50% PIK)					628	496	0.2
									8,023	6,901	2.2
Data Processing & Outsourced Services											
Future Payment Technologies, L.P.	First Lien Secured Term Loan	1.00%	SOFR	8.25%	13.69%	12/23/16	12/05/25	21,665	21,582	21,480	6.8
									21,582	21,480	6.8
Distributors											
Foodservices Brand Group, LLC (d/b/a Crown Brands Group)	First Lien Secured Term Loan	1.00%	SOFR	8.00%	13.52%	11/22/22	12/09/25	357	357	200	0.1
Foodservices Brand Group, LLC (d/b/a Crown Brands Group) ⁽¹⁷⁾	Second Lien Secured Term Loan	1.50%	SOFR	6.50%	11.96%	11/22/22	01/08/26	5,171	4,915	1,601	0.5
				19.46%							
Midwest Texas Tea CA, LLC (d/b/a US Petroleum Partners, LLC)	First Lien Secured Term Loan	1.00%	SOFR	14.00%	13.46% Cash + 6.00% PIK)	12/22/23	12/22/25	1,464	1,420	1,420	0.4
Midwest Texas Tea CA, LLC (d/b/a US Petroleum Partners, LLC)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	7.25%	12.71%	12/22/23	12/22/28	9,490	9,254	9,254	2.9
Midwest Texas Tea CA, LLC (d/b/a US Petroleum Partners, LLC) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.25%	12.71%	12/22/23	12/22/28	—	—	—	—
Midwest Texas Tea CA, LLC (d/b/a US Petroleum Partners, LLC) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.25%	12.71%	12/22/23	12/22/28	—	—	15,946	12,475
											3.9
Diversified Chemicals											
Manchester Acquisition Sub LLC (d/b/a Draslovka Holding AS)	First Lien Secured Term Loan	0.75%	SOFR	5.75%	11.28%	11/16/21	12/01/26	7,840	7,587	7,215	2.3
Chase Products Co. (f/k/a Starco) ⁽⁶⁾⁽²¹⁾	First Lien Secured Term Loan	N/A	N/A	12.00%	12.00% PIK	03/16/23	03/16/28	2,962	2,962	2,793	0.9
									10,549	10,008	3.2
Diversified Support Services											
NNA Services, LLC	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.25%	08/27/21	08/27/26	9,417	9,354	9,293	2.9
									9,354	9,293	2.9
Education Services											
EducationDynamics, LLC	First Lien Secured Term Loan			12.46%							
				(11.96% Cash + 0.50% PIK)							
EducationDynamics, LLC ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.00%	12.46%	09/15/21	09/15/26	12,784	12,647	12,407	4.0
				(11.96% Cash + 0.50% PIK)							
EducationDynamics, LLC ⁽⁴⁾	Subordinated Unsecured Term Loan	1.00%	SOFR	7.00%	4.00%	09/15/21	09/15/26	—	—	(22)	—
				4.00%							
Electric Utilities											
CleanChoice Energy, Inc.	First Lien Secured Term Loan	1.00%	SOFR	7.58%	13.14%	10/12/21	10/12/26	15,955	15,715	15,954	5.0
									15,715	15,954	5.0
Environmental & Facilities Services											
Branford Filtration, LLC (d/b/a Clean Solutions Group)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.96%	11/17/23	11/17/28	11,613	11,358	11,358	3.6
Branford Filtration, LLC (d/b/a Clean Solutions Group) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.96%	11/17/23	11/17/28	—	—	—	—
Industrial Specialty Services USA LLC	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.25%	12/31/21	12/31/26	11,767	11,626	11,537	3.6
									22,984	22,895	7.2
Health Care Facilities											
Bridgepoint Healthcare, LLC	First Lien Secured Term Loan	1.00%	SOFR	8.00%	13.46%	10/05/21	10/05/26	9,073	8,973	8,967	2.8
Bridgepoint Healthcare, LLC ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	8.00%	13.46%	10/05/21	10/05/26	—	—	(1)	—
									8,973	8,966	2.8

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Health Care Services											
Lab Logistics, LLC	First Lien Secured Term Loan	1.00%	SOFR	7.25%	12.71%	10/16/19	09/25/24	5,449	\$ 5,442	\$ 5,449	1.7 %
Lab Logistics, LLC	First Lien Secured Delayed Draw Loan	1.00%	SOFR	7.25%	12.71%	10/16/19	09/25/24	5,090	5,089	5,090	1.6
PG Dental New Jersey Parent, LLC	First Lien Secured Term Loan			12.96% (10.71% Cash + 2.25% PIK)							
PG Dental New Jersey Parent, LLC ⁽¹²⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.50%	13.98% (11.73% Cash + 2.25% PIK)	11/25/20	11/25/25	6,400	6,348	6,400	2.0
		1.00%	Base Rate	7.00%		11/25/20	11/25/25	704	698	704	0.2
									17,577	17,643	5.5
Health Care Supplies											
ABB/Con-cise Optical Group LLC (d/b/a ABB Optical Group, LLC)	First Lien Secured Term Loan	0.75%	SOFR	7.50%	13.01%	02/23/22	02/23/28	20,409	20,056	18,983	6.0
									20,056	18,983	6.0
Heavy Electrical Equipment											
Power Service Group CR Acquisition Inc. (d/b/a Power Plant Services)	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.25%	06/25/21	06/25/26	8,804	8,712	8,782	2.8
Power Service Group CR Acquisition Inc. (d/b/a Power Plant Services)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.75%	12.25%	07/11/22	06/25/26	1,356	1,336	1,353	0.4
									10,048	10,135	3.2
Home Furnishings											
Hollander Intermediate LLC (d/b/a Hollander Sleep Products, LLC)	First Lien Secured Term Loan	3.00%	SOFR	10.75%	16.22%	09/19/22	09/21/26	4,689	4,661	4,179	1.3
Sleep OpCo LLC (d/b/a Brooklyn Bedding LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	12.07%	10/12/21	10/12/26	20,616	20,385	20,407	6.4
Sleep OpCo LLC (d/b/a Brooklyn Bedding LLC) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	12.07%	10/12/21	10/12/26	—	—	3	—
Whitestone Home Furnishings, LLC (d/b/a Saatva, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.96%	11/06/23	08/20/26	2,990	2,919	2,919	0.9
									27,965	27,508	8.6
Household Appliances											
Token Buyer, Inc. (d/b/a Therm-O-Disc, Inc.)	First Lien Secured Term Loan	0.50%	SOFR	6.00%	11.53%	05/26/22	05/31/29	7,142	6,695	5,966	1.9
									6,695	5,966	1.9
Household Products											
The Kyjen Company, LLC (d/b/a Outward Hound)	First Lien Secured Term Loan			13.21% (12.21% Cash + 1.00% PIK)							
The Kyjen Company, LLC (d/b/a Outward Hound) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.50%	13.21% (12.21% Cash + 1.00% PIK)	04/05/21	04/05/26	11,358	11,282	10,904	3.4
		1.00%	SOFR	7.50%		04/05/21	04/05/26	—	—	(31)	—
									11,282	10,873	3.4
Industrial Machinery & Supplies & Components											
Project Castle, Inc. (d/b/a Material Handling Systems, Inc.)	First Lien Secured Term Loan	0.50%	SOFR	5.50%	10.89%	06/09/22	06/01/29	6,027	5,536	5,364	1.7
									5,536	5,364	1.7
Interactive Media & Services											
MSI Information Services, Inc.	First Lien Secured Term Loan	1.00%	SOFR	7.75%	13.29%	04/25/22	04/24/26	7,333	7,248	6,972	2.2
MSI Information Services, Inc. ⁽⁷⁾⁽¹²⁾	First Lien Secured Revolving Loan	1.00%	Base Rate	6.84%	15.06%	04/25/22	04/24/26	825	815	776	0.2
									8,063	7,748	2.4
Investment Banking & Brokerage											
JVMC Holdings Corp. (fka RJO Holdings Corp.)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.96%	02/28/19	02/28/24	3,522	3,521	3,522	1.1
									3,521	3,522	1.1
IT Consulting & Other Services											
ATSG, Inc.	First Lien Secured Term Loan	1.00%	SOFR	6.50%	12.04%	11/12/21	11/12/26	3,785	3,741	3,745	1.2
									3,741	3,745	1.2

WhiteHorse Finance, Inc.
Consolidated Schedule of Investments
December 31, 2023
(in thousands)

Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽¹⁰⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽¹¹⁾	Fair Value As A Percentage of Net Assets
Leisure Facilities											
Honors Holdings, LLC (d/b/a Orange Theory) ⁽¹⁵⁾⁽¹⁶⁾	First Lien Secured Term Loan	1.00%	SOFR	6.49%	12.02%	09/06/19	09/06/24	9,441	\$ 9,375	\$ 9,347	3.0 %
Honors Holdings, LLC (d/b/a Orange Theory) ⁽¹⁵⁾⁽¹⁶⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.37%	11.90%	09/06/19	09/06/24	4,650	4,631	4,603	1.5
Lift Brands, Inc.	First Lien Secured Term Loan A	1.00%	SOFR	7.50%	12.96%	06/29/20	06/29/25	5,518	5,492	5,457	1.7
Lift Brands, Inc.	First Lien Secured Term Loan B	N/A	N/A	9.50%	9.50% PIK	06/29/20	06/29/25	1,450	1,441	1,406	0.4
Snap Fitness Holdings, Inc. (d/b/a Lift Brands, Inc.) ⁽⁹⁾	First Lien Secured Term Loan C	N/A	N/A	9.50%	9.50% PIK	06/29/20	N/A	1,657	1,654	1,623	0.5
									22,593	22,436	7.1
Leisure Products											
Playmonster Group LLC ⁽⁶⁾⁽¹⁹⁾	Priority First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.37% PIK	12/09/22	06/08/26	1,140	1,118	1,015	0.3
Playmonster Group LLC ⁽⁶⁾⁽¹⁷⁾⁽¹⁹⁾	First Lien Secured Term Loan	1.00%	SOFR	9.00%	14.53% PIK	01/24/22	06/08/26	4,232	3,661	1,363	0.4
Leviathan Intermediate Holdco, LLC	First Lien Secured Term Loan	1.50%	SOFR	7.50%	13.00%	12/27/22	12/27/27	10,346	10,098	10,346	3.3
Leviathan Intermediate Holdco, LLC ⁽⁷⁾	First Lien Secured Revolving Loan	1.50%	SOFR	7.50%	13.00%	12/27/22	12/27/27	—	—	14	—
									14,877	12,738	4.0
Life Sciences Tools & Services											
LSCS Holdings, Inc. (d/b/a Eversana Life Science Services, LLC)	Second Lien Secured Term Loan	0.50%	SOFR	8.00%	13.47%	11/23/21	12/16/29	5,000	4,944	4,901	1.5
									4,944	4,901	1.5
Office Services & Supplies											
American Crafts, LC ⁽¹⁴⁾⁽²⁰⁾	Super Priority First Lien Secured Term Loan	1.00%	SOFR	8.50%	13.96% PIK	07/25/23	05/28/26	1,903	1,903	1,878	0.6
American Crafts, LC ⁽¹⁴⁾⁽²⁰⁾	Priority First Lien Secured Term Loan	1.00%	SOFR	8.50%	13.96% PIK	12/22/22	05/28/26	5,105	5,105	3,226	1.0
American Crafts, LC ⁽¹⁴⁾⁽¹⁷⁾⁽²⁰⁾	First Lien Secured Term Loan	1.00%	SOFR	8.50%	13.96% PIK	05/28/21	05/28/26	9,441	8,720	553	0.2
American Crafts, LC ⁽¹⁴⁾⁽¹⁷⁾⁽²⁰⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	8.50%	13.96% PIK	01/25/22	05/28/26	1,585	1,458	93	—
Empire Office, Inc.	First Lien Secured Term Loan	1.50%	SOFR	6.75%	12.21%	04/12/19	04/12/24	10,947	10,931	10,947	3.5
Empire Office, Inc.	First Lien Secured Delayed Draw Loan	1.50%	SOFR	6.75%	12.21%	08/17/21	04/12/24	4,556	4,545	4,556	1.4
									32,662	21,253	6.7
Real Estate Development											
StoicLane MidCo, LLC (d/b/a StoicLane Inc.)	First Lien Secured Term Loan	1.00%	SOFR	7.50%	13.00%	11/04/22	11/04/27	4,606	4,518	4,606	1.5
StoicLane MidCo, LLC (d/b/a StoicLane Inc.) ⁽⁷⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	7.50%	13.00%	11/04/22	11/04/27	5,545	5,466	5,633	1.8
									9,984	10,239	3.3
Real Estate Operating Companies											
Salon Republic Holdings, LLC (d/b/a Salon Republic, LLC)	First Lien Secured Term Loan	1.00%	SOFR	7.50%	12.96%	12/02/22	12/02/27	5,121	5,001	5,077	1.6
Salon Republic Holdings, LLC (d/b/a Salon Republic, LLC) ⁽⁷⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	7.50%	12.96%	12/02/22	12/02/27	741	729	745	0.2
Salon Republic Holdings, LLC (d/b/a Salon Republic, LLC) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	7.50%	12.96%	12/02/22	12/02/27	251	245	258	0.1
									5,975	6,080	1.9
Research & Consulting Services											
ALM Media, LLC	First Lien Secured Term Loan	1.00%	SOFR	6.00%	11.50%	11/25/19	11/25/24	12,600	12,555	12,517	4.0
Barrett Purchaser LLC (d/b/a SIB Development and Consulting, Inc.)	First Lien Secured Term Loan	0.75%	SOFR	6.00%	11.36%	11/21/23	11/21/29	3,654	3,564	3,564	1.1
Barrett Purchaser LLC (d/b/a SIB Development and Consulting, Inc.) ⁽⁷⁾	First Lien Secured Delayed Draw Loan	0.75%	SOFR	6.00%	11.36%	11/21/23	11/21/29	—	—	—	—
Barrett Purchaser LLC (d/b/a SIB Development and Consulting, Inc.) ⁽⁷⁾	First Lien Secured Revolving Loan	0.75%	SOFR	6.00%	11.36%	11/21/23	11/21/28	—	—	—	—
									16,119	16,081	5.1
Specialized Consumer Services											
Camp Facility Services Holdings, LLC (d/b/a Camp Construction Services, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.96%	11/16/21	11/16/27	11,668	11,517	11,496	3.6
HC Salon Holdings, Inc. (d/b/a Hair Cuttery)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	12.11%	09/30/21	09/30/26	11,404	11,279	11,404	3.6
HC Salon Holdings, Inc. (d/b/a Hair Cuttery) ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	12.11%	09/30/21	09/30/26	—	—	8	—
									22,796	22,908	7.2
Specialized Finance											
WHF STRS Ohio Senior Loan Fund LLC ⁽⁴⁾⁽⁵⁾⁽⁷⁾⁽⁹⁾⁽¹⁴⁾⁽¹⁸⁾	Subordinated Note	N/A	SOFR	6.50%	11.85%	07/19/19	N/A	84,416	84,416	84,416	26.6
									84,416	84,416	26.6

WhiteHorse Finance, Inc.
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Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽¹⁰⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽¹¹⁾	Fair Value As A Percentage of Net Assets
Systems Software											
Arcstor Midco, LLC (d/b/a Arcserve (USA), LLC ⁽¹⁷⁾	First Lien Secured Term Loan	1.00%	SOFR	7.75%	13.21% PIK	03/16/21	03/16/27	21,613	\$ 19,568	\$ 10,477	3.3 %
Arcstor Midco, LLC (d/b/a Arcserve (USA), LLC	Priority First Lien Secured Delayed Draw Loan	1.00%	SOFR	8.00%	13.46% PIK	07/14/23	03/16/27	1,078	1,050 20,618	1,046 11,523	0.3 3.6
Technology Hardware, Storage & Peripherals											
Telestream Holdings Corporation	First Lien Secured Term Loan	1.00%	SOFR	11.75%	17.28%	10/15/20	10/15/25	15,763	15,580	15,522	4.9
Telestream Holdings Corporation ⁽⁷⁾	First Lien Secured Revolving Loan	1.00%	SOFR	11.75%	17.21%	10/15/20	10/15/25	1,242	1,228 16,808	1,223 16,745	0.4 5.3
Total Debt Investments									\$ 693,621	\$ 656,707	207.4 %
Equity Investments ⁽²²⁾											
Advertising											
Avision Holdings, LLC (d/b/a Avision Sales Group) ⁽⁴⁾	Class A LLC Interests	N/A	N/A	N/A	N/A	12/15/21	N/A	200	\$ 287 333	\$ 411 295	0.1 % 0.1
Merriman Holdings LP (d/b/a Escalent, Inc.) ⁽⁴⁾	Class A Units	N/A	N/A	N/A	N/A	04/07/23	N/A	327	620	706	0.2
Air Freight & Logistics											
Motivational CIV, LLC (d/b/a Motivational Fulfillment) ⁽⁴⁾	Class B Units	N/A	N/A	N/A	N/A	07/12/21	N/A	1,250	1,250 1,250	— —	— —
Broadline Retail											
BBQ Buyer, LLC (d/b/a BBQGuys) ⁽⁴⁾	Shares	N/A	N/A	N/A	N/A	08/28/20	N/A	1,100	1,100	1,330	0.4
Ross-Simons Topco, LP (d/b/a Ross-Simons, Inc.) ⁽⁴⁾	Preferred Units	N/A	N/A	8.00%	8.00% PIK	12/04/20	N/A	600	514	832	0.3
Building Products											
PFB Holding Company, LLC (d/b/a PFB Corporation) ⁽⁴⁾	Class A Units	N/A	N/A	N/A	N/A	12/17/21	N/A	1	423 423	1,053 1,053	0.3 0.3
Construction & Engineering											
Sterling Pure Blocker, LLC (d/b/a Banner Industries, Inc.) ⁽⁴⁾	Class B Units	N/A	N/A	N/A	N/A	12/01/23	N/A	404	404 404	404 404	0.1 0.1
Diversified Chemicals											
Pressurized Holdings, LLC (f/k/a Starco) ⁽⁴⁾⁽⁶⁾⁽²¹⁾	Common Units	N/A	N/A	N/A	N/A	03/16/23	N/A	—	—	—	—
Pressurized Holdings, LLC (f/k/a Starco) ^{(4)(6)(b)(21)}	Preferred Units	N/A	N/A	N/A	14.00% PIK	03/16/23	N/A	—	4,537	251	0.1
Diversified Financial Services											
SFS Global Holding Company (d/b/a Sigue Corporation) ⁽⁴⁾	Warrants	N/A	N/A	N/A	N/A	06/28/18	12/28/25	—	2,890 2,890	3,472 3,472	1.1 1.1
Sigue Corporation ⁽⁴⁾	Warrants	N/A	N/A	N/A	N/A	06/28/18	12/28/25	22	2,890 2,890	3,472 3,472	1.1 1.1
Diversified Support Services											
Quest Events, LLC ⁽⁴⁾	Common Units	N/A	N/A	N/A	N/A	12/28/18	N/A	317	360	305	0.1
ImageOne Industries, LLC ⁽⁴⁾	Common A Units	N/A	N/A	N/A	N/A	09/20/19	N/A	149	7	9	—
Education Services											
Eddy Acquisitions, LLC (d/b/a EducationDynamics, LLC) ⁽⁴⁾	Preferred Units	N/A	N/A	12.00%	12.00%	09/15/21	N/A	167	167 167	18 18	— —
Environmental & Facilities Services											
BPII-JL Group Holdings LP (d/b/a Juniper Landscaping Holdings LLC) ⁽⁴⁾	Class A Units	N/A	N/A	N/A	N/A	12/29/21	N/A	83	825 825	983 983	0.3 0.3

WhiteHorse Finance, Inc.
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(in thousands)

Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽¹⁰⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽¹¹⁾	Fair Value As A Percentage of Net Assets
Industrial Machinery & Supplies & Components											
BL Products Parent, LP (d/b/a Bishop Lifting Products, Inc.) ⁽⁴⁾	Class A Units	N/A	N/A	N/A	N/A	02/01/22	N/A	733	\$ 788	\$ 1,053	0.3 %
									788	1,053	0.3
Interactive Media & Services											
What If Media Group, LLC ⁽⁴⁾	Common Units	N/A	N/A	N/A	N/A	07/02/21	N/A	3,081	851	1,615	0.5
									851	1,615	0.5
IT Consulting & Other Services											
CX Holdco LLC (d/b/a Cennox Inc.) ⁽⁴⁾	Common Units	N/A	N/A	N/A	N/A	05/04/21	N/A	1,068	1,116	1,715	0.5
Keras Holdings, LLC (d/b/a KSM Consulting, LLC) ⁽⁴⁾	Shares	N/A	N/A	N/A	N/A	12/31/20	N/A	496	496	683	0.2
Vistria Blocked MGT Investor, LP (d/b/a MGT Consulting Group) ⁽⁴⁾	Series A Units	N/A	N/A	N/A	N/A	04/10/23	N/A	—	314	406	0.1
									1,926	2,804	0.8
Leisure Facilities											
Snap Fitness Holdings, Inc. (d/b/a Lift Brands, Inc.) ⁽⁴⁾	Class A Common Stock	N/A	N/A	N/A	N/A	06/29/20	N/A	2	1,941	130	—
Snap Fitness Holdings, Inc. (d/b/a Lift Brands, Inc.) ⁽⁴⁾	Warrants	N/A	N/A	N/A	N/A	06/29/20	N/A	1	793	53	—
									2,734	183	—
Leisure Products											
Playmonster Group Equity, Inc. (d/b/a Playmonster Group LLC) ⁽⁴⁾⁽⁶⁾⁽⁸⁾⁽¹⁹⁾	Preferred Stock	N/A	N/A	14.00%	14.00% PIK	01/24/22	N/A	36	3,600	—	—
Playmonster Group Equity, Inc. (d/b/a Playmonster Group LLC) ⁽⁴⁾⁽⁶⁾⁽¹⁹⁾	Common Stock	N/A	N/A	N/A	N/A	01/24/22	N/A	72	460	—	—
									4,060	—	—
Office Services & Supplies											
American Crafts Holdings, LLC (d/b/a American Crafts, LC) ⁽⁴⁾⁽¹⁴⁾⁽²⁰⁾	Warrants	N/A	N/A	N/A	N/A	12/22/22	12/22/32	—	—	—	—
New American Crafts Holdings, LLC (d/b/a American Crafts, LC) ⁽⁴⁾⁽¹⁴⁾⁽²⁰⁾	Class A Units	N/A	N/A	N/A	N/A	03/16/23	N/A	1	—	—	—
Paper & Plastic Packaging Products & Materials											
Max Solutions Inc. ⁽⁴⁾	Common Stock	N/A	N/A	N/A	N/A	09/29/22	N/A	4	400	179	0.1
									400	179	0.1
Real Estate Operating Companies											
Salon Republic Investments LLC (d/b/a Salon Republic, LLC) ⁽⁴⁾⁽⁶⁾	Preferred Stock	N/A	N/A	N/A	8.00% PIK	12/02/22	N/A	200	200	218	0.1
Salon Republic Investments LLC (d/b/a Salon Republic, LLC) ⁽⁴⁾	Common Stock	N/A	N/A	N/A	N/A	12/02/22	N/A	400	400	241	0.1
									600	459	0.2
Specialized Consumer Services											
Camp Facility Services Parent, LLC (d/b/a Camp Construction Services, Inc.) ⁽⁴⁾⁽¹⁸⁾	Preferred Units	N/A	N/A	10.00%	10.00% PIK	11/16/21	N/A	15	840	1,023	0.3
									840	1,023	0.3
Specialized Finance											
WHF STRS Ohio Senior Loan Fund (4)(5)(7)(14)(18)	LLC Interests	N/A	N/A	N/A	N/A	07/19/19	N/A	21,104	21,104	22,782	7.2
									21,104	22,782	7.2
Total Equity Investments									\$ 46,400	\$ 39,461	12.3 %
Total Investments									\$ 740,021	\$ 696,168	219.7 %

WhiteHorse Finance, Inc.
Consolidated Schedule of Investments
December 31, 2023
(in thousands)

Forward Currency Contracts

Counterparty	Currency to be sold		Currency to be purchased		Settlement date	Unrealized appreciation	Unrealized depreciation			
Morgan Stanley	C\$	1,253	CAD	\$	903	USD	2/7/24	\$ —	\$ —	\$ (43)
Total										

- (1) Except as otherwise noted, all investments are non-controlled/non-affiliate investments as defined by the 1940 Act, and provide collateral for the Company's credit facility.
- (2) The investments bear interest at a rate that may be determined by reference to SOFR, Canadian Dollar Offered Rate ("CDOR"), SONIA or Prime which may reset monthly, quarterly or semiannually.
- (3) The interest rate is the "all-in-rate" including the current index and spread, the fixed rate, and the PIK interest rate, as the case may be.
- (4) The investment or a portion of the investment does not provide collateral for the Company's credit facility.
- (5) Not a qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of total assets. Qualifying assets represented 83.3% of total assets as of the date of the consolidated schedule of investments.
- (6) Investment is a non-controlled/affiliate investment as defined by the 1940 Act.
- (7) The investment has an unfunded commitment in addition to any amounts presented in the consolidated schedule of investments as of December 31, 2023. See Note 8.
- (8) Preferred equity investment is a non-income producing security.
- (9) Security is perpetual with no defined maturity date.
- (10) Except as otherwise noted, all of the Company's portfolio company investments which, as of the date of the consolidated schedule of investments, represented 219.7% of the Company's net assets or 95.3% of the Company's total assets, are subject to legal restrictions on sales.
- (11) The fair value of each investment was determined using significant unobservable inputs. See Note 5.
- (12) The investment was comprised of two contracts, which were indexed to Prime and a different base rate, SOFR, SONIA or CDOR.
- (13) Principal amount is non-USD denominated and is based in Canadian dollars.
- (14) Investment is a controlled affiliate investment as defined by the 1940 Act. See Note 4.
- (15) Investment is structured as a unitranche loan in which the Company may receive additional interest on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.
- (16) In addition to the interest earned based on the stated interest rate of this security, the Company is entitled to receive an additional interest in the amount of 3.50% on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.
- (17) The investment is on non-accrual status.
- (18) On January 14, 2019, the Company entered into an agreement with STRS Ohio, to create STRS JV, a joint venture, which invests primarily in senior secured first and second lien term loans.
- (19) On January 24, 2022, as part of a restructuring agreement between the Company and PlayMonster LLC, the Company's first lien secured term loan and delayed draw loan investments to PlayMonster LLC were converted into a new first lien secured term loan, preferred stock and common stock of Playmonster Group LLC. See Note 4.
- (20) In March 2023, as a result of a restructuring agreement between the Company and American Crafts, LC, the Company's investments are controlled affiliate investments, as defined by the 1940 Act. See Note 4.

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(21) In March 2023, as part of a restructuring agreement between the Company and Sklar Holdings, Inc (d/b/a Starco), the Company's first lien secured term loan investment was converted into a new first lien secured term loan to Chase Products Co. (f/k/a Starco) and preferred units and common units of Pressurized Holdings, LLC (f/k/a Starco). See Note 4.

(22) Ownership of certain equity investments may occur through a holding company or partnership.

(23) The issuer is domiciled in Canada.

WhiteHorse Finance, Inc.
Notes to Consolidated Financial Statements (Unaudited)
June 30, 2024
(in thousands, except share and per share data)

NOTE 1 - ORGANIZATION

WhiteHorse Finance, Inc. ("WhiteHorse Finance" and, together with its subsidiaries, the "Company") is an externally managed, non-diversified, closed-end management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940, as amended (the "1940 Act"). In addition, for tax purposes, WhiteHorse Finance elected to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). WhiteHorse Finance's common stock trades on the Nasdaq Global Select Market under the symbol "WHF."

The Company's investment objective is to generate attractive risk-adjusted returns primarily by originating and investing in senior secured loans, including first lien and second lien facilities, to performing lower middle market companies across a broad range of industries that typically are based on a floating interest rate such as SOFR plus a spread and typically have a term of three to six years. While the Company focuses principally on originating senior secured loans to lower middle market companies, it may also opportunistically make investments at other levels of a company's capital structure, including mezzanine loans or equity interests and may receive warrants to purchase common stock in connection with its debt investments.

WhiteHorse Finance's investment activities are managed by H.I.G. WhiteHorse Advisers, LLC ("WhiteHorse Advisers" or the "Investment Adviser"). H.I.G. WhiteHorse Administration, LLC ("WhiteHorse Administration" or the "Administrator") provides administrative services necessary for the Company to operate.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of WhiteHorse Finance and its wholly owned subsidiaries, WhiteHorse Finance Credit I, LLC ("WhiteHorse Credit"), and its subsidiary WhiteHorse Finance (CA), LLC ("WhiteHorse California"), WHF PMA Holdco Blocker, LLC, WHF American Craft Blocker, LLC, WhiteHorse RCKC Holdings, LLC and WhiteHorse Finance Holdings, LLC. The Company meets the definition of an investment company under Accounting Standards Codification ("ASC") Topic 946, *Financial Services - Investment Companies*, and therefore applies the accounting and reporting guidance discussed therein to its consolidated financial statements. All significant intercompany balances and transactions have been eliminated.

Additionally, the accompanying consolidated financial statements and related financial information have been prepared pursuant to the requirements for reporting on Form 10-Q and Articles 6, 10 and 12 of Regulation S-X. In the opinion of management, the consolidated financial statements reflect all adjustments, consisting solely of normal recurring accruals considered necessary for the fair presentation of financial results as of and for the periods presented.

Principles of Consolidation: Under the investment company rules and regulations pursuant to ASC Topic 946, WhiteHorse Finance is precluded from consolidating any entity other than another investment company. As provided under ASC Topic 946, WhiteHorse Finance generally consolidates any investment company when it owns 100% of its partners' or members' capital or equity units. The Company does not consolidate its investment in STRS JV or any of its controlled affiliate investments. See further description in Note 4.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the financial statements. Actual results could differ from those estimates.

Fair Value of Financial Instruments: The Company determines the fair value of its financial instruments in accordance with ASC Topic 820, *Fair Value Measurements and Disclosures*. ASC Topic 820 defines fair value, establishes a framework used to measure fair value and requires disclosures for fair value measurements. In accordance

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with ASC Topic 820, the Company has categorized its financial instruments carried at fair value, based on the priority of the valuation technique, into a three-level fair value hierarchy. Fair value is a market-based measure considered from the perspective of the market participant who holds the financial instrument. Therefore, when market assumptions are not readily available, the Company's own assumptions are set to reflect those that management believes market participants would use in pricing the financial instrument at the measurement date.

The Company values its investments in accordance with the 1940 Act and Rule 2a-5 thereunder, which sets forth the requirements for determining fair value in good faith. Pursuant to Rule 2a-5, the board of directors has designated the Investment Adviser to determine the fair value of the Company's investments. The board of directors oversees the Investment Adviser's performance of its valuation responsibilities, and in support of this oversight, the Investment Adviser provides periodic reports to the Company's board of directors related to the fair valuation process. The Investment Adviser carries out its responsibilities as valuation designee primarily through its valuation committee (the "Valuation Committee"), assisted by third-party valuation firms, administrative personnel, and other service providers, as appropriate. The Valuation Committee consists of a number of representatives from different functions of the Investment Adviser. The Investment Adviser conducts the fair valuation process on a quarterly basis, subject to the oversight of the Company's board of directors through the audit committee, using consistently applied valuation procedures. In accordance with the Company's valuation procedures, the Investment Adviser performs periodic testing of the appropriateness and accuracy of fair value methodologies, and has established a process for approving, monitoring, and evaluating independent pricing service providers. Effective September 8, 2022, the board of directors designated the Investment Adviser as the Company's valuation designee.

Investments that are not publicly traded or for which market prices are not readily available will be valued based on the input of the Investment Adviser and independent third-party valuation firms engaged to review Company investments. These external reviews are used by the Company's Investment Adviser, subject to the oversight of the board of directors, to review the Company's internal valuation of investments during the year.

Investment Transactions: The Company records investment transactions on a trade date basis. These transactions may settle subsequent to the trade date depending on the transaction type. Certain expenses related to legal and tax consultation, due diligence, rating fees, valuation expenses and independent collateral appraisals may arise when the Company makes certain investments. These expenses are recognized in the consolidated statements of operations as they are incurred.

Foreign currency translation: The Company's books and records are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

- (1) cash and cash equivalents, restricted cash and cash equivalents, fair value of investments, interest receivable, and other assets and liabilities — at the spot exchange rate on the last business day of the period; and
- (2) purchases and sales of investments, income and expenses — at the exchange rates prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, the Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in fair values of investments held. Such fluctuations are included with the net realized and unrealized gain or loss from investments. Fluctuations arising from the translation of assets other than investments and liabilities are included with the net change in unrealized appreciation (depreciation) on translation of assets and liabilities in foreign currencies on the consolidated statements of operations.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with investing in U.S. companies. 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 to be more volatile than those of comparable U.S. companies or U.S. government securities.

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Revenue Recognition: The Company's revenue recognition policies are as follows:

Sales: Realized gains or losses on the sales of investments are calculated by using the specific identification method.

Investment Income: Interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis. The Company may also receive closing, commitment, prepayment, amendment and other fees from portfolio companies in the ordinary course of business.

Dividend income is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies.

Closing fees associated with investments in portfolio companies are deferred and recognized as interest income over the respective terms of the applicable loans. Upon the prepayment of a loan or debt security, any unamortized loan closing fees are recorded as part of interest income. Commitment fees are based upon the undrawn portion committed by the Company and are recorded as interest income on an accrual basis. Prepayment, amendment and other fees are recognized when earned, generally when such fees are receivable, and are included in fee income on the consolidated statements of operations.

The Company may invest in loans that contain a PIK interest rate provision. PIK interest is accrued at the contractual rates and added to loan principal on the reset dates to the extent such amounts are expected to be collected.

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

Cash and Cash Equivalents: Cash and cash equivalents include cash, deposits with financial institutions, and short-term liquid investments in money market funds with original maturities of three months or less.

Restricted Cash and Cash Equivalents: Restricted cash and cash equivalents include amounts that are collected and held by the trustee appointed as custodian of the assets securing the Credit Facility (as defined in Note 6). Restricted cash is held by the trustee for the payment of interest expense and principal on the outstanding borrowings or reinvestment into new assets. Restricted cash that represents interest or fee income is transferred to unrestricted cash accounts by the trustee generally once a quarter after the payment of operating expenses and amounts due under the Credit Facility.

Offering Costs: The Company may incur legal, accounting, regulatory, investment banking and other costs in relation to equity offerings. Offering costs are deferred and charged against paid-in capital in excess of par on completion of the related offering.

Deferred Financing Costs: Deferred financing costs represent fees and other direct incremental costs incurred in connection with the Company's borrowings. These amounts are amortized and are included in interest expense in the consolidated statements of operations over the estimated life of the borrowings. Deferred financing costs are presented in the consolidated statements of assets and liabilities as a direct reduction from the carrying amount of the related debt liability.

Income Taxes: The Company elected to be treated as a RIC under Subchapter M of the Code. In order to maintain its status as a RIC, among other requirements, the Company is required to distribute dividends for U.S. federal income tax purposes to its stockholders each taxable year generally of an amount at least equal to 90% of the sum of ordinary

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income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. In addition, the Company will incur a nondeductible excise tax equal to 4% of the amount by which (1) 98% of ordinary income for the calendar year (taking into account certain deferrals and elections), (2) 98.2% of capital gains in excess of capital losses, adjusted for certain ordinary losses, for the one-year period ending on October 31 of the calendar year and (3) any ordinary income and capital gain income for preceding years that were not distributed during such years and on which the Company incurred no U.S. federal income tax exceed distributions for the year. The Company accrues estimated excise tax on the amount, if any, that estimated taxable income is expected to exceed the level of stockholder distributions described above.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more-likely-than-not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statement is the largest benefit or expense that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. Any tax positions not deemed to satisfy the more-likely-than-not threshold are reversed and recorded as tax benefit or tax expense, as appropriate, in the current year. Management has analyzed the Company's tax positions, and the Company has concluded that the Company did not have any unrecognized tax benefits or unrecognized tax liabilities related to uncertain tax positions as of June 30, 2024 and December 31, 2023.

Penalties or interest that may be assessed related to any income taxes would be classified as general and administrative expenses on the consolidated statements of operations. The Company had no amounts accrued for interest or penalties as of June 30, 2024 or December 31, 2023. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next twelve months. The Company's tax returns are subject to examination by federal, state and local taxing authorities. Because many types of transactions are susceptible to varying interpretations under U.S. federal and state income tax laws and regulations, the amounts reported in the accompanying consolidated financial statements may be subject to change at a later date by the respective taxing authorities. Tax returns for each of the federal tax years since 2020 remain subject to examination by the Internal Revenue Service.

As of June 30, 2024 and December 31, 2023, the cost of investments for federal income tax purposes was \$ 721,765 and \$751,117 resulting in net unrealized depreciation of \$61,760 and \$54,949, respectively. This is comprised of gross unrealized appreciation of \$28,476 and \$6,881 and gross unrealized depreciation of \$ 90,236 and \$61,830, on a tax basis, as of June 30, 2024 and December 31, 2023, respectively.

Dividends and Distributions: Dividends and distributions to common stockholders are recorded on the ex-dividend date. Quarterly distribution payments are determined by the Company's board of directors and are paid from taxable earnings estimated by management and may include a return of capital and/or capital gains. Net realized capital gains, if any, are distributed at least annually, although the Company may decide to retain such capital gains for investment.

The Company maintains an "opt out" dividend reinvestment plan ("DRIP") for common stockholders. As a result, if the Company declares a distribution or other dividend, stockholders' cash distributions will be automatically reinvested in additional shares of common stock, unless they specifically "opt out" of the DRIP so as to receive cash distributions.

Earnings per Share: The Company calculates earnings per share as earnings available to stockholders divided by the weighted average number of shares outstanding during the period.

Risks and Uncertainties: In the normal course of business, the Company generally encounters two significant types of economic risks, including credit and market. Credit risk is the risk of default on the Company's investments that result from an issuer's, borrower's or derivative counterparty's inability or unwillingness to make contractually required payments. Market risk reflects changes in the value of investments due to changes in interest rates, spreads or other market factors, including the value of the collateral underlying investments held by the Company. Management believes that the carrying value of the Company's investments are fairly stated, taking into consideration these risks along with estimated collateral values, payment histories and other market information.

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Reclassifications: Certain amounts in the consolidated financial statements have been reclassified. These reclassifications had no material impact on the Company's consolidated financial position, results of operations or cash flows as previously reported.

Recent Accounting Pronouncements: In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848) Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting if certain criteria are met. The guidance was effective from March 12, 2020 through December 31, 2022. In December 2022, the FASB issued ASU No. 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, which deferred the sunset day of this guidance to December 31, 2024. The adoption of this ASU did not have a material impact on the consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," or ASU 2023-07. ASU 2023-07 enhances the disclosures required for reportable segments on an annual and interim basis. ASU 2023-07 is effective on a retrospective basis for annual periods beginning after December 15, 2023, for interim periods within fiscal years beginning after December 15, 2024, and early adoption is permitted. We do not expect the adoption of ASU 2023-07 to have a material impact on our consolidated financial statements.

NOTE 3 - FORWARD CURRENCY CONTRACTS

The Company may enter into foreign currency forward contracts from time to time to facilitate settlement of purchases and sales of investments denominated in foreign currencies and to economically hedge the impact that an adverse change in foreign exchange rates would have on the value of the Company's investments denominated in foreign currencies. A foreign currency forward contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. These contracts are marked-to-market by recognizing the difference between the contract forward exchange rate and the forward market exchange rate on the last day of the period presented as unrealized appreciation or depreciation. Realized gains or losses are recognized when forward contracts are settled. Risks arise as a result of the potential inability of the counterparties to meet the terms of their contracts. The Company attempts to limit counterparty risk by only dealing with well-known counterparties.

The Company utilizes forward foreign currency exchange contracts to protect itself against fluctuations in exchange rates. The Company may choose to renew contracts quarterly unless otherwise settled by the Company or the counterparty.

The following table provides a breakdown of our forward currency contracts for the three and six months ended June 30, 2024 and 2023:

(\$ in thousands)	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Realized gain (loss) on forward currency contracts	\$ 28	\$ 4	\$ —	\$ (3)
Unrealized appreciation (depreciation) on forward currency contracts	(16)	(12)	36	(6)
Total net realized and unrealized gains (losses) on forward currency contracts	\$ 12	\$ (8)	\$ 36	\$ (9)

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The value associated with unrealized gain or loss on open contracts is included in unrealized appreciation or depreciation on forward currency contracts within the consolidated statements of assets and liabilities. Open contracts as of June 30, 2024 were as follows:

Counterparty	Currency to be sold	Currency to be purchased	Settlement date	Unrealized appreciation	Unrealized depreciation
Morgan Stanley	C\$ 1,619 CAD	\$ 1,177 USD	8/7/24	\$ —	\$ (7)
Total				\$ —	\$ (7)

The value associated with unrealized gain or loss on open contracts is included in unrealized appreciation or depreciation on forward currency contracts within the consolidated statements of assets and liabilities. Open contracts as of December 31, 2023 were as follows:

Counterparty	Currency to be sold	Currency to be purchased	Settlement date	Unrealized appreciation	Unrealized depreciation
Morgan Stanley	C\$ 1,253 CAD	\$ 903 USD	2/7/24	\$ —	\$ (43)
Total				\$ —	\$ (43)

The following table is a summary of the average USD notional exposure to foreign currency forward contracts for the three and six months ended June 30, 2024 and 2023:

Average USD notional outstanding	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Forward currency contracts	\$ 1,208	\$ 401	\$ 1,157	\$ 395

The foreign currency forward contracts open at the end of the period are generally indicative of the volume of activity during the period. The value associated with unrealized gain or loss on open contracts is included in unrealized appreciation or depreciation on forward currency contracts within the consolidated statements of assets and liabilities.

Offsetting of Derivative Instruments

The Company has derivative instruments that are subject to master netting agreements. These agreements include provisions to offset positions with the same counterparty in the event of default by one of the parties. The Company's unrealized appreciation or depreciation on derivative instruments are reported as gross assets and liabilities, respectively, in the consolidated statements of assets and liabilities. The following tables present the Company's assets and liabilities related to derivatives by counterparty, net of amounts available for offset under a master netting arrangement and net of any collateral received or pledged by the Company for such assets and liabilities as of June 30, 2024 and December 31, 2023.

Counterparty (\$ in thousands)	As of June 30, 2024								
	Derivative Assets Subject to Master Netting Agreement	Derivative Liabilities Subject to Master Netting Agreement							
		Derivatives Available for Offset	Non-cash Collateral Received	Non-cash Collateral Pledged ⁽¹⁾	Cash Collateral Received ⁽¹⁾	Cash Collateral Pledged ⁽¹⁾	Net Amount of Derivative Assets ⁽²⁾	Net Amount of Derivative Liabilities ⁽³⁾	
Morgan Stanley (CAD)	\$ —	\$ 7	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7	
Total	\$ —	\$ 7	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7	

(1) In some instances, the actual amount of the collateral received and/or pledged may be more than the amount shown due to overcollateralization.

(2) Net amount of derivative assets represents the net amount due from the counterparty to the Company in the event of default.

(3) Net amount of derivative liabilities represents the net amount due from the Company to the counterparty in the event of default.

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Counterparty (\$ in thousands)	As of December 31, 2023							
	Derivative Assets Subject to Master Netting Agreement	Derivative Liabilities Subject to Master Netting Agreement	Derivatives Available for Offset	Non-cash Collateral Received	Non-cash Collateral Pledged ⁽¹⁾	Cash Collateral Received ⁽¹⁾	Cash Collateral Pledged ⁽¹⁾	Net Amount of Derivative Assets ⁽²⁾
Morgan Stanley (CAD)	\$ —	\$ 43	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total	\$ —	\$ 43	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 43

(1) In some instances, the actual amount of the collateral received and/or pledged may be more than the amount shown due to overcollateralization.

(2) Net amount of derivative assets represents the net amount due from the counterparty to the Company in the event of default.

(3) Net amount of derivative liabilities represents the net amount due from the Company to the counterparty in the event of default.

NOTE 4 - INVESTMENTS

Investments consisted of the following :

	As of June 30, 2024		As of December 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First lien secured loans	\$ 547,482	\$ 522,943	\$ 584,480	\$ 555,878
Second lien secured loans	4,949	5,002	24,558	16,246
Unsecured loans	1,264	1,261	167	167
Subordinated Note to STRS JV	84,416	84,416	84,416	84,416
Equity (excluding STRS JV)	45,306	23,080	25,296	16,679
Equity in STRS JV	21,104	23,303	21,104	22,782
Total	\$ 704,521	\$ 660,005	\$ 740,021	\$ 696,168

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The following table shows the portfolio composition by industry grouping at fair value:

Industry (\$ in thousands)	As of June 30, 2024	As of December 31, 2023
	\$	\$
	2.7 %	0.9 %
Advertising	\$ 14,732	\$ 5,285
Air Freight & Logistics	27,841	22,616
Alternative Carriers	13,621	13,191
Application Software	32,378	34,202
Automotive Retail	—	12,407
Broadcasting	8,338	7,243
Broadline Retail	21,868	36,672
Building Products	14,905	15,863
Cable & Satellite	—	20,969
Commodity Chemicals	30,239	30,712
Communications Equipment	8,625	—
Construction & Engineering	993	541
Construction Materials	6,306	6,901
Data Processing & Outsourced Services	29,541	21,480
Distributors	11,845	12,475
Diversified Chemicals	4,235	10,259
Diversified Financial Services	—	3,472
Diversified Support Services	9,423	9,607
Education Services	11,886	12,570
Electric Utilities	16,083	15,954
Environmental & Facilities Services	23,421	23,878
Food Distributors	317	—
Health Care Facilities	8,867	8,966
Health Care Services	10,484	17,643
Health Care Supplies	18,768	18,983
Heavy Electrical Equipment	10,179	10,135
Home Furnishings	27,653	27,508
Household Appliances	5,402	5,966
Household Products	10,870	10,873
Industrial Machinery & Supplies & Components	1,253	6,417
Interactive Media & Services	22,932	9,363
Investment Banking & Brokerage	—	3,522
IT Consulting & Other Services	6,224	6,549
Leisure Facilities	24,181	22,619
Leisure Products	15,502	12,738
Life Sciences Tools & Services	5,002	4,901
Office Services & Supplies	9,441	21,253
Packaged Foods & Meats	4,009	—
Paper & Plastic Packaging Products & Materials	61	179
Real Estate Development	—	10,239
Real Estate Operating Companies	6,581	6,539
Real Estate Services	10,083	—
Research & Consulting Services	—	16,081
Security & Alarm Services	6,930	—
Specialized Consumer Services	23,339	23,931
Specialized Finance ⁽¹⁾	—	—
Systems Software	11,809	11,523
Technology Hardware, Storage & Peripherals	18,065	16,745
Transaction & Payment Processing Services	8,054	—
Total⁽¹⁾	\$ 552,286	100.0 %
	\$ 588,970	100.0 %

(1) Excludes investments in STRS JV.

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As of June 30, 2024, the portfolio companies underlying the investments are all located in the United States and its territories, except for Arcserve Cayman Opco LP, Arcserve Cayman GP LLC, Arcserve Cayman Topco LP, and Alvaria Holdco (Cayman), which are domiciled in Cayman Islands and Trilite Buyer, LLC, which is domiciled in Canada. As of June 30, 2024 and December 31, 2023, the weighted average remaining term of the Company's debt investments, excluding non-accrual investments, was approximately 3.1 years and 2.8 years, respectively.

As of June 30, 2024 the total cost basis of non-accrual loans was \$ 40,199, and the total fair value of non-accrual loans was \$22,333. As of December 31, 2023, the total cost basis of non-accrual loans was \$ 38,322, and the total fair value of non-accrual loans was \$14,087.

An affiliated company is generally a portfolio company in which the Company owns 5% or more of its voting securities. A controlled affiliated company is generally a portfolio company in which the Company owns more than 25% of its voting securities or has the power to exercise control over its management or policies (including through a management agreement).

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The following table presents the schedule of investments in and advances to affiliated and controlled persons (as defined by the 1940 Act) as of and for the six months ended June 30, 2024:

Affiliated Person⁽¹⁾	Type of Asset	Dividends, interest and PIK included in income	Beginning Fair Value as of December 31, 2023		Gross Additions⁽²⁾	Gross Reductions⁽³⁾	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Ending Fair Value as of June 30, 2024
Non-controlled affiliates									
Arcserve Cayman Opco LP (d/b/a Arcserve (USA), LLC)	First Lien Secured Delayed Draw Loan	\$ 56	\$ —	\$ 629	\$ —	\$ —	\$ 650	\$ 1,279	
Arcserve Cayman Opco LP (d/b/a Arcserve (USA), LLC)	Unsecured Loan	26	—	542	—	—	13	555	
Arcserve Cayman Opco LP (d/b/a Arcserve (USA), LLC)	Unsecured Loan	26	—	555	—	—	13	568	
Arcserve Cayman GP LLC (d/b/a Arcserve (USA), LLC)	Common Units	—	—	—	—	—	—	—	
Arcserve Cayman Topco LP (d/b/a Arcserve (USA), LLC)	Common Units Priority First Lien Secured	—	—	19,568	—	—	(10,161)	9,407	
Playmonster Group LLC	Term Loan First Lien Secured Term Loan	78	1,015	78	—	—	(38)	1,055	
Playmonster Group LLC	Preferred Equity	—	1,363	—	—	—	(339)	1,024	
Playmonster Group Equity, Inc. (d/b/a PlayMonster)	Common Equity First Lien Secured Term Loan	—	—	—	—	—	—	—	
Chase Products Co. (f/k/a Starco)	Common Units	182	2,793	182	—	—	(17)	2,958	
Pressurized Holdings, LLC (f/k/a Starco)	Preferred Units	—	251	—	—	—	(73)	178	
Total Non-controlled affiliates		\$ 368	\$ 5,422	\$ 21,554	\$ —	\$ —	\$ (9,952)	\$ 17,024	
Controlled affiliates									
American Crafts, LC	Super Senior Priority First Lien Secured Term Loan	\$ 53	\$ —	\$ 2,317	\$ —	\$ —	\$ —	\$ 2,317	
American Crafts, LC	Super Senior Priority First Lien Secured Term Loan	68	—	1,200	—	—	—	1,200	
American Crafts, LC	Super Priority First Lien Secured Term Loan	137	1,878	139	—	—	(5)	2,012	
American Crafts, LC	Priority First Lien Secured Term Loan	(8)	3,226	—	—	—	170	3,396	
American Crafts, LC	First Lien Secured Term Loan	—	553	—	—	—	(111)	442	
American Crafts, LC	First Lien Secured Delayed Draw Loan	—	93	—	—	—	(19)	74	
American Crafts Holdings, LLC (d/b/a American Crafts, LC)	Warrants	—	—	—	—	—	—	—	
New American Crafts Holdings, LLC (d/b/a American Crafts, LC)	Class A Units Subordinated	—	—	—	—	—	—	—	
WHF STRS Ohio Senior Loan Fund LLC*	Note	4,992	84,416	—	—	—	—	84,416	
WHF STRS Ohio Senior Loan Fund LLC*	Equity	3,712	22,782	—	—	—	521	23,303	
Total Controlled affiliates		\$ 8,954	\$ 112,948	\$ 3,656	\$ —	\$ —	\$ 556	\$ 117,160	

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* The Company and STRS Ohio are the members of STRS JV, a joint venture formed as a Delaware limited liability company that is not consolidated by either member for financial reporting purposes. The members make investments in STRS JV in the form of limited liability company ("LLC") equity interests and interest-bearing subordinated notes as STRS JV makes investments, and all portfolio and other material decisions regarding STRS JV must be submitted to STRS JV's board of managers which is comprised of an equal number of members appointed by each of the Company and STRS Ohio. Because management of STRS JV is shared equally between the Company and STRS Ohio, the Company does not believe it controls STRS JV for purposes of the 1940 Act or otherwise.

- (1) Refer to the consolidated schedule of investments for the principal amount, industry classification and other security detail of each portfolio company.
- (2) Gross additions may include increases in the cost basis of investments resulting from new portfolio investments, PIK, an exchange of existing investments for new investments and the transfers of an existing portfolio company into this category from a different category.
- (3) Gross reductions may include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, an exchange of existing investments for new investments and the transfers of an existing portfolio company into this category from a different category.

In January 2024, as part of a restructuring agreement between the Company and Arcstor Midco, LLC (d/b/a Arcserve (USA)), the Company's first lien secured term loan and priority first lien delayed draw loan investments in Arcstor Midco, LLC (d/b/a Arcserve (USA)), converted into a new first lien secured delayed draw loan and unsecured notes in Arcserve Cayman Opco LP (d/b/a Arcserve (USA), LLC) and common equity of Arcserve Cayman GP LLC (d/b/a Arcserve (USA), LLC) and Arcserve Cayman Topco LP (d/b/a Arcserve (USA), LLC).

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The following table presents the schedule of investments in and advances to affiliated and controlled persons (as defined by the 1940 Act) as of and for the year ended December 31, 2023:

Affiliated Person⁽¹⁾	Type of Asset	Dividends, interest and PIK included in income		Beginning Fair Value as of December 31, 2022		Purchases	Sales	Net Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Ending Fair Value as of December 31, 2023
		2022	2023	2022	2023					
Non-controlled affiliates										
Arcole Holding Corporation	Equity	\$ 84	\$ 6,380	\$ —	\$ (6,605)	\$ (339)	\$ 564	\$ —	\$ —	\$ —
Playmonster Group LLC	Priority First Lien Secured Term Loan	129	176	943	—	—	—	(104)	1,015	
Playmonster Group LLC	First Lien Secured Term Loan	(85)	2,977	—	—	—	—	(1,614)	1,363	
Playmonster Group Equity, Inc. (d/b/a PlayMonster)	Preferred Equity	—	—	—	—	—	—	—	—	
Playmonster Group Equity, Inc. (d/b/a PlayMonster)	Common Equity First Lien Secured Term	—	—	—	—	—	—	—	—	
Chase Products Co. (f/k/a Starco)	Loan	270	—	2,961	—	—	—	(168)	2,793	
Pressurized Holdings, LLC (f/k/a Starco)	Common Units	—	—	—	—	—	—	—	—	
Pressurized Holdings, LLC (f/k/a Starco)	Preferred Units	—	—	4,537	—	—	—	(4,286)	251	
Total Non-controlled affiliates		\$ 398	\$ 9,533	\$ 8,441	\$ (6,605)	\$ (339)	\$ (5,608)	\$ 5,422		
Controlled affiliates										
American Crafts, LC	Super Priority First Lien Secured Term									
American Crafts, LC	Loan	\$ 109	\$ —	\$ 1,903	\$ —	\$ —	\$ (25)	\$ 1,878		
American Crafts, LC	Priority First Lien Secured Term									
American Crafts, LC	Loan	575	—	5,105	—	—	(1,879)	3,226		
American Crafts, LC	First Lien Secured Term									
American Crafts, LC	Loan	568	—	7,491	—	—	(6,938)	553		
American Crafts, LC	First Lien Secured Delayed									
American Crafts Holdings, LLC (d/b/a American Crafts, LC)	Draw Loan	95	—	1,259	—	—	(1,166)	93		
New American Crafts Holdings, LLC (d/b/a American Crafts, LC)	Warrants	—	—	—	—	—	—	—	—	
WHF STRS Ohio Senior Loan Fund LLC*	Class A Units Subordinated	—	—	—	—	—	—	—	—	
WHF STRS Ohio Senior Loan Fund LLC*	Note	9,488	80,000	4,416	—	—	—	—	84,416	
Total Controlled affiliates	Equity	\$ 6,158	\$ 20,160	\$ 1,104	\$ —	\$ —	\$ 1,518	\$ (8,490)	\$ 22,782	
		\$ 16,993	\$ 100,160	\$ 21,278	\$ —	\$ —	\$ —	\$ 112,948		

* The Company and STRS Ohio are the members of STRS JV, a joint venture formed as a Delaware limited liability company that is not consolidated by either member for financial reporting purposes. The members make investments in STRS JV in the form of limited liability company ("LLC") equity interests and interest-bearing subordinated notes as STRS JV makes investments, and all portfolio and other material decisions regarding STRS JV must be submitted to STRS JV's board of managers which is comprised of an equal number of members appointed by each of the Company and STRS Ohio. Because management of STRS JV is shared equally between the Company and STRS Ohio, the Company does not believe it controls STRS JV for purposes of the 1940 Act or otherwise.

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- (1) Refer to the consolidated schedule of investments for the principal amount, industry classification and other security detail of each portfolio company.
- (2) Gross additions may include increases in the cost basis of investments resulting from new portfolio investments, PIK, an exchange of existing investments for new investments and the transfers of an existing portfolio company into this category from a different category.
- (3) Gross reductions may include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, an exchange of existing investments for new investments and the transfers of an existing portfolio company into this category from a different category.

In March 2023, as a result of a restructuring agreement between the Company and American Crafts, LC, the Company's investments are controlled affiliate investments, as defined by the 1940 Act.

In March 2023, as part of a restructuring agreement between the Company and Sklar Holdings, Inc (d/b/a Starco), the Company's first lien secured term loan investment to Sklar Holdings, Inc, with a total cost basis of \$3,339, converted into a new first lien secured term loan to Chase Products Co. (f/k/a Starco) and preferred units and common units of Pressurized Holdings, LLC (f/k/a Starco). During the three months ended June 30, 2023, the Company received a paydown of \$690 on its investment in Sklar Holdings, Inc (d/b/a Starco) first lien secured term loan, and the remaining Sklar Holdings, Inc (d/b/a Starco) first lien secured term loan investment, with a cost basis of \$3,892, was converted into preferred units of Pressurized Holdings, LLC (f/k/a Starco).

WHF STRS Ohio Senior Loan Fund LLC

On January 14, 2019, the Company entered into an LLC operating agreement with STRS Ohio to co-manage a newly formed joint venture investment company, STRS JV, a Delaware LLC. STRS Ohio and the Company committed to provide up to \$125,000 of subordinated notes and equity to STRS JV, with STRS Ohio providing up to \$50,000 and the Company providing up to \$ 75,000, respectively. In July 2019, STRS JV formally launched operations. STRS JV invests primarily in lower middle market, senior secured debt facilities, to performing lower middle market companies across a broad range of industries that typically carry a floating interest index rate such as SOFR and have a term of three to six years.

In February 2023, the Company increased its commitment to the STRS JV in the amount of an additional \$ 15,000, which brings the Company's total capital commitment to the STRS JV to \$115,000, comprised of \$92,000 of subordinated notes and \$23,000 of LLC equity interests, and STRS Ohio increased its capital commitment to the STRS JV in the amount of an additional \$10,000, which brings its total capital commitment to the STRS JV to \$ 60,000, comprised of \$48,000 of subordinated notes and \$12,000 of LLC equity interests. In connection with these increases in capital commitments, the Company's and STRS Ohio's amended economic ownership in the STRS JV is approximately 65.71% and 34.29%, respectively.

In February 2022, the Company increased its capital commitment to the STRS JV in the amount of an additional \$ 25,000, which brought the Company's total capital commitment to \$100,000, comprised of \$80,000 of subordinated notes and \$20,000 of LLC equity interests. In connection with this increase in the Company's capital commitment, the Company and STRS Ohio's amended economic ownership in the STRS JV was approximately 66.67% and 33.33%, respectively.

As June 30, 2024 and December 31, 2023, STRS JV had total assets of \$ 345,007 and \$332,160, respectively. STRS JV's portfolio consisted of debt investments in 38 portfolio companies as of June 30, 2024 and 34 portfolio companies as of December 31, 2023. As of June 30, 2024 and December 31, 2023, the largest investment by aggregate principal amount (including any unfunded commitments) in a single portfolio company in STRS JV's portfolio was \$19,791 and \$19,889, respectively. The five largest investments in portfolio companies by fair value in STRS JV totaled \$ 80,787 and \$83,564 as of June 30, 2024 and December 31, 2023, respectively. STRS JV invests in portfolio companies in the same industries in which the Company may directly invest.

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The Company provides capital to STRS JV in the form of LLC equity interests and through interest-bearing subordinated notes. As of June 30, 2024 and December 31, 2023, the Company and STRS Ohio owned approximately 65.71% and 34.29%, respectively, of the LLC equity interests of STRS JV. The Company's investment in STRS JV consisted of equity contributions of \$21,104 and advances of the subordinated notes of \$ 84,416 as of June 30, 2024 and December 31, 2023. As of June 30, 2024 and December 31, 2023, the Company had commitments to fund equity interests and subordinated notes in STRS JV of \$23,000 and \$92,000, respectively, of which \$1,896 and \$7,584 were unfunded, respectively.

The Company and STRS Ohio each appoint two members to STRS JV's four-person board of managers. All material decisions with respect to STRS JV, including those involving its investment portfolio, require unanimous approval of a quorum of the board of managers. Quorum is defined as (i) the presence of two members of the board of managers; provided that at least one individual is present that was elected, designated or appointed by each member; (ii) the presence of three members of the board of managers; provided that the individual that was elected, designated or appointed by the member with only one individual present shall be entitled to cast two votes on each matter; or (iii) the presence of four members of the board of managers; provided that two individuals are present that were elected, designated or appointed by each member.

On July 19, 2019, STRS JV entered into a \$ 125,000 credit and security agreement (the "STRS JV Credit Facility") with JPMorgan Chase Bank, National Association ("JPMorgan"). On January 27, 2021, the terms of the STRS JV Credit Facility were amended to increase the size of the STRS JV Credit Facility from \$125,000 to \$175,000. On April 28, 2021, the terms of the STRS JV Credit Facility were amended and restated to enable borrowings in British pounds or euros. On July 15, 2021, the terms of the STRS JV Credit Facility were amended to allow STRS JV to reduce the applicable margins for interest rates to 2.35%, extend the non-call period from January 19, 2022 to January 19, 2023, extend the end of the reinvestment period from July 19, 2022 to July 19, 2023 and extend the scheduled termination date from July 19, 2024 to July 19, 2025.

On March 11, 2022, the terms of the STRS JV Credit Facility were further amended to (i) permanently increase STRS Credit's availability under the STRS JV Credit Facility from \$175,000 to \$225,000, (ii) increase the minimum funding amount from \$131,250 to \$168,750, and (iii) apply an annual interest rate equal to the applicable SOFR plus 2.50% to borrowings greater than \$175,000 in the STRS JV Credit Facility.

On January 13, 2023, the terms of the STRS JV Credit Facility were further amended to (i) permanently increase STRS Credit's availability under the STRS JV Credit Facility from \$225,000 to \$262,500 (the "\$37.5 Million Increase") and (ii) apply an annual interest rate equal to applicable SOFR, plus 3.00% to any borrowings under the \$37.5 Million Increase in the STRS JV Credit Facility. As a result of this amendment, any borrowings above \$ 175,000 will incur an annual interest rate of SOFR plus 2.71% in the STRS JV Credit Facility.

On May 18, 2023, the terms of the STRS JV Credit Facility were further amended to (i) effective June 6, 2023 apply an annual interest rate equal to applicable SOFR plus 2.72% to any USD borrowings (ii) extend the scheduled termination date from July 19, 2025 to July 19, 2026 (iii) extend the non-call period from January 19, 2023 to January 19, 2024 and (iv) extend the end of the reinvestment period from July 19, 2023 to July 19, 2024.

On May 8, 2024, the terms of the STRS JV Credit Facility were further amended to (i) effective May 8, 2024 apply an annual interest rate equal to applicable base rate plus 2.50% to any EUR, GBP and USD denominated borrowings and 2.82% to any CAD denominated borrowings (ii) extend the scheduled termination date from July 19, 2026 to January 19, 2028 (iii) extend the non-call period from January 19, 2024 to May 8, 2025 and (iv) extend the end of the reinvestment period from July 19, 2024 to January 19, 2026.

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As of June 30, 2024, the STRS JV Credit Facility had \$ 262,500 of commitments subject to leverage and borrowing base restrictions with an interest rate based on an index rate such as SOFR, EurIBOR or SONIA plus 2.50% or CORRA plus a spread of 2.82%. The final maturity date of the STRS JV Credit Facility is January 19, 2028. As of June 30, 2024, STRS JV had \$177,786 of outstanding borrowings and an interest rate outstanding of 7.6% per annum under the STRS JV Credit Facility.

As of December 31, 2023, the STRS JV Credit Facility had \$ 262,500 of commitments subject to leverage and borrowing base restrictions with an interest rate based on an index rate such as SOFR plus 2.72%, EurIBOR, SONIA or CDOR plus a spread of 2.35%. The final maturity date of the STRS JV Credit Facility is July 19, 2026. As of December 31, 2023, STRS JV had \$165,244 of outstanding borrowings and an interest rate outstanding of 7.7% per annum under the STRS JV Credit Facility.

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Below is a listing of STRS JV's individual investments as of June 30, 2024:

Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽⁴⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽⁵⁾	Fair Value As A Percentage of Members' Equity
Debt Investments											
Advertising											
Forward Solutions, LLC (d/b/a Avision Sales Group)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.98%	02/18/22	12/15/26	9,054	\$ 8,965	\$ 9,054	25.5%
Forward Solutions, LLC (d/b/a Avision Sales Group)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.50%	11.98%	03/11/22	12/15/26	3,039	3,009	3,039	8.6
Forward Solutions, LLC (d/b/a Avision Sales Group)	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.98%	02/18/22	12/15/26	—	—	6	—
								11,974	12,099	—	34.1
Air Freight & Logistics											
ITS Buyer Inc. (d/b/a ITS Logistics, LLC)	First Lien Secured Term Loan	1.00%	SOFR	5.50%	11.09%	02/17/22	06/15/26	3,326	3,297	3,319	9.4
ITS Buyer Inc. (d/b/a ITS Logistics, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	5.50%	11.09%	02/17/22	06/15/26	—	—	4	—
								3,297	3,323	—	9.4
Broadline Retail											
Marlin DTC-LS Midco 2, LLC (d/b/a Clarus Commerce, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.92%	07/19/19	07/01/25	18,810	18,737	18,758	52.9
Marlin DTC-LS Midco 2, LLC (d/b/a Clarus Commerce, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.92%	07/19/19	07/01/25	—	—	1	—
								18,737	18,759	—	52.9
Building Products											
Drew Foam Companies Inc	First Lien Secured Term Loan	1.00%	SOFR	7.25%	12.73%	11/09/20	11/05/25	13,573	13,498	13,449	37.9
								13,498	13,449	—	37.9
Construction & Engineering											
Banner Acquisition Holdings, LLC (d/b/a Banner Industries, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.25%	11.58%	12/21/23	01/02/29	3,091	3,023	3,037	8.6
Banner Acquisition Holdings, LLC (d/b/a Banner Industries, Inc.)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.25%	11.58%	12/21/23	01/02/29	1,530	1,497	1,506	4.2
Banner Acquisition Holdings, LLC (d/b/a Banner Industries, Inc.)	First Lien Secured Revolving Loan	1.00%	SOFR	6.25%	11.58%	12/21/23	01/02/29	196	192	197	0.6
Pavement Partners Interco, LLC (d/b/a Pave America, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.22%	03/17/23	02/07/28	4,535	4,435	4,556	12.8
Pavement Partners Interco, LLC (d/b/a Pave America, LLC)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.75%	12.22%	03/17/23	02/07/28	572	559	575	1.6
Pavement Partners Interco, LLC (d/b/a Pave America, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	6.75%	12.22%	03/17/23	02/07/28	307	300	311	0.9
TriplePoint Acquisition Holdings LLC (d/b/a TriplePoint MEP Holdings, LLC)	First Lien Secured Term Loan	1.00%	SOFR	5.50%	10.83%	06/14/24	05/31/29	5,376	5,270	5,270	14.9
TriplePoint Acquisition Holdings LLC (d/b/a TriplePoint MEP Holdings, LLC) ⁽⁶⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	5.50%	10.83%	06/14/24	05/31/29	—	—	—	—
TriplePoint Acquisition Holdings LLC (d/b/a TriplePoint MEP Holdings, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	5.50%	10.83%	06/14/24	05/31/29	—	—	—	—
								15,276	15,452	—	43.6
Data Processing & Outsourced Services											
Geo Logic Systems Ltd. ⁽⁷⁾⁽¹⁰⁾	First Lien Secured Term Loan	1.00%	CORRA	6.50%	11.47%	01/22/20	12/19/24	18,686	14,431	13,653	38.5
Geo Logic Systems Ltd. ⁽⁷⁾⁽¹⁰⁾	First Lien Secured Revolving Loan	1.00%	CORRA	6.50%	11.47%	01/22/20	12/19/24	—	—	3	—
								14,431	13,656	—	38.5

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				Interest Rate ⁽³⁾	Acquisition Date ⁽⁴⁾	Maturity Date						
Distributors												
APG Lions Purchaser, LLC (d/b/a CF Stinson, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	5.75%	11.08%	04/26/24	04/16/30	4,114	\$ 4,054	\$ 4,055	11.4 %	
APG Lions Purchaser, LLC (d/b/a CF Stinson, Inc.) ⁽⁶⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	5.75%	11.08%	04/26/24	04/16/30	—	—	—	—	
APG Lions Purchaser, LLC (d/b/a CF Stinson, Inc.)	First Lien Secured Revolving Loan	1.00%	SOFR	5.75%	11.08%	04/26/24	04/16/30	69	68	68	0.2	
									4,122	4,123	11.6	
Diversified Support Services												
Pirtek Holdco, LLC (d/b/a Pirtek USA, LLC)	First Lien Secured Term Loan	1.00%	SOFR	5.75%	11.04%	10/31/23	10/26/28	7,463	7,317	7,367	20.8	
Pirtek Holdco, LLC (d/b/a Pirtek USA, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	5.75%	11.04%	10/31/23	10/26/28	—	—	7	—	
Quest Events, LLC	First Lien Secured Term Loan	2.00%	SOFR	7.00%	12.60%	07/19/19	09/30/26	11,651	11,613	11,651	32.9	
Quest Events, LLC	First Lien Secured Revolving Loan	2.00%	SOFR	7.00%	12.60%	07/19/19	09/30/26	247	246	248	0.7	
									19,176	19,273	54.4	
Drug Retail												
Maxor Acquisition, Inc. (d/b/a Maxor National Pharmacy Services, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.29%	04/11/23	03/01/29	5,027	4,910	5,078	14.3	
Maxor Acquisition, Inc. (d/b/a Maxor National Pharmacy Services, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	6.75%	12.29%	04/11/23	03/01/29	—	—	11	—	
									4,910	5,089	14.3	
Electronic Equipment & Instruments												
LMG Holdings, Inc.	First Lien Secured Term Loan	1.00%	SOFR	6.00%	11.48%	06/28/21	04/30/26	13,261	13,162	13,261	37.4	
LMG Holdings, Inc.	First Lien Secured Revolving Loan	1.00%	SOFR	6.00%	11.48%	06/28/21	04/30/26	—	—	6	—	
									13,162	13,267	37.4	
Environmental & Facilities Services												
Buckeye Acquiror LLC (d/b/a Superior Environmental Solutions, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.94%	08/09/23	08/01/29	6,167	6,035	6,192	17.5	
Buckeye Acquiror LLC (d/b/a Superior Environmental Solutions, LLC) ⁽⁶⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.50%	11.94%	08/09/23	08/01/29	898	877	902	2.5	
Buckeye Acquiror LLC (d/b/a Superior Environmental Solutions, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.94%	08/09/23	08/01/29	271	265	283	0.8	
Juniper Landscaping Holdings LLC	First Lien Secured Term Loan	1.00%	SOFR	6.25%	11.85%	03/01/22	12/29/26	11,135	11,037	11,135	31.4	
Juniper Landscaping Holdings LLC	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.25%	11.85%	03/01/22	12/29/26	2,355	2,334	2,355	6.6	
Juniper Landscaping Holdings LLC	First Lien Secured Revolving Loan	1.00%	SOFR	6.25%	11.85%	03/01/22	12/29/26	—	—	10	—	
RLJ Pro-Vac, Inc. (d/b/a Pro-Vac)	First Lien Secured Term Loan	1.00%	SOFR	6.25%	11.69%	01/23/24	12/31/26	6,692	6,576	6,610	18.6	
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽¹³⁾⁽¹⁴⁾	First Lien Secured Term Loan	0.50%	SOFR	6.75%	12.14%	03/23/23	09/28/29	2,807	2,750	2,807	7.9	
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽¹⁰⁾⁽¹³⁾⁽¹⁴⁾	First Lien Secured Term Loan	0.50%	CORRA	6.75%	11.85%	03/23/23	09/28/29	3,873	2,765	2,830	8.0	
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽⁸⁾⁽¹³⁾⁽¹⁴⁾	First Lien Secured Term Loan	0.00%	SONIA	6.75%	12.02%	03/23/23	09/28/29	171	205	216	0.6	
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽¹³⁾⁽¹⁴⁾	First Lien Secured Delayed Draw Loan	0.50%	SOFR	6.75%	12.12%	03/23/23	09/28/29	582	570	582	1.6	
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽⁸⁾⁽¹³⁾⁽¹⁴⁾	First Lien Secured Delayed Draw Loan	0.00%	SONIA	6.75%	12.02%	03/23/23	09/28/29	1,850	2,288	2,338	6.6	
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽¹⁰⁾⁽¹³⁾⁽¹⁴⁾	First Lien Secured Delayed Draw Loan	0.50%	CORRA	6.75%	11.85%	03/23/23	09/28/29	458	324	335	0.9	
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽¹²⁾⁽¹³⁾⁽¹⁴⁾	First Lien Secured Delayed Draw Loan	0.50%	SOFR	6.75%	12.12%	03/23/23	09/28/29	—	—	21	0.1	
									36,026	36,616	103.1	

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Food Distributors											
Clark Restaurant Service, LLC (d/b/a CRS OneSource)	First Lien Secured Term Loan	1.00%	SOFR	5.75%	11.08%	06/14/24	05/10/29	5,031	\$ 4,933	\$ 4,934	13.9 %
Clark Restaurant Service, LLC (d/b/a CRS OneSource)	First Lien Secured Revolving Loan	1.00%	SOFR	5.75%	11.08%	06/14/24	05/10/29	—	—	—	—
Health Care Supplies											
Arteriocyte Medical Systems, Inc. (d/b/a ISTO Biologics)	First Lien Secured Term Loan	1.00%	SOFR	6.00%	11.33%	10/25/23	10/18/28	5,009	4,901	4,980	14.0
Arteriocyte Medical Systems, Inc. (d/b/a ISTO Biologics)	First Lien Secured Revolving Loan	1.00%	SOFR	6.00%	11.33%	10/25/23	10/18/28	—	—	8	—
Medical Device Inc. (d/b/a Arterex)	First Lien Secured Term Loan	1.25%	SOFR	6.50%	11.93%	07/27/23	07/11/29	2,647	2,591	2,633	7.4
Medical Device Inc. (d/b/a Arterex)	First Lien Secured Revolving Loan	1.25%	SOFR	6.50%	11.93%	07/27/23	07/11/29	—	—	5	—
Household Appliances											
Smalto Inc. (d/b/a PEMCO International) (9)	First Lien Secured Term Loan	1.00%	EurIBOR	6.25%	9.97%	05/04/22	04/28/28	6,423	6,673	6,879	19.4
Smalto Inc. (d/b/a PEMCO International)	First Lien Secured Term Loan	1.00%	SOFR	6.00%	11.48%	05/04/22	04/28/28	978	966	978	2.8
IT Consulting & Other Services											
ATSG, Inc.	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.98%	03/27/23	11/12/26	9,810	9,650	9,633	27.2
Cennox Holdings Limited (d/b/a Cennox) (8)(14)	First Lien Secured Term Loan	1.00%	SONIA	6.25%	11.61%	07/16/21	05/04/26	2,814	3,855	3,533	10.0
Cennox, Inc. (d/b/a Cennox) (9)	First Lien Secured Term Loan	1.00%	EurIBOR	6.25%	9.96%	06/28/22	05/04/26	9,385	9,837	10,052	28.3
Cennox Holdings Limited (d/b/a Cennox) (8)(11)(14)	First Lien Secured Revolving Loan	1.00%	Base Rate	5.17%	13.13%	07/16/21	05/04/26	351	538	442	1.2
MGT Merger Target, LLC (d/b/a MGT Consulting Group)	First Lien Secured Term Loan	1.00%	SOFR	6.39%	11.82%	05/10/23	04/10/29	7,242	7,076	7,288	20.6
MGT Merger Target, LLC (d/b/a MGT Consulting Group)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.11%	11.54%	05/10/23	04/10/29	826	807	822	2.3
MGT Merger Target, LLC (d/b/a MGT Consulting Group)	First Lien Secured Revolving Loan	1.00%	SOFR	6.39%	11.82%	05/10/23	04/10/28	—	—	15	—
RCKC Acquisitions LLC (d/b/a KSM Consulting, LLC)	First Lien Secured Term Loan	1.00%	SOFR	5.25%	10.73%	01/27/21	01/02/29	10,980	10,885	10,998	31.0
RCKC Acquisitions LLC (d/b/a KSM Consulting, LLC)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	5.25%	10.73%	01/27/21	01/02/29	2,961	2,934	2,966	8.4
RCKC Acquisitions LLC (d/b/a KSM Consulting, LLC) (6)	First Lien Secured Revolving Loan	1.00%	SOFR	5.25%	10.73%	01/27/21	01/02/29	—	—	12	—
Turnberry Solutions, Inc.	First Lien Secured Term Loan	1.00%	SOFR	5.75%	11.23%	08/10/21	09/02/26	5,995	5,943	5,995	16.9
Turnberry Solutions, Inc.	First Lien Secured Revolving Loan	1.00%	SOFR	5.75%	11.23%	08/10/21	09/02/26	—	—	6	—
Packaged Foods & Meats											
PANOS Brands, LLC	First Lien Secured Term Loan	1.00%	SOFR	5.75%	11.07%	06/14/24	05/14/29	4,543	4,454	4,454	12.6
PANOS Brands, LLC	First Lien Secured Revolving Loan	1.00%	SOFR	5.75%	11.07%	06/14/24	05/14/29	—	—	—	—
Poultry Holdings LLC (HPP)	First Lien Secured Term Loan	1.00%	SOFR	6.00%	11.44%	10/21/19	06/28/25	6,748	6,726	6,748	19.0
Paper & Plastic Packaging Products & Materials											
Max Solutions, Inc. (13)	First Lien Secured Term Loan	1.00%	SOFR	8.28%	13.72%	10/07/22	09/29/28	6,556	6,463	6,231	17.6
Max Solutions, Inc. (6)(13)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	8.26%	13.71%	10/07/22	09/29/28	416	413	396	1.1
Max Solutions, Inc. (10)	First Lien Secured Revolving Loan	1.00%	CORRA	8.26%	13.71%	10/07/22	09/29/28	—	—	(6)	—
										6,876	6,621
											18.7

WhiteHorse Finance, Inc.
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Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index		Acquisition Date ⁽⁴⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽⁵⁾	Fair Value As A Percentage of Members' Equity
				Interest Rate ⁽³⁾	Acquisition Date ⁽⁴⁾						
Personal Care Products											
Sunless, Inc.	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.18%	10/21/19	08/13/25	4,956	\$ 4,926	\$ 4,956	14.0 %
Sunless, Inc. (6)	First Lien Secured Revolving Loan	1.00%	SOFR	6.75%	12.19%	10/21/19	08/13/25	887	884	887	2.5
Pharmaceuticals											
Meta Buyer LLC (d/b/a Metagenics, Inc.) ⁽⁹⁾	First Lien Secured Term Loan	1.00%	EurIBOR	6.00%	9.61%	12/16/21	11/01/27	12,101	13,501	12,960	36.5
Meta Buyer LLC (d/b/a Metagenics, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.00%	11.43%	12/16/21	11/01/27	967	956	967	2.7
Meta Buyer LLC (d/b/a Metagenics, Inc.)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.00%	11.39%	12/16/21	11/01/27	878	868	878	2.5
Meta Buyer LLC (d/b/a Metagenics, Inc.)	First Lien Secured Revolving Loan	1.00%	SOFR	6.00%	11.37%	12/16/21	11/01/27	1,156	1,143	1,160	3.3
Real Estate Operating Companies											
HRG Management, LLC (d/b/a HomeRiver Group, LLC)	First Lien Secured Term Loan	1.00%	SOFR	7.00%	12.48% (11.98% Cash + 0.50%)	12/28/21	10/19/26	5,574	5,523	5,407	15.3
	First Lien Secured Delayed Draw Loan				12.79% (12.29% Cash + 0.50%)						
HRG Management, LLC (d/b/a HomeRiver Group, LLC) ⁽¹¹⁾		1.00%	Base Rate	6.97%	12.48% (11.98% Cash + 0.50%)	02/18/22	10/19/26	1,398	1,385	1,359	3.8
HRG Management, LLC (d/b/a HomeRiver Group, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	7.00%	12.48% (11.98% Cash + 0.50%)	02/18/22	10/19/26	—	—	(23)	(0.1)
Real Estate Services											
NPAV Lessor Corp. (d/b/a Nationwide Property & Appraisal Services, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.94%	03/01/22	01/21/27	6,502	6,435	5,785	16.4
NPAV Lessor Corp. (d/b/a Nationwide Property & Appraisal Services, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.94%	03/01/22	01/21/27	725	718	645	1.8
										7,153	6,430
Research & Consulting Services											
Barrett Purchaser LLC (d/b/a SIB Development and Consulting, Inc.)	First Lien Secured Term Loan	0.75%	SOFR	6.00%	11.34%	01/10/24	11/21/29	3,635	3,554	3,584	10.1
Barrett Purchaser LLC (d/b/a SIB Development and Consulting, Inc.) (6)	First Lien Secured Delayed Draw Loan	0.75%	SOFR	6.00%	11.34%	01/10/24	11/21/29	—	—	(3)	—
Barrett Purchaser LLC (d/b/a SIB Development and Consulting, Inc.)	First Lien Secured Revolving Loan	0.75%	Prime	5.00%	13.50%	01/10/24	11/21/28	75	73	76	0.2
E-Phoenix Acquisition Co. Inc. (d/b/a Integreon, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	5.50%	10.98%	07/15/21	06/23/27	8,387	8,335	8,387	23.7
										11,962	12,044
Technology Hardware, Storage & Peripherals											
Source Code Holdings, LLC (d/b/a Source Code Corporation)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.94%	08/10/21	07/30/27	14,239	14,092	14,183	40.1
Source Code Holdings, LLC (d/b/a Source Code Corporation)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.50%	11.94%	08/10/21	07/30/27	3,893	3,853	3,878	10.9
										17,945	18,061
Trading Companies & Distributors											
LINC Systems, LLC	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.98%	06/22/21	02/24/26	8,282	8,223	8,279	23.4
LINC Systems, LLC	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.98%	06/22/21	02/24/26	—	—	5	—
										8,223	8,284
Wireless Telecommunication Services											
KORE Wireless Group Inc. (d/b/a KORE Group Holdings, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.82%	11/27/23	11/09/28	6,386	6,270	6,355	18.0
KORE Wireless Group Inc. (d/b/a KORE Group Holdings, Inc.)	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.82%	11/27/23	11/09/28	—	—	11	—
										6,270	6,366
Total Investments										\$ 324,993	\$324,844
											916.0 %

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Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽⁴⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽⁵⁾	Fair Value As A Percentage of Members' Equity
Money market funds (included in cash and cash equivalents and restricted cash and cash equivalents)											
Goldman Sachs Money Market Fund (CUSIP: 38141W315) ⁽¹⁵⁾					5.20%			\$ 2,078	\$ 2,078		5.9 %
Invesco Treasury Money Market Fund (CUSIP: X9USDINVE) ⁽¹⁵⁾					5.10%			1,120	1,120		3.2
Total Money Market Funds								3,198	3,198		9.1
Total Investments and Money Market Funds								\$ 328,191	\$328,042		925.1 %

Forward Currency Contracts

Counterparty	Currency to be sold	Currency to be purchased	Settlement date	Unrealized appreciation	Unrealized depreciation
Morgan Stanley	C\$ 216 CAD	\$ 157 USD	8/7/24	\$ —	\$ (1)
Morgan Stanley	€ 1,308 EUR	\$ 1,402 USD	8/7/24	—	(2)
Morgan Stanley	£ 1,564 GBP	\$ 3,857 USD	8/7/24	—	(26)
Total				\$ —	\$ (29)

(1) Except as noted, all investments provide collateral for the STRS JV Credit Facility and are domiciled in the United States.
(2) The investments bear interest at a rate that may be determined by reference to SOFR, CORRA, SONIA, Prime, or EurIBOR, which resets monthly, quarterly or semiannually.
(3) The interest rate is the "all-in-rate" including the current index and spread, the fixed rate, and the PIK interest rate, as the case may be.
(4) Except as otherwise noted, all of STRS JV's portfolio company investments, which as of the date of the portfolio represented 916.0% of STRS JV's members' equity or 94.2% of STRS JV's total assets, are subject to legal restrictions on sales.
(5) The fair value of each investment was determined using significant unobservable inputs.
(6) The investment or a portion of the investment does not provide collateral for the STRS JV Credit Facility.
(7) The issuer is domiciled in Canada.
(8) Principal amount is denominated in British Pound.
(9) Principal amount is denominated in Euros.
(10) Principal amount is denominated in Canadian dollars.
(11) The investment was comprised of two contracts, which were indexed to Prime and a different base rate, SOFR, SONIA or CORRA. The Floor, Spread Above Index and Interest Rate presented represent the weighted average of both contracts.
(12) Principal amount is non-USD denominated and is based in British pounds. At the option of the borrower, amounts borrowed under the delayed draw term loan commitment can be U.S. dollars, Canadian dollars or British pounds.
(13) Investment is structured as a unitranche loan in which the STRS JV may receive additional interest on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.

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(14) The issuer is domiciled in the United Kingdom.

(15) The rate shown is the annualized seven-day yield as of June 30, 2024.

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Below is a listing of STRS JV's individual investments as of December 31, 2023:

Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽⁴⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽⁵⁾	Fair Value As A Percentage of Members' Equity	
Debt Investments												
Advertising												
Forward Solutions, LLC (d/b/a Avision Sales Group)	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.25%	02/18/22	12/15/26	9,100	\$ 8,991	\$ 9,014	26.0 %	
Forward Solutions, LLC (d/b/a Avision Sales Group)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.75%	12.25%	03/11/22	12/15/26	3,054	3,018	3,025	8.7	
Forward Solutions, LLC (d/b/a Avision Sales Group)	First Lien Secured Revolving Loan	1.00%	SOFR	6.75%	12.25%	02/18/22	12/15/26	—	—	1	—	
								12,009	12,040	—	34.7	
Air Freight & Logistics												
ITS Buyer Inc. (d/b/a ITS Logistics, LLC)	First Lien Secured Term Loan	1.00%	SOFR	5.50%	11.11%	02/17/22	06/15/26	3,541	3,503	3,504	10.1	
ITS Buyer Inc. (d/b/a ITS Logistics, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	5.50%	11.11%	02/17/22	06/15/26	—	—	—	—	
								3,503	3,504	—	10.1	
Broadline Retail												
Marlin DTC-LS Midco 2, LLC (d/b/a Clarus Commerce, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.99%	07/19/19	07/01/25	18,908	18,798	18,762	54.1	
Marlin DTC-LS Midco 2, LLC (d/b/a Clarus Commerce, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.99%	07/19/19	07/01/25	—	—	(3)	—	
								18,798	18,759	—	54.1	
Building Products												
Drew Foam Companies Inc	First Lien Secured Term Loan	1.00%	SOFR	7.25%	12.75%	11/09/20	11/05/25	13,644	13,541	13,313	38.4	
								13,541	13,313	—	38.4	
Construction & Engineering												
Banner Acquisition Holdings, LLC (d/b/a Banner Industries, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.00%	11.38%	12/21/23	01/02/29	3,091	3,015	3,015	8.7	
Banner Acquisition Holdings, LLC (d/b/a Banner Industries, Inc.)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.00%	11.38%	12/21/23	01/02/29	1,400	1,366	1,365	3.8	
Banner Acquisition Holdings, LLC (d/b/a Banner Industries, Inc.)	First Lien Secured Revolving Loan	1.00%	SOFR	6.00%	11.37%	12/21/23	01/02/29	196	191	191	0.6	
Pavement Partners Interco, LLC (d/b/a Pave America, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.27%	03/17/23	02/07/28	4,455	4,344	4,405	12.7	
Pavement Partners Interco, LLC (d/b/a Pave America, LLC)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.75%	12.42%	03/17/23	02/07/28	575	560	569	1.6	
Pavement Partners Interco, LLC (d/b/a Pave America, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	6.75%	12.42%	03/17/23	02/07/28	—	—	5	—	
								9,476	9,550	—	27.4	
Data Processing & Outsourced Services												
Geo Logic Systems Ltd. ⁽⁷⁾⁽¹⁰⁾	First Lien Secured Term Loan	1.00%	CDOR	6.50%	11.94%	01/22/20	12/19/24	19,416	14,969	14,654	42.3	
Geo Logic Systems Ltd. ⁽⁷⁾⁽¹⁰⁾	First Lien Secured Revolving Loan	1.00%	CDOR	6.50%	11.94%	01/22/20	12/19/24	—	—	5	—	
								14,969	14,659	—	42.3	
Diversified Support Services												
Pirtek Holdco, LLC (d/b/a Pirtek USA, LLC)	First Lien Secured Term Loan	1.00%	SOFR	5.75%	11.20%	10/31/23	10/26/28	7,500	7,337	7,337	21.2	
Pirtek Holdco, LLC (d/b/a Pirtek USA, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	5.75%	11.20%	10/31/23	10/26/28	—	—	—	—	
Quest Events, LLC	First Lien Secured Term Loan	2.00%	SOFR	7.25%	12.86%	07/19/19	09/30/26	11,709	11,663	11,557	33.3	
Quest Events, LLC	First Lien Secured Revolving Loan	2.00%	SOFR	7.25%	12.86%	07/19/19	09/30/26	247	246	242	0.7	
								19,246	19,136	—	55.2	
Drug Retail												
Maxor Acquisition, Inc. (d/b/a Maxor National Pharmacy Services, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.48%	04/11/23	03/01/29	5,053	4,922	5,013	14.5	
Maxor Acquisition, Inc. (d/b/a Maxor National Pharmacy Services, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	6.75%	12.48%	04/11/23	03/01/29	—	—	9	—	
								4,922	5,022	—	14.5	

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Electronic Equipment & Instruments											
LMG Holdings, Inc.	First Lien Secured Term Loan	1.00%	SOFR	6.50%	12.00%	06/28/21	04/30/26	13,330	\$ 13,203	\$ 13,265	38.3 %
LMG Holdings, Inc.	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	12.00%	06/28/21	04/30/26	—	—	4	—
Environmental & Facilities Services											
Juniper Landscaping Holdings LLC	First Lien Secured Term Loan	1.00%	SOFR	6.25%	11.86%	03/01/22	12/29/26	11,192	11,073	11,080	32.0
Juniper Landscaping Holdings LLC	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.25%	11.94%	03/01/22	12/29/26	2,366	2,341	2,342	6.8
Juniper Landscaping Holdings LLC	First Lien Secured Revolving Loan	1.00%	SOFR	6.25%	12.11%	03/01/22	12/29/26	199	197	193	0.6
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽¹²⁾⁽¹⁴⁾	First Lien Secured Term Loan	0.50%	SOFR	6.50%	11.85%	03/23/23	09/28/29	2,807	2,744	2,786	8.0
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽¹⁰⁾⁽¹³⁾⁽¹⁴⁾	First Lien Secured Term Loan	0.50%	CDOR	6.50%	11.94%	03/23/23	09/28/29	3,873	2,759	2,892	8.3
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽⁸⁾⁽¹³⁾⁽¹⁴⁾	First Lien Secured Term Loan	0.00%	SONIA	6.50%	11.72%	03/23/23	09/28/29	171	205	217	0.6
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽¹³⁾⁽¹⁴⁾	First Lien Secured Delayed Draw Loan	0.50%	SOFR	6.50%	11.85%	03/23/23	09/28/29	368	360	366	1.1
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽⁹⁾⁽¹³⁾⁽¹⁴⁾	First Lien Secured Delayed Draw Loan	0.00%	SONIA	6.50%	11.71%	03/23/23	09/28/29	723	882	984	2.8
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽¹⁰⁾⁽¹³⁾⁽¹⁴⁾	First Lien Secured Delayed Draw Loan	0.50%	CDOR	6.50%	12.08%	03/23/23	09/28/29	458	324	342	1.0
Solar Holdings Bidco Limited (d/b/a SLR Consulting Ltd.) ⁽¹²⁾⁽¹³⁾⁽¹⁴⁾	First Lien Secured Delayed Draw Loan	0.50%	SOFR	6.50%	11.85%	03/23/23	09/28/29	—	—	—	—
Buckeye Acquiror LLC (d/b/a Superior Environmental Solutions, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.96%	08/09/23	08/01/29	5,985	5,845	5,898	17.0
Buckeye Acquiror LLC (d/b/a Superior Environmental Solutions, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.96%	08/09/23	08/01/29	180	176	181	0.5
Buckeye Acquiror LLC (d/b/a Superior Environmental Solutions, LLC) ⁽⁶⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.50%	11.96%	08/09/23	08/01/29	—	—	(3)	—
										26,906	27,278
											78.7
Health Care Supplies											
Arteriocyte Medical Systems, Inc. (d/b/a ISTO Biologics)	First Lien Secured Term Loan	1.00%	SOFR	6.25%	11.60%	10/25/23	10/18/28	5,022	4,901	4,901	14.1
Arteriocyte Medical Systems, Inc. (d/b/a ISTO Biologics)	First Lien Secured Revolving Loan	1.00%	SOFR	6.25%	11.60%	10/25/23	10/18/28	—	—	—	—
Medical Device Inc. (d/b/a Arterex)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.95%	07/27/23	07/11/29	2,660	2,599	2,626	7.6
Medical Device Inc. (d/b/a Arterex)	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.95%	07/27/23	07/11/29	—	—	3	—
										7,500	7,530
											21.7
Household Appliances											
Smato Inc. (d/b/a PEMCO International) ⁽⁹⁾	First Lien Secured Term Loan	1.00%	EurIBOR	6.25%	10.18%	05/04/22	04/28/28	6,576	6,821	7,172	20.7
Smato Inc. (d/b/a PEMCO International)	First Lien Secured Term Loan	1.00%	SOFR	6.00%	11.50%	05/04/22	04/28/28	1,001	987	996	2.9
										7,808	8,168
											23.6
Industrial Machinery & Supplies & Components											
Pennsylvania Machine Works, LLC (d/b/a Penn Western)	First Lien Secured Term Loan	1.00%	SOFR	6.00%	11.61%	03/25/22	03/08/27	6,561	6,498	6,561	18.9
										6,498	6,561
											18.9
Investment Banking & Brokerage											
TOUR Intermediate Holdings, LLC	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.96%	05/19/20	05/15/25	2,657	2,643	2,657	7.7
TOUR Intermediate Holdings, LLC	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.50%	11.96%	05/19/20	05/15/25	2,320	2,315	2,320	6.7
										4,958	4,977
											14.4

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Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽⁴⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽⁵⁾	Fair Value As A Percentage of Members' Equity
IT Consulting & Other Services											
ATSG, Inc.	First Lien Secured Term Loan	1.00%	SOFR	6.50%	12.04%	03/27/23	11/12/26	9,873	\$ 9,678	\$ 9,771	28.2 %
Cennox Holdings Limited (d/b/a Cennox) ⁽⁸⁾⁽¹⁴⁾	First Lien Secured Term Loan				11.59% (11.34% Cash + 0.25% PIK)						
Cennox, Inc. (d/b/a Cennox) ⁽⁹⁾	First Lien Secured Term Loan	1.00%	SONIA	6.25%	10.44% (10.19% Cash + 0.25% PIK)	07/16/21	05/04/26	2,825	3,863	3,538	10.2
Cennox Holdings Limited (d/b/a Cennox) ⁽⁸⁾⁽¹⁴⁾	First Lien Secured Revolving Loan	1.00%	EurIBOR	6.50%	11.56% (11.31% Cash + 0.25% PIK)	06/28/22	05/04/26	9,422	9,851	10,257	29.6
MGT Merger Target, LLC (d/b/a MGT Consulting Group)	First Lien Secured Term Loan	1.00%	SONIA	6.25%	11.98%	05/10/23	04/10/29	864	1,182	1,082	3.1
MGT Merger Target, LLC (d/b/a MGT Consulting Group)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.50%	11.98%	05/10/23	04/10/29	6,247	6,084	6,194	17.9
MGT Merger Target, LLC (d/b/a MGT Consulting Group)	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.98%	05/10/23	04/10/28	—	—	389	1.1
RCKC Acquisitions LLC (d/b/a KSM Consulting, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.00%	11.50%	01/27/21	12/31/26	11,036	10,925	10,993	31.7
RCKC Acquisitions LLC (d/b/a KSM Consulting, LLC)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.00%	11.53%	01/27/21	12/31/26	2,976	2,945	2,965	8.6
RCKC Acquisitions LLC (d/b/a KSM Consulting, LLC) ⁽⁶⁾	First Lien Secured Revolving Loan	1.00%	SOFR	6.00%	11.58%	01/27/21	12/31/26	107	106	114	0.3
Turnberry Solutions, Inc.	First Lien Secured Term Loan	1.00%	SOFR	5.75%	11.45%	08/10/21	09/02/26	6,026	5,962	5,979	17.2
Turnberry Solutions, Inc.	First Lien Secured Revolving Loan	1.00%	SOFR	5.75%	11.45%	08/10/21	09/02/26	—	—	2	—
Packaged Foods & Meats											
Poultry Holdings LLC (HPP)	First Lien Secured Term Loan				11.96% (11.21% Cash + 0.75% PIK)						
		1.00%	SOFR	6.50%		10/21/19	06/28/25	6,939	6,904	6,904	19.9
									6,904	6,904	19.9
Paper & Plastic Packaging Products & Materials											
Max Solutions, Inc. ⁽¹³⁾	First Lien Secured Term Loan	1.00%	SOFR	7.66%	13.15%	10/07/22	09/29/28	6,589	6,485	6,488	18.7
Max Solutions, Inc. ⁽⁶⁾⁽¹³⁾	First Lien Secured Delayed Draw Loan	1.00%	SOFR	7.66%	13.15%	10/07/22	09/29/28	—	—	(17)	—
Max Solutions, Inc. ⁽¹⁰⁾	First Lien Secured Revolving Loan	1.00%	CDOR	7.66%	13.15%	10/07/22	09/29/28	—	—	—	—
Personal Care Products											
Sunless, Inc.	First Lien Secured Term Loan	1.00%	SOFR	6.75%	12.20%	10/21/19	08/13/25	5,507	5,459	5,473	15.8
Sunless, Inc. ⁽⁶⁾	First Lien Secured Revolving Loan	1.00%	SOFR	6.75%	12.21%	10/21/19	08/13/25	488	485	484	1.4
Pharmaceuticals											
Meta Buyer LLC (d/b/a Metagenics, Inc.) ⁽⁹⁾	First Lien Secured Term Loan	1.00%	EurIBOR	6.00%	9.87%	12/16/21	11/01/27	12,163	13,552	13,401	38.7
Meta Buyer LLC (d/b/a Metagenics, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.00%	11.46%	12/16/21	11/01/27	971	959	971	2.8
Meta Buyer LLC (d/b/a Metagenics, Inc.)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.00%	11.56%	12/16/21	11/01/27	883	871	883	2.5
Meta Buyer LLC (d/b/a Metagenics, Inc.)	First Lien Secured Revolving Loan	1.00%	SOFR	6.00%	11.53%	12/16/21	11/01/27	1,156	1,141	1,161	3.3
Real Estate Operating Companies											
HRG Management, LLC (d/b/a HomeRiver Group, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.25%	11.80%	12/28/21	10/19/26	9,555	9,448	9,074	26.2
HRG Management, LLC (d/b/a HomeRiver Group, LLC) ⁽⁶⁾⁽¹¹⁾	First Lien Secured Delayed Draw Loan	1.00%	Base Rate	6.22%	12.10%	02/18/22	10/19/26	2,398	2,369	2,282	6.6
HRG Management, LLC (d/b/a HomeRiver Group, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	6.25%	11.80%	02/18/22	10/19/26	596	589	547	1.6
									12,406	11,903	34.4

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Issuer	Investment Type ⁽¹⁾	Floor	Reference Rate ⁽²⁾	Spread Above Index	Interest Rate ⁽³⁾	Acquisition Date ⁽⁴⁾	Maturity Date	Principal/ Share Amount	Amortized Cost	Fair Value ⁽⁵⁾	Fair Value As A Percentage of Members' Equity
Real Estate Services											
NPAV Lessor Corp. (d/b/a Nationwide Property & Appraisal Services, LLC)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.96%	03/01/22	01/21/27	7,510	\$ 7,418	\$ 6,706	19.3 %
NPAV Lessor Corp. (d/b/a Nationwide Property & Appraisal Services, LLC)	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.96%	03/01/22	01/21/27	725	716	647	1.9
									8,134	7,353	21.2
Research & Consulting Services											
E-Phoenix Acquisition Co. Inc. (d/b/a Integreon, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	5.50%	11.00%	07/15/21	06/23/27	8,604	8,541	8,562	24.7
									8,541	8,562	24.7
Technology Hardware, Storage & Peripherals											
Source Code Holdings, LLC (d/b/a Source Code Corporation)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.96%	08/10/21	07/30/27	14,952	14,772	14,806	42.7
Source Code Holdings, LLC (d/b/a Source Code Corporation)	First Lien Secured Delayed Draw Loan	1.00%	SOFR	6.50%	11.96%	08/10/21	07/30/27	4,088	4,039	4,047	11.7
									18,811	18,853	54.4
Trading Companies & Distributors											
LINC Systems, LLC	First Lien Secured Term Loan	1.00%	SOFR	6.25%	11.93%	06/22/21	02/24/26	8,534	8,454	8,443	24.4
LINC Systems, LLC	First Lien Secured Revolving Loan	1.00%	SOFR	6.25%	11.93%	06/22/21	02/24/26	—	—	(1)	—
									8,454	8,442	24.4
Wireless Telecommunication Services											
KORE Wireless Group Inc. (d/b/a KORE Group Holdings, Inc.)	First Lien Secured Term Loan	1.00%	SOFR	6.50%	11.88%	11/27/23	11/09/28	6,418	6,294	6,295	18.2
KORE Wireless Group Inc. (d/b/a KORE Group Holdings, Inc.)	First Lien Secured Revolving Loan	1.00%	SOFR	6.50%	11.88%	11/27/23	11/09/28	—	—	—	—
									6,294	6,295	18.2
Total Investments									\$ 312,807	\$ 312,217	900.6 %

Forward Currency Contracts

Counterparty	Currency to be sold	Currency to be purchased	Settlement date	Unrealized appreciation	Unrealized depreciation
Morgan Stanley	C\$ 958	CAD \$ 691	USD 2/7/24	\$ —	\$ (33)
Morgan Stanley	€ 1,181	EUR \$ 1,249	USD 2/7/24	—	(56)
Morgan Stanley	£ 1,340	GBP \$ 1,625	USD 2/7/24	—	(83)
Total				\$ —	\$ (172)

(1) Except as noted, all investments provide collateral for the STRS JV Credit Facility and are domiciled in the United States.
(2) The investments bear interest at a rate that may be determined by reference to SOFR, CDOR, SONIA, Prime, or EurIBOR, which resets monthly, quarterly or semiannually.
(3) The interest rate is the "all-in-rate" including the current index and spread, the fixed rate, and the PIK interest rate, as the case may be.
(4) Except as otherwise noted, all of the STRS JV's portfolio company investments, which as of the date of the portfolio represented 900.6% of STRS JV's members' equity or 94.0% of STRS JV's total assets, are subject to legal restrictions on sales.
(5) The fair value of each investment was determined using significant unobservable inputs.

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- (6) The investment or a portion of the investment does not provide collateral for the STRS JV Credit Facility.
- (7) The issuer is domiciled in Canada.
- (8) Principal amount is denominated in British Pound.
- (9) Principal amount is denominated in Euros.
- (10) Principal amount is denominated in Canadian dollars.
- (11) The investment was comprised of two contracts, which were indexed to P and a different base rate, SOFR, SONIA or CDOR. The Floor, Spread Above Index and Interest Rate presented represent the weighted average of both contracts.
- (12) Principal amount is non-USD denominated and is based in British pounds. At the option of the borrower, amounts borrowed under the delayed draw term loan commitment can be U.S. dollars, Canadian dollars or British pounds.
- (13) Investment is structured as a unitranche loan in which the STRS JV may receive additional interest on its "last out" tranche of the portfolio company's senior term debt, which was previously syndicated into "first out" and "last out" tranches, whereby the "first out" tranche will have priority as to the "last out" tranche with respect to payments of principal, interest and any other amounts due thereunder.
- (14) The issuer is domiciled in the United Kingdom.

As of June 30, 2024 and December 31, 2023, the portfolio companies underlying the STRS JV investments are all located in the United States and its territories except for Geo Logic Systems Ltd., which is domiciled in Canada, and Cennox Holdings Limited and Solar Holdings Bidco Limited, which are domiciled in the United Kingdom. As of June 30, 2024 and December 31, 2023, STRS JV had no investments on non-accrual status. STRS JV had outstanding commitments to fund investments totaling \$25,266, and \$21,063 under delayed draw term loan commitments and undrawn revolvers as of June 30, 2024 and December 31, 2023, respectively.

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Below is certain summarized financial information for STRS JV as of June 30, 2024 and December 31, 2023 and for the three and six months ended June 30, 2024 and 2023:

Selected Balance Sheet Information (\$ in thousands)	As of June 30, 2024	As of December 31, 2023
Assets		
Investments, at fair value (amortized cost of \$324,993 and \$312,807, respectively)	\$ 324,844	\$ 312,217
Cash and cash equivalents	16,711	14,625
Interest receivable	3,204	2,540
Amounts receivable on unsettled investment transactions	194	2,687
Other assets	54	91
Total assets	\$ 345,007	\$ 332,160
Liabilities		
Credit facility (net of unamortized debt issuance costs of \$2,345 and \$1,850, respectively)	\$ 175,441	\$ 163,394
Note payable to members	128,459	128,459
Interest payable on credit facility	1,014	1,013
Interest payable on notes to members	3,797	3,799
Unrealized depreciation on foreign currency forward contracts	28	172
Other liabilities	806	657
Total liabilities	309,545	297,494
Members' equity	35,462	34,666
Total liabilities and members' equity	\$ 345,007	\$ 332,160

Selected Statement of Operations Information (\$ in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Interest and fee income	\$ 10,107	\$ 9,757	\$ 20,197	\$ 18,452
Total investment income	<u>\$ 10,107</u>	<u>\$ 9,757</u>	<u>\$ 20,197</u>	<u>\$ 18,452</u>
Interest expense on credit facility	3,688	3,671	7,444	6,667
Interest expense on notes to members	3,797	3,542	7,597	6,870
Administrative fee	165	165	327	320
Other expenses	139	151	355	350
Total expenses	\$ 7,789	\$ 7,529	\$ 15,723	\$ 14,207
Net investment income	2,318	2,228	4,474	4,245
Net realized gains (losses) on investments and foreign currency transactions	61	28	(51)	87
Net change in unrealized appreciation (depreciation) on investments and foreign currency transactions	834	136	2,021	706
Net increase in members' equity resulting from operations	\$ 3,213	\$ 2,392	\$ 6,444	\$ 5,038

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NOTE 5 – FAIR VALUE MEASUREMENTS

Accounting standards establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active public markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about what market participants would use in pricing an asset or liability.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the financial instrument.

A review of the fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in or out of the Level 3 category as of the beginning of the quarter in which the reclassifications occur. During the six months ended June 30, 2024 and year ended December 31, 2023, there were no changes in the observability of valuation inputs that would have resulted in a reclassification of assets between any levels.

Fair value for each investment is derived using a combination of valuation methodologies that, in the judgment of the Investment Committee are most relevant to such investment, including, without limitation, being based on one or more of the following: (i) market prices obtained from market makers for which the Investment Committee has deemed there to be enough breadth (number of quotes) and depth (firm bids) to be indicative of fair value, (ii) the price paid or realized in a completed transaction or binding offer received in an arm's-length transaction, (iii) a discounted cash flow analysis, (iv) the guideline public company method, (v) the similar transaction method or (vi) the option pricing method.

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The following table presents investments (as shown on the consolidated schedule of investments) that were measured at fair value as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
First lien secured loans	\$ —	\$ —	\$ 522,943	\$ 522,943
Second lien secured loans	—	—	5,002	5,002
Unsecured loans	—	—	1,261	1,261
Subordinated Note to STRS JV	—	—	84,416	84,416
Equity (excluding STRS JV)	—	—	23,080	23,080
Equity in STRS JV ⁽¹⁾	—	—	—	23,303
Total investments	\$ —	\$ —	\$ 636,702	\$ 660,005

(1) The Company's equity investment in STRS JV is measured using the net asset value per share as a practical expedient for fair value, and thus has not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of assets and liabilities.

The Company's money market funds (included in cash and cash equivalents and restricted cash and cash equivalents), which were valued at \$14,329 as of June 30, 2024, are characterized in Level 1 of the fair value hierarchy.

The Company's forward currency contracts, which were valued at (\$ 7) as of June 30, 2024, are characterized in Level 2 of the fair value hierarchy.

The following table presents investments (as shown on the consolidated schedule of investments) that were measured at fair value as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
First lien secured loans	\$ —	\$ —	\$ 555,878	\$ 555,878
Second lien secured loans	—	—	16,246	16,246
Unsecured loans	—	—	167	167
Subordinated Note to STRS JV	—	—	84,416	84,416
Equity (excluding STRS JV)	—	—	16,679	16,679
Equity in STRS JV ⁽¹⁾	—	—	—	22,782
Total investments	\$ —	\$ —	\$ 673,386	\$ 696,168

(1) The Company's equity investment in STRS JV is measured using the net asset value per share as a practical expedient for fair value, and thus has not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of assets and liabilities.

The Company's money market funds (included in cash and cash equivalents and restricted cash and cash equivalents), which were valued at \$11,312 as of December 31, 2023, are characterized in Level 1 of the fair value hierarchy.

The Company's forward currency contracts, which were valued at (\$ 43) as of December 31, 2023, are characterized in Level 2 of the fair value hierarchy.

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The following table presents the changes in investments measured at fair value using Level 3 inputs for the three and six months ended June 30, 2024:

Three months ended June 30, 2024	First Lien Secured Loans	Second Lien Secured Loans	Unsecured Loans	Subordinated Notes to STRS JV	Equity	Total Investments
Fair value, beginning of period	\$ 562,269	\$ 4,948	\$ 1,239	\$ 84,416	\$ 22,389	\$ 675,261
Funding of investments	57,915	—	—	—	325	58,240
Non-cash interest income	1,808	—	26	—	—	1,834
Accretion of discount	782	2	1	—	—	785
Proceeds from paydowns and sales	(97,021)	—	—	—	—	(97,021)
Conversions	—	—	—	—	—	—
Realized gains (losses)	(212)	—	—	—	—	(212)
Net unrealized appreciation (depreciation)	(2,598)	52	(5)	—	366	(2,185)
Fair value, end of period	<u>\$ 522,943</u>	<u>\$ 5,002</u>	<u>\$ 1,261</u>	<u>\$ 84,416</u>	<u>\$ 23,080</u>	<u>\$ 636,702</u>
Change in unrealized appreciation (depreciation) on investments still held as of June 30, 2024	<u><u>\$ (2,651)</u></u>	<u><u>\$ 51</u></u>	<u><u>\$ (4)</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 369</u></u>	<u><u>\$ (2,235)</u></u>

Six months ended June 30, 2024	First Lien Secured Loans	Second Lien Secured Loans	Unsecured Loans	Subordinated Notes to STRS JV	Equity	Total Investments
Fair value, beginning of period	\$ 555,878	\$ 16,246	\$ 167	\$ 84,416	\$ 16,679	\$ 673,386
Funding of investments	116,000	—	—	—	442	116,442
Non-cash interest income	3,824	—	42	—	—	3,866
Accretion of discount	1,882	17	2	—	—	1,901
Proceeds from paydowns and sales	(149,310)	(2,040)	—	—	—	(151,350)
Conversions	(8,852)	(11,769)	1,053	—	19,568	—
Realized gains (losses)	(543)	(5,817)	—	—	—	(6,360)
Net unrealized appreciation (depreciation)	4,064	8,365	(3)	—	(13,609)	(1,183)
Fair value, end of period	<u>\$ 522,943</u>	<u>\$ 5,002</u>	<u>\$ 1,261</u>	<u>\$ 84,416</u>	<u>\$ 23,080</u>	<u>\$ 636,702</u>
Change in unrealized appreciation (depreciation) on investments still held as of June 30, 2024	<u><u>\$ (5,534)</u></u>	<u><u>\$ 96</u></u>	<u><u>\$ (3)</u></u>	<u><u>\$ —</u></u>	<u><u>\$ (13,609)</u></u>	<u><u>\$ (19,050)</u></u>

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The following table presents the changes in investments measured at fair value using Level 3 inputs for the three and six months ended June 30, 2023:

Three months ended June 30, 2023	First Lien Secured Loans	Second Lien Secured Loans	Unsecured Notes	Subordinated Notes to STRS JV	Equity	Total Investments
Fair value, beginning of period	\$ 608,477	\$ 19,773	\$ 167	\$ 80,000	\$ 20,493	\$ 728,910
Funding of investments	27,136	—	—	1,472	782	29,390
Non-cash interest income	1,687	—	—	—	—	1,687
Accretion of discount	947	22	—	—	—	969
Proceeds from paydowns and sales	(40,384)	—	—	—	(6,605)	(46,989)
Conversions	(3,892)	—	—	—	3,892	—
Realized gains (losses)	(5)	—	—	—	(339)	(344)
Net unrealized appreciation (depreciation)	(1,066)	(2,663)	—	—	(2,471)	(6,200)
Fair value, end of period	<u>\$ 592,900</u>	<u>\$ 17,132</u>	<u>\$ 167</u>	<u>\$ 81,472</u>	<u>\$ 15,752</u>	<u>\$ 707,423</u>
Change in unrealized appreciation (depreciation) on investments still held as of June 30, 2023	<u><u>\$ (1,986)</u></u>	<u><u>\$ (2,663)</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ (3,281)</u></u>	<u><u>\$ (7,930)</u></u>
Six months ended June 30, 2023	First Lien Secured Loans	Second Lien Secured Loans	Unsecured Notes	Subordinated Notes to STRS JV	Equity	Total Investments
Fair value, beginning of period	\$ 618,267	\$ 20,634	\$ 167	\$ 80,000	\$ 21,000	\$ 740,068
Funding of investments	64,474	—	—	1,472	783	66,729
Non-cash interest income	3,668	—	—	—	—	3,668
Accretion of discount	2,027	43	—	—	—	2,070
Proceeds from paydowns and sales	(88,196)	—	—	—	(6,605)	(94,801)
Conversions	(4,537)	—	—	—	4,537	—
Realized gains (losses)	(100)	—	—	—	(339)	(439)
Net unrealized (depreciation) appreciation	(2,703)	(3,545)	—	—	(3,624)	(9,872)
Fair value, end of period	<u>\$ 592,900</u>	<u>\$ 17,132</u>	<u>\$ 167</u>	<u>\$ 81,472</u>	<u>\$ 15,752</u>	<u>\$ 707,423</u>
Change in unrealized appreciation (depreciation) on investments still held as of June 30, 2023	<u><u>\$ (3,638)</u></u>	<u><u>\$ (3,545)</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ (4,188)</u></u>	<u><u>\$ (11,371)</u></u>

The significant unobservable inputs used in the fair value measurement of the Company's investments are the discount rate, market quotes and exit multiples. An increase or decrease in the discount rate in isolation would result in significantly lower or higher fair value measurement, respectively. An increase or decrease in the market quote for an investment in isolation result in significantly higher or lower fair value measurement, respectively. An increase or decrease in the exit multiple would in isolation result in significantly higher or lower fair value measurement, respectively. As the fair value of a debt investment diverges from par, which would generally be the case for non-accrual loans, the fair value measurement of that investment is more susceptible to volatility from changes in exit multiples as a significant unobservable input.

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The following tables summarize the significant unobservable inputs the Company used to value the majority of its investments categorized within Level 3 as of June 30, 2024 and December 31, 2023. The tables are not intended to be all-inclusive, but instead capture the significant unobservable inputs relevant to the Company's determination of fair values. These ranges represent the significant unobservable inputs that were used in the valuation of each type of investment, but they do not represent a range of values for any one investment.

Investment Type	Fair Value as of June 30, 2024	Valuation Techniques	Unobservable Inputs	Range (Weighted Average) ⁽¹⁾
First lien secured loans	\$ 465,887	Discounted cash flow analysis	Discount Rate	9.4% - 24.1% (14.4%)
	24,335	Recent transaction	Transaction Price	97.0 - 100.0 (98.1)
	17,626	Enterprise value analysis	EBITDA Multiple	4.1 - 7.6 (7.1)
	1,024	Enterprise value analysis	Revenue Multiple	0.9 - 0.9 (0.9)
	13,154	Expected repayment	Transaction Price	100.0 - 101.6 (100.6)
	917	Option pricing Model	Volatility	14.0 - 18.6 (16.6)
Second lien secured loans	5,002	Discounted cash flow analysis	Discount rate	13.1% - 13.1% (13.1%)
Unsecured loans	1,261	Discounted cash flow analysis	Discount rate	10.3% - 15.4% (14.8%)
Subordinated Notes to STRS JV	84,416	Enterprise value analysis	n/a	n/a
Common equity	2,547	Discounted cash flow analysis	Discount rate	15.9% - 20.5% (16.8%)
	8,050	Enterprise value analysis	EBITDA multiple	5.5 - 13.3 (9.2)
	9,409	Enterprise value analysis	Revenue Multiple	0.9 - 1.8 (1.8)
	865	Recent transaction	Transaction price	5.0 - 5.0 (1.8)
Preferred equity	648	Discounted cash flow analysis	Discount rate	22.4% - 22.4% (22.4%)
	405	Enterprise value analysis	EBITDA multiple	6.0 - 10.5 (8.5)
	1,088	Enterprise value analysis	Revenue Multiple	0.9 - 0.9 (0.9)
Warrant	68	Discounted cash flow analysis	Discount rate	20.5% - 20.5% (20.5%)
Total Level 3 Investments	\$ 636,702			

(1) Unobservable inputs were weighted by the relative fair value of the investments.

Investment Type	Fair Value as of December 31, 2023	Valuation Techniques	Unobservable Inputs	Range (Weighted Average) ⁽¹⁾
First lien secured loans	\$ 510,739	Discounted cash flow analysis	Discount rate	11.0% - 30.3% (13.9%)
	34,016	Recent transaction	Transaction price	89.0 - 98.8 (96.2)
	10,477	Enterprise value analysis	EBITDA multiple	8.6 - 8.6 (8.6)
	646	Option pricing Model	Volatility	17.2 - 17.2 (17.2)
Second lien secured loans	14,645	Discounted cash flow analysis	Discount rate	12.6% - 24.0% (20.2%)
	1,601	Enterprise value analysis	EBITDA multiple	6.3 - 6.3 (6.3)
Unsecured loans	167	Enterprise value analysis	EBITDA multiple	7.1 - 7.1 (7.1)
Subordinated Notes to STRS JV	84,416	Enterprise value analysis	n/a	n/a
Common equity	3,175	Discounted cash flow analysis	Discount rate	14.7% - 30.3% (16.6%)
	6,927	Enterprise value analysis	EBITDA multiple	5.5 - 13.2 (8.8)
	709	Recent transaction	Transaction price	1.0 - 1.0 (1.0)
Preferred equity	832	Discounted cash flow analysis	Discount rate	29.9% - 30.3% (29.9%)
	1,511	Enterprise value analysis	EBITDA multiple	6.0 - 10.5 (6.7)
Warrant	3,525	Discounted cash flow analysis	Discount rate	26.2% - 30.2% (26.3%)
Total Level 3 Investments	\$ 673,386			

(1) Unobservable inputs were weighted by the relative fair value of the investments.

Valuation of investments may be determined by weighting various valuation techniques. Significant judgment is required in selecting the assumptions used to determine the fair values of these investments. The valuation methods selected for a particular investment are based on the circumstances and on the sufficiency of data available to measure fair value. If more than one valuation method is used to measure fair value, the results are evaluated and weighted, as appropriate, considering the reasonableness of the range indicated by those results. A fair value measurement is the point within that range that is most representative of fair value in the circumstances.

The availability of observable inputs can vary depending on the financial instrument and is affected by a wide variety of factors, including, for example, the nature of the instrument, whether the instrument is traded on an active exchange or in the secondary market and the current market conditions. To the extent that the valuation is based on

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models or inputs that are less observable or unobservable in the market, the determination of fair value requires a greater degree of judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for financial instruments classified as Level 3.

The determination of fair value using the selected methodologies takes into consideration a range of factors including the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public and private exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment, compliance with agreed upon terms and covenants, and assessment of credit ratings of an underlying borrower. These valuation methodologies involve a significant degree of judgment to be exercised.

As it relates to investments which do not have an active public market, there is no single standard for determining the estimated fair value. Valuations of privately held investments are inherently uncertain, and they may fluctuate over short periods of time and may be based on estimates. The determination of fair value may differ materially from the values that would have been used if a ready market for these investments existed.

In some cases, fair value for such investments is best expressed as a range of values derived utilizing different methodologies from which a single estimate may then be determined. Consequently, fair value for each investment may be derived using a combination of valuation methodologies that, in the judgment of the investment professionals, are most relevant to such investment. The selected valuation methodologies for a particular investment are consistently applied on each measurement date. However, a change in a valuation methodology or its application from one measurement date to another is possible if the change results in a measurement that is equally or more representative of fair value in the circumstances.

The following table presents the principal amount and fair value of the Company's borrowings as of June 30, 2024 and December 31, 2023. The fair value of the Credit Facility (as defined in Note 6) was estimated by discounting remaining payments using applicable market rates or market quotes for similar instruments at the measurement date, if available. As of June 30, 2024, and December 31, 2023 the Credit Facility approximates its carrying value presented net of unamortized debt issuance costs and original issuance discount, net of accretion. The fair value of the Company's 5.375% private notes due 2025 (the "5.375% 2025 Notes"), the 5.375% private notes due 2026 (the "5.375% 2026 Notes"), the 4.00% notes due 2026 (the "4.00% 2026 Notes"), the 5.625% private notes due 2027 (the "5.625% 2027 Notes") and the 4.25% private notes due 2028 (the "4.25% 2028 Notes") were estimated using discounted future cash flows to the valuation date. As of June 30, 2024 and December 31, 2023, the fair value of the 7.875% notes due 2028 (the "7.875% 2028 Notes") were estimated using a combination of discounted future cash flows to the valuation date and the carrying value presented net of unamortized debt issuance costs and original issuance discount, net of accretion.

Fair Value Level	As of June 30, 2024		As of December 31, 2023	
	Principal Amount Outstanding	Fair Value	Principal Amount Outstanding	Fair Value
JPM Credit Facility	\$ 168,116	\$ 166,949	\$ 196,512	\$ 194,926
5.375% 2025 Notes	40,000	38,557	40,000	38,369
5.375% 2026 Notes	10,000	9,356	10,000	9,365
4.00% 2026 Notes	75,000	67,866	75,000	67,511
5.625% 2027 Notes	10,000	9,199	10,000	9,261
4.25% 2028 Notes	25,000	21,257	25,000	21,379
7.875% 2028 Notes	34,500	34,021	34,500	34,365
	\$ 362,616	\$ 347,205	\$ 391,012	\$ 375,176

NOTE 6 – BORROWINGS

Historically, the 1940 Act has permitted the Company to issue "senior securities," including borrowing money from banks or other financial institutions, only in amounts such that its asset coverage, as defined in the 1940 Act, equals at least 200% after such incurrence or issuance. In March 2018, the Small Business Credit Availability Act (the "SBCAA") was enacted into law. The SBCAA amended the 1940 Act to reduce the asset coverage requirements applicable to

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business development companies from 200% to 150% so long as the business development company meets certain disclosure requirements and obtains certain approvals. At the Company's annual meeting of stockholders held on August 1, 2018, the Company's stockholders approved the reduced asset coverage ratio from 200% to 150%, such that the Company's maximum debt-to-equity ratio increased from a prior maximum of 1.0x (equivalent of \$1 of debt outstanding for each \$1 of equity) to a maximum of 2.0x (equivalent to \$2 of debt outstanding for each \$1 of equity). As a result, the Company's asset coverage requirements applicable to senior securities decreased from 200% to 150%, effective August 2, 2018. As of June 30, 2024 and December 31, 2023, the Company's asset coverage for borrowed amounts were 186.2% and 181.0%, respectively.

Total borrowings outstanding and available as of June 30, 2024, were as follows:

	Maturity	Rate	Principal Amount Outstanding	Amortized Cost	Available
JPM Credit Facility ⁽¹⁾	11/22/2025	S+2.500 %	\$ 168,116	\$ 166,949	\$ 166,884
5.375% 2025 Notes	10/20/2025	5.375 %	40,000	39,826	—
5.375% 2026 Notes	12/4/2026	5.375 %	10,000	9,929	—
4.000% 2026 Notes	12/15/2026	4.000 %	75,000	74,162	—
5.625% 2027 Notes	12/4/2027	5.625 %	10,000	9,914	—
4.250% 2028 Notes	12/6/2028	4.250 %	25,000	24,770	—
7.875% 2028 Notes	9/15/2028	7.875 %	34,500	33,346	—
Total debt			<u>\$ 362,616</u>	<u>\$ 358,896</u>	<u>\$ 166,884</u>

(1) All foreign denominated principal borrowings have been converted to USD using the exchange rates as of the applicable reporting date.

Total borrowings outstanding and available as of December 31, 2023, were as follows:

	Maturity	Rate	Principal Amount Outstanding	Amortized Cost	Available
JPM Credit Facility ⁽¹⁾	11/22/2025	S+2.500 %	\$ 196,512	\$ 194,926	\$ 138,488
5.375% 2025 Notes	10/20/2025	5.375 %	40,000	39,761	—
5.375% 2026 Notes	12/4/2026	5.375 %	10,000	9,914	—
4.000% 2026 Notes	12/15/2026	4.000 %	75,000	73,992	—
5.625% 2027 Notes	12/4/2027	5.625 %	10,000	9,901	—
4.250% 2028 Notes	12/6/2028	4.250 %	25,000	24,745	—
7.875% 2028 Notes	9/15/2028	7.875 %	34,500	33,209	—
Total debt			<u>\$ 391,012</u>	<u>\$ 386,448</u>	<u>\$ 138,488</u>

(1) All foreign denominated principal borrowings have been converted to USD using the exchange rates as of the applicable reporting date.

Credit Facility: On December 23, 2015, WhiteHorse Credit entered into a revolving credit and security agreement with JPMorgan, as administrative agent and lender (the "Credit Facility").

On April 28, 2021, the terms of the Credit Facility were amended and restated to enable WhiteHorse Credit to borrow in British Pounds or Euros.

On July 15, 2021, the terms of the Credit Facility were amended to allow WhiteHorse Credit to reduce the applicable margins for interest rates to 2.35%, extend the non-call period from November 22, 2021 to November 22, 2022, extend the end of the reinvestment period from November 22, 2023 to November 22, 2024 and extend the scheduled termination date from November 22, 2024 to November 22, 2025.

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On October 4, 2021, the terms of the Credit Facility were amended to establish a temporary upsize to the borrowing capacity under the Credit Facility, which allowed WhiteHorse Credit to borrow up to \$335,000 for a three-month period beginning on October 4, 2021.

On January 4, 2022, the terms of the Credit Facility were amended to continue to establish a temporary upsize to the borrowing capacity under the Credit Facility, which allowed WhiteHorse Credit to borrow up to \$335,000 for a four-month period that originally began on October 4, 2021.

On February 4, 2022, the terms of the Credit Facility were further amended to (i) increase WhiteHorse Credit's availability under the Credit Facility from \$285,000 to \$310,000 (the "\$25,000 Increase"), (ii) increase the minimum funding amount from \$ 200,000 to \$217,000, (iii) extend an additional temporary increase of \$ 25,000 in availability under the Credit Facility, allowing WhiteHorse Credit to borrow up to \$335,000 through April 4, 2022 (the "\$ 25,000 Temporary Increase"), and (iv) apply an annual interest rate equal to applicable SOFR plus 2.50% to any borrowings under the \$ 25,000 Increase in the Credit Facility and the \$ 25,000 Temporary Increase in availability under the Credit Facility.

On March 30, 2022, the terms of the Credit Facility were further amended to (i) increase WhiteHorse Credit's availability under the Credit Facility from \$310,000 to \$335,000; (ii) retain an accordion feature which allows for the expansion of the borrowing limit up to \$375,000; and (iii) increase the minimum funding amount from \$ 217,000 to \$234,500.

On April 12, 2023, the terms of the Credit Facility were further amended to (i) apply an annual interest rate equal to the applicable base rate plus 2.50% to any USD denominated borrowings, and (ii) convert to SOFR for USD denominated borrowings effective June 6, 2023.

The Credit Facility bears interest at SOFR plus 2.50% on all outstanding USD denominated borrowings. The Credit Facility bears interest at EurIBOR for EUR denominated borrowings, CDOR for CAD denominated borrowings, SONIA for GBP denominated borrowings, plus, in each case, a spread of 2.35% on outstanding borrowings. The Company is required to pay a non-usage fee which accrues at 0.75% per annum on the average daily unused amount of the financing commitments to the extent the aggregate principal amount available under the Credit Facility has not been borrowed. The minimum borrowing requirement is \$234,500. In connection with the Credit Facility, WhiteHorse Credit pledged securities with a fair value of approximately \$529,071 as of June 30, 2024. The Credit Facility has a maturity date of November 22, 2025.

Under the Credit Facility, the Company has made certain customary representations and warranties and is required to comply with various covenants, including leverage restrictions, reporting requirements and other customary requirements for similar credit facilities.

As of June 30, 2024, the Company had \$ 168,116 in outstanding borrowings and \$ 166,884 undrawn under the Credit Facility. Weighted average outstanding borrowings were \$191,466 and \$197,486 at a weighted average interest rate of 7.82% and 7.83% for the three and six months ended June 30, 2024, respectively. As of June 30, 2024, the interest rate in effect on outstanding borrowings was 7.81%. The Company's ability to draw down undrawn funds under the Credit Facility is determined by collateral and portfolio quality requirements stipulated in the credit and security agreement. As of June 30, 2024, \$166,884 was available to be drawn by the Company based on these requirements.

As of December 31, 2023, the Company had \$ 196,512 in outstanding borrowings and \$ 138,488 undrawn under the Credit Facility. For the year ended December 31, 2023, weighted average outstanding borrowings were \$236,969 at a weighted average interest rate of 7.58%. As of December 31, 2023, the interest rate in effect on outstanding borrowings was 7.87%. The Company's ability to draw down undrawn funds under the Credit Facility is determined by collateral and portfolio quality requirements stipulated in the credit and security agreement. As of December 31, 2023, \$138,488 was available to be drawn by the Company based on these requirements.

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5.375% 2025 Notes: On October 20, 2020, the Company entered into a Note Purchase Agreement (the "2025 Note Purchase Agreement") governing the issuance of \$40,000 in aggregate principal amount of unsecured notes (the "5.375% 2025 Notes") to qualified institutional investors in a private placement. The 5.375% 2025 Notes have a fixed interest rate of 5.375% and are due on October 20, 2025, unless redeemed, purchased or prepaid prior to such date by the Company or its affiliates in accordance with their terms. Interest on the 5.375% 2025 Notes is payable semiannually on April 20 and October 20, at a fixed, annual rate of 5.375%. This interest rate is subject to increase (up to 6.375%) in the event that, subject to certain exceptions, the 5.375% 2025 Notes cease to have an investment grade rating. In addition, the Company is obligated to offer to repay the 5.375% 2025 Notes at par if certain change in control events occur. The 5.375% 2025 Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

5.375% 2026 Notes: On December 4, 2020, the Company entered into a Note Purchase Agreement (the "2026 Note Purchase Agreement") governing the issuance of \$10,000 in aggregate principal amount of unsecured notes (the "5.375% 2026 Notes") to qualified institutional investors in a private placement. The 5.375% 2026 Notes have a fixed interest rate of 5.375% and are due on December 4, 2026, unless redeemed, purchased or prepaid prior to such date by the Company or its affiliates in accordance with their terms. Interest on the 5.375% 2026 Notes is payable semiannually on June 4 and December 4, at a fixed, annual rate of 5.375%. This interest rate is subject to increase (up to 6.375%) in the event that, subject to certain exceptions, the 5.375% 2026 Notes cease to have an investment grade rating. In addition, the Company is obligated to offer to repay the 5.375% 2026 Notes at par if certain change in control events occur. The 5.375% 2026 Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

4.000% 2026 Notes: On November 24, 2021, the Company completed a public offering of \$75,000 of aggregate principal amount of unsecured notes, the net proceeds of which were used to fund investments in debt and equity securities and repay outstanding indebtedness under the Credit Facility. Interest on the 4.000% 2026 Notes is payable semiannually on June 15 and December 15, at a fixed, annual rate of 4.000%. The 4.000% 2026 Notes will mature on December 15, 2026 and may be redeemed in whole or in part at any time prior to September 15, 2026, at par plus a "make-whole" premium, and thereafter at par. The 4.000% 2026 Notes are direct unsecured obligations and are structurally subordinate to borrowings under the Credit Facility and will rank pari passu with all outstanding and future unsecured unsubordinated indebtedness.

5.625% 2027 Notes: On December 4, 2020, the Company entered into a Note Purchase Agreement (the "2027 Note Purchase Agreement") governing the issuance of \$10,000 in aggregate principal amount of unsecured notes (the "5.625% 2027 Notes") to qualified institutional investors in a private placement. The 5.625% 2027 Notes have a fixed interest rate of 5.625% and are due on December 4, 2027, unless redeemed, purchased or prepaid prior to such date by the Company or its affiliates in accordance with their terms. Interest on the 5.625% 2027 Notes is payable semiannually on June 4 and December 4, at a fixed, annual rate of 5.625%. This interest rate is subject to increase (up to 6.625%) in the event that, subject to certain exceptions, the 5.625% 2027 Notes cease to have an investment grade rating. In addition, the Company is obligated to offer to repay the 5.625% 2027 Notes at par if certain change in control events occur. The 5.625% 2027 Notes are general unsecured obligations of the Company that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company.

4.250% 2028 Notes: On December 6, 2021, the Company entered into a Note Purchase Agreement (the "2028 Note Purchase Agreement") governing the issuance of \$25,000 in aggregate principal amount of unsecured notes (the "4.250% 2028 Notes") to qualified institutional investors in a private placement. Interest on the 4.250% 2028 Notes is payable semiannually on June 6 and December 6, at a fixed, annual rate of 4.25%. This interest rate is subject to increase (up to 5.25%) in the event that, subject to certain exceptions, the 4.250% 2028 Notes cease to have an investment grade rating. The 4.250% 2028 Notes mature on December 6, 2028, unless redeemed, purchased or prepaid prior to such date by us or our affiliates in accordance with their terms. The 4.250% 2028 Notes are general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness that we may issue. The closing of the transaction occurred on December 6, 2021.

7.875% 2028 Notes: On August 24, 2023, the Company completed a public offering of 7.875% 2028 Notes in aggregate principal amount of \$30,000, the net proceeds of which were used to fund investments in debt and equity

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securities and repay outstanding indebtedness under its revolving credit facility. Additionally, the offering included an overallotment feature for up to an additional \$4,500 of aggregate principal amount under the same terms as the initial offering. On August 31, 2023, the underwriters fully exercised their option to purchase an additional \$4,500, bringing the aggregate principal amount of the 7.875% 2028 Notes to \$34,500. Interest on the 7.875% 2028 Notes is paid quarterly on March 15, June 15, September 15 and December 15 each year, at an annual rate of 7.875%. The 7.875% 2028 Notes will mature on September 15, 2028 and may be redeemed in whole or in part at any time, or from time to time, at the Company's option on or after September 15, 2025. The 7.875% 2028 Notes are direct unsecured obligations and are structurally subordinate to borrowings under the Credit Facility and will rank pari passu with all outstanding and future unsecured unsubordinated indebtedness we may issue. The 7.875% 2028 Notes are listed on the Nasdaq Global Select Market under the trading symbol "WHFCL."

6.000% 2023 Notes: On July 13, 2018, the Company entered into an agreement (the "2023 Note Purchase Agreement") to sell in a private offering \$30,000 aggregate principal amount of senior unsecured notes to qualified institutional investors in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended. Interest on the 6.000% 2023 Notes was payable semiannually on February 7 and August 7, at a fixed, annual rate of 6.00%. This interest rate was subject to increase (up to 6.50%) in the event that, subject to certain exceptions, the 6.000% 2023 Notes cease to have an investment grade rating. The 6.000% 2023 Notes were general unsecured obligations of the Company that ranked pari passu with all outstanding and future unsecured unsubordinated indebtedness issued by the Company. The closing of the transaction occurred on August 7, 2018. On August 7, 2023, the 6.000% 2023 Notes matured and were fully repaid by the Company.

NOTE 7 - RELATED PARTY TRANSACTIONS

Investment Advisory Agreement: WhiteHorse Advisers serves as the Company's investment adviser in accordance with the terms of an investment advisory agreement. On November 1, 2023, at an in-person meeting, the Company's board of directors approved a second amended and restated investment advisory agreement, which was executed by the Company on February 22, 2024 (the "Investment Advisory Agreement"). Subject to the overall supervision of the Company's board of directors, WhiteHorse Advisers manages the day-to-day operations of, and provides investment management services to, the Company. Under the terms of the Investment Advisory Agreement, WhiteHorse Advisers:

- determines the composition of the investment portfolio, the nature and timing of the changes to the portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of the investments the Company makes (including performing due diligence on the Company's prospective portfolio companies); and
- closes, monitors and administers the investments the Company makes, including the exercise of any voting or consent rights.

In addition, WhiteHorse Advisers provides the Company with access to personnel and an Investment Committee. Under the Investment Advisory Agreement, the Company pays WhiteHorse Advisers a fee for investment management services consisting of a base management fee and an incentive fee. The Investment Advisory Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

Base Management Fee

Effective January 1, 2024, the base management fee is calculated at an annual rate equal to 1.75% based on the Company's consolidated gross assets (including cash and cash equivalents and assets purchased with borrowed funds); provided, however, the base management fee will be calculated at an annual rate equal to 1.25% of the Company's consolidated gross assets (including cash and cash equivalents and assets purchased with borrowed funds), that exceed the product of (i) 200% and (ii) the value of the Company's total net assets, at the end of the two most recently completed calendar quarters. Base management fees are payable quarterly in arrears and are appropriately pro-rated for any partial month or quarter.

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Prior to January 1, 2024, the base management fee is calculated at an annual rate of 2.00% based on the Company's consolidated gross assets (including cash and cash equivalents and assets purchased with borrowed funds); provided, however, the base management fee will be calculated at an annual rate equal to 1.25% of the Company's consolidated gross assets (including cash and cash equivalents and assets purchased with borrowed funds) that exceed the product of (i) 200% and (ii) the value of the Company's total net assets, at the end of the two most recently completed calendar quarters. Base management fees are payable quarterly in arrears and are appropriately pro-rated for any partial month or quarter.

The following table details our management fee expenses for the three and six months ended June 30, 2024 and 2023:

Management Fee (\$ in thousands)	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Base management fee	\$ 3,065	\$ 3,705	\$ 6,182	\$ 7,416
Total management fees	\$ 3,065	\$ 3,705	\$ 6,182	\$ 7,416

As of June 30, 2024 and December 31, 2023, management fees payable on the consolidated statements of assets and liabilities were \$3,065 and \$3,595, respectively.

Performance-based Incentive Fee

The performance-based incentive fee consists of two components that are independent of each other, except as provided by the Incentive Fee Cap and Deferral Mechanism discussed below.

The calculations of these two components have been structured to include a fee limitation such that no incentive fee will be paid to the investment adviser for any quarter if, after such payment, the cumulative incentive fees paid to the investment adviser for the period that includes the current fiscal quarter and the 11 full preceding fiscal quarters, referred to as the "Incentive Fee Look-back Period," would exceed 20.0% of the Cumulative Pre-Incentive Fee Net Return (as defined below) during the Incentive Fee Look-back Period.

Each quarterly incentive fee is subject to the Incentive Fee Cap (as defined below) and a deferral mechanism through which the investment adviser may recap a portion of such deferred incentive fees, which is referred to together as the "Incentive Fee Cap and Deferral Mechanism."

This limitation is accomplished by subjecting each incentive fee payable to a cap, which is referred to as the "Incentive Fee Cap." The Incentive Fee Cap in any quarter is equal to (a) 20.0% of Cumulative Pre-Incentive Fee Net Return during the Incentive Fee Look-back Period less (b) cumulative incentive fees of any kind paid to the investment adviser during the Incentive Fee Look-back Period. To the extent the Incentive Fee Cap is zero or a negative value in any quarter, the Company will pay no incentive fee to its investment adviser in that quarter. The Company will only pay incentive fees to the extent allowed by the Incentive Fee Cap and Deferral Mechanism. To the extent that the payment of incentive fees is limited by the Incentive Fee Cap and Deferral Mechanism, the payment of such fees may be deferred and paid in subsequent quarters up to three years after their date of deferral, subject to applicable limitations included in the Investment Advisory Agreement. The deferral component of the Incentive Fee Cap and Deferral Mechanism may cause incentive fees that accrued during one fiscal quarter to be paid to the investment adviser at any time during the 11 full fiscal quarters following such initial full fiscal quarter.

The "Cumulative Pre-Incentive Fee Net Return" refers to the sum of (a) Pre-Incentive Fee Net Investment Income (as defined below) for each period during the Incentive Fee Look-back Period and (b) the sum of cumulative realized capital gains, cumulative realized capital losses, cumulative unrealized capital depreciation and cumulative unrealized capital appreciation during the applicable Incentive Fee Look-back Period.

The first component, which is income-based (the "Income Incentive Fee"), is calculated and payable quarterly in arrears and is determined based on Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter, subject to the Incentive Fee Cap and Deferral Mechanism. For this purpose, "Pre-Incentive Fee Net Investment

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"Income" means, in each case on a consolidated basis, interest income, distribution 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 received from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement (the "Administration Agreement"), any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.

The operation of the first component of the incentive fee for each quarter is as follows:

- no incentive fee is payable to the Company's investment adviser in any calendar quarter in which Pre-Incentive Fee Net Investment Income does not exceed the "Hurdle Rate" of 1.75% (7.00% annualized);
- 100% of Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the Hurdle Rate but is less than 2.1875% in any calendar quarter (8.75% annualized) is payable to the Company's investment adviser. This portion of the Company's Pre-Incentive Fee Net Investment Income (which exceeds the Hurdle Rate but is less than 2.1875%) is referred to as the "catch-up." The effect of the catch-up is that, if such Pre-Incentive Fee Net Investment Income exceeds 2.1875% in any calendar quarter, the investment adviser will receive 20% of such Pre-Incentive Fee Net Investment Income as if the Hurdle Rate did not apply; and
- 20% of the amount of such Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized) is payable to the Company's investment adviser (once the Hurdle Rate is reached and the catch-up is achieved, 20% of all Pre-Incentive Fee Net Investment Income).

The portion of such incentive fee that is attributable to deferred interest (such as PIK interest or original issue discount) will be paid to the investment adviser, together with interest from the date of deferral to the date of payment, only if and to the extent that the Company actually receives such interest in cash, and any accrual will be reversed if and to the extent such interest is reversed in connection with any write-off or similar treatment of the investment giving rise to any deferred interest accrual. Any reversal of such amounts would reduce net income for the quarter by the net amount of the reversal (after taking into account the reversal of incentive fees payable) and would result in a reduction and possibly elimination of the incentive fees for such quarter.

There is no accumulation of amounts on the Hurdle Rate from quarter to quarter and, accordingly, there is no clawback of amounts previously paid if subsequent quarters are below the quarterly Hurdle Rate and there is no delay of payment if prior quarters are below the quarterly Hurdle Rate. Since the Hurdle Rate is fixed, as interest rates rise, it will be easier for the investment adviser to surpass the Hurdle Rate and receive an incentive fee based on Pre-Incentive Fee Net Investment Income.

Net investment income used to calculate this component of the incentive fee is also included in the amount of consolidated gross assets used to calculate the base management fee. These calculations will be appropriately prorated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

The second component, the capital gains component of the incentive fee (the "Capital Gains Incentive Fee"), which is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), commenced on January 1, 2013, and equals 20% of cumulative aggregate realized capital gains from January 1 through the end of each calendar year, computed net of aggregate cumulative realized capital losses and aggregate cumulative unrealized capital depreciation through the end of each year (the "Capital Gains Incentive Fee Base"), less the aggregate amount of any previously paid capital gains incentive fees and subject to the Incentive Fee Cap and Deferral Mechanism. If such amount is negative, then no capital gains incentive fee will be payable for the year. Additionally, if the Investment Advisory Agreement is terminated as of a date that is not a calendar year end, the termination date will be treated as though it were a calendar year end for purposes of calculating and paying the capital gains incentive fee. The capital gains component of the incentive fee is not subject to any minimum return to stockholders.

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In accordance with GAAP, the Company is also required to include the aggregate unrealized capital appreciation on investments in the calculation and accrue a capital gains incentive fee on a quarterly basis if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee actually payable under the Investment Advisory Agreement. If the Capital Gains Incentive Fee Base, adjusted as required by GAAP to include unrealized capital appreciation, is positive at the end of a reporting period, then GAAP requires the Company to accrue a Capital Gains Incentive Fee equal to 20% of such amount, less the aggregate amount of any Capital Gains Incentive Fees previously paid and Capital Gains Incentive Fees accrued under GAAP in all prior periods. If such amount is negative, then there is no accrual for such period. The resulting accrual under GAAP in a given period may result in either additional expense (if such cumulative amount is greater than in the prior period) or a reversal of previously recorded expense (if such cumulative amount is less than in the prior period). There can be no assurance that such unrealized capital appreciation will be realized in the future.

Because of the structure of the incentive fee, it is possible that the Company may pay an incentive fee in a quarter where it incurs a loss subject to the Incentive Fee Cap and Deferral Mechanism. For example, if the Company receives Pre-Incentive Fee Net Investment Income in excess of the Hurdle Rate, it will pay the applicable Income Incentive Fee even after incurring a loss in that quarter due to realized and unrealized capital losses.

The following table provides a breakdown of the performance-based incentive fees for the three and six months ended June 30, 2024 and 2023:

Performance-based Incentive Fee (\$ in thousands)	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Income incentive fee	\$ 2,323	\$ 2,648	\$ 5,026	\$ 5,324
Capital gains incentive fee	—	—	—	—
Total performance-based incentive fees	\$ 2,323	\$ 2,648	\$ 5,026	\$ 5,324

As of June 30, 2024 and December 31, 2023, incentive fees payable on the consolidated statements of assets and liabilities were \$14,630 and \$10,470, respectively. As of June 30, 2024 and December 31, 2023, there were zero incentive fees payable on the consolidated statements of assets and liabilities for cumulative accruals of Capital Gains Incentive Fees under GAAP, including any amounts payable pursuant to the Investment Advisory Agreement as described above.

Administration Agreement: Pursuant to the Administration Agreement, WhiteHorse Administration furnishes the Company with office facilities, equipment and clerical, bookkeeping and record keeping services to enable the Company to operate. Under the Administration Agreement, WhiteHorse Administration performs, or oversees the performance of, the Company's required administrative services, which include being responsible for the financial records which the Company is required to maintain and preparing reports to its stockholders and reports filed with the U.S. Securities and Exchange Commission. In addition, WhiteHorse Administration assists the Company in determining and publishing its net asset value, oversees the preparation and filing of its tax returns and the printing and dissemination of reports to its stockholders and generally oversees the payment of the Company's expenses and the performance of administrative and professional services rendered to the Company by others. Payments under the Administration Agreement equal an amount based upon the Company's allocable portion of WhiteHorse Administration's overhead in performing its obligations under the Administration Agreement, including rent and the Company's allocable portion of the cost of its chief financial officer and chief compliance officer along with their respective staffs. Under the Administration Agreement, WhiteHorse Administration also provides on the Company's behalf managerial assistance to those portfolio companies to which the Company is required to provide such assistance. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party. To the extent that WhiteHorse Administration outsources any of its functions, the Company will pay the fees associated with such functions on a direct basis without any profit to WhiteHorse Administration.

Substantially all the Company's payments of operating expenses to third parties were made by a related party, for which such third party received reimbursement from the Company.

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During the three and six months ended June 30, 2024, the Company incurred \$ 170 and \$341 of allocated administrative service fees, respectively. During the three and six months ended June 30, 2023, the Company incurred \$170 and \$341 of allocated administrative service fees, respectively.

Co-investments with Related Parties: As of June 30, 2024 and December 31, 2023, no officers or employees affiliated with or employed by WhiteHorse Advisers and its related entities maintained any co-investments in the Company's or STRS JV's investments.

As of June 30, 2024 and December 31, 2023, certain funds affiliated with WhiteHorse Advisers and its related entities maintained co-investments in the Company's or STRS JV's investments of \$5,645,610 and \$4,977,275, respectively.

STRS JV: For the three and six months ended June 30, 2024, the Company sold \$ 21,988 and \$30,466 of investments to STRS JV and recognized \$2 and \$2 of net realized losses, respectively. For the three and six months ended June 30, 2023, the Company sold \$12,555 and \$38,473 of investments to STRS JV and recognized \$ 2 and \$98 of net realized losses, respectively.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Commitments: In the normal course of business, the Company is party to financial instruments with off-balance-sheet risk to meet the financing needs of its borrowers. These financial instruments include commitments to extend credit and involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated statement of assets and liabilities. The Company attempts to limit its credit risk by conducting extensive due diligence and obtaining collateral where appropriate.

The balance of unfunded commitments to extend credit was \$ 24,689 and \$21,440 as of June 30, 2024 and December 31, 2023, respectively. Commitments to extend credit consist principally of the unused portions of commitments that obligate the Company to extend credit, such as revolving credit arrangements or similar transactions. These commitments are often subject to financial or non-financial milestones and other conditions to borrow that must be achieved before the commitment can be drawn. In addition, the commitments generally have fixed expiration dates or other termination clauses. Since commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

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The following table summarizes the Company's unfunded commitments as of June 30, 2024 and December 31, 2023:

Unfunded Commitments (\$ in thousands)	As of June 30, 2024	As of December 31, 2023
Revolving Loan Commitments:		
Barrett Purchaser LLC (d/b/a SIB Development and Consulting, Inc.)	\$ —	\$ 447
Branford Filtration, LLC (d/b/a Clean Solutions Group)	387	387
Bridgepoint Healthcare, LLC	1,350	1,588
BUSA Acquisition Co. (d/b/a BankCard USA Merchant Services Inc.)	184	—
Claridge Products and Equipment, LLC	70	351
Coastal Television Broadcasting Group LLC	309	309
EducationDynamics, LLC	1,199	1,199
Gulf Winds International Acquisition LLC (d/b/a Gulf Winds International, Inc.)	485	647
HC Salon Holdings, Inc. (d/b/a Hair Cuttery)	700	700
Leviathan Intermediate Holdco, LLC	570	570
Midwest Texas Tea CA, LLC (d/b/a US Petroleum Partners, LLC)	305	572
Motivational Marketing, LLC (d/b/a Motivational Fulfillment)	—	709
MSI Information Services, Inc.	225	225
M&M OpCo, LLC (d/b/a Escalent, Inc.)	238	238
Navige Inc. (f/k/a Newscale Solutions, Inc.)	—	30
PANOS Brands, LLC	412	—
Ribbon Communications Operating Company, Inc. (d/b/a Ribbon Communications Inc.)	880	—
PLTFRM Companies, LLC	176	—
Salon Republic Holdings, LLC (d/b/a Salon Republic, LLC)	861	610
Sleep OpCo LLC (d/b/a Brooklyn Bedding LLC)	2,646	2,646
Telestream Holdings Corporation	222	87
The Kyjen Company, LLC (d/b/a Outward Hound)	798	798
TOT Group, Inc. (d/b/a Net Element Inc.)	553	—
Zephyr Buyer, L.P. (d/b/a The Weather Company, LLC)	1,806	—
Total unfunded revolving loan commitments	<u>14,376</u>	<u>12,113</u>
Delayed Draw Loan Commitments:		
Arcserve Cayman Opco LP (d/b/a Arcserve (USA), LLC)	1,422	—
Avision Holdings, LLC (d/b/a Avision Sales Group)	2,311	—
Banner Acquisition Holdings, LLC (d/b/a Banner Industries, Inc.)	—	140
Barrett Purchaser LLC (d/b/a SIB Development and Consulting, Inc.)	—	895
Midwest Texas Tea CA, LLC (d/b/a US Petroleum Partners, LLC)	245	648
Monarch Collective Holdings, LLC	3,124	—
Salon Republic Holdings, LLC (d/b/a Salon Republic, LLC)	2,104	1,407
StoicLane MidCo, LLC (d/b/a StoicLane Inc.)	—	6,237
TOT Group, Inc. (d/b/a Net Element Inc.)	1,107	—
Total unfunded delayed draw loan commitments	<u>10,313</u>	<u>9,327</u>
Total Unfunded Commitments	\$ 24,689	\$ 21,440

As of June 30, 2024 and December 31, 2023, the Company had commitments to fund equity interests and subordinated notes in STRS JV of \$23,000 and \$92,000, respectively, of which \$1,896 and \$7,584 were unfunded, respectively. The capital commitments cannot be drawn without an affirmative vote by both the Company's and STRS Ohio's representatives on STRS JV's board of managers.

Indemnification: In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties that provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not occurred. The Company expects the risk of any future obligation under these indemnifications to be remote.

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Legal Proceedings: In the normal course of business, the Company, WhiteHorse Advisers and WhiteHorse Administrator may be subject to legal and regulatory proceedings that are generally incidental to its ongoing operations. While there can be no assurance of the ultimate disposition of any such proceedings, the Company does not believe any such disposition will have a material adverse effect on the Company's consolidated financial statements.

NOTE 9 - STOCKHOLDERS' EQUITY

On March 31, 2023, the Company launched an "at-the-market" offering (the "ATM Program") by entering into an Equity Distribution Agreement with B. Riley Securities, Inc. pursuant to which the Company may offer and sell, from time to time, through B. Riley Securities, Inc., as the sales agent, shares of its common stock having an aggregate offering amount of up to \$35,000.

On March 15, 2021, the Company previously launched an ATM Program by entering into an Equity Distribution Agreement with Raymond James & Associates, Inc. pursuant to which the Company would offer and sell, from time to time, through Raymond James & Associates, Inc., as the sales agent, shares of its common stock having an aggregate offering amount of up to \$35,000. Through the Equity Distribution Agreement with Raymond James & Associates, Inc., the Company sold 276,300 shares of its common stock at a weighted-average price of \$15.77 per share, which amounted to \$4,359 in gross proceeds. The Company received net proceeds of \$4,272 after deducting commissions to the sales agent, but before offering expenses. The Company's Equity Distribution Agreement with Raymond James & Associates, Inc. is no longer effective.

No shares were issued pursuant to the ATM program during the three and six months ended June 30, 2024 and 2023, respectively.

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NOTE 10 - FINANCIAL HIGHLIGHTS

The following is a schedule of financial highlights:

	Six months ended June 30,	
	2024	2023
Per share data:⁽¹⁾		
Net asset value, beginning of period	\$ 13.63	\$ 14.30
Net investment income	0.86	0.92
Net realized and unrealized gains (losses) on investments and foreign currency transactions	(0.27)	(0.43)
Net increase in net assets resulting from operations	0.59	0.49
Distributions declared from net investment income	(0.77)	(0.79)
Net asset value, end of period	<u><u>\$ 13.45</u></u>	<u><u>\$ 14.00</u></u>
Total annualized return based on market value ⁽²⁾	(0.49)%	(3.40)%
Total annualized return based on net asset value	8.72 %	6.89 %
Net assets, end of period	\$ 312,682	\$ 325,296
Per share market value at end of period	\$ 12.27	\$ 12.83
Shares outstanding end of period	23,243,088	23,243,088
Ratios/Supplemental Data:⁽³⁾		
Ratio of expenses before incentive fees to average net assets ⁽⁴⁾	15.04 %	15.22 %
Ratio of incentive fees to average net assets	3.17 %	3.22 %
Ratio of total expenses to average net assets ⁽⁴⁾	18.21 %	18.44 %
Ratio of net investment income to average net assets ⁽⁴⁾	12.69 %	12.89 %
Portfolio turnover ratio	17.01 %	8.75 %

(1) Based on actual number of shares outstanding at the end of the period or the weighted average shares outstanding for the period, unless otherwise noted, as appropriate.

(2) Total return is based on the change in market price per share during the period and takes into account distributions, if any, reinvested in accordance with the DRIP.

(3) With the exception of the portfolio turnover rate, ratios are reported on an annualized basis.

(4) Calculated using total expenses, including income tax provision.

Financial highlights are calculated for each securities class taken as a whole. An individual stockholder's return and ratios may vary based on the timing of capital transactions.

NOTE 11 - CHANGE IN NET ASSETS RESULTING FROM OPERATIONS PER COMMON SHARE

The following information sets forth the computation of the basic and diluted per share net increase in net assets resulting from operations:

(\$ in thousands except share and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net increase in net assets resulting from operations	\$ 7,839	\$ 3,881	\$ 13,808	\$ 11,387
Weighted average shares outstanding	23,243,088	23,243,088	23,243,088	23,243,088
Basic and diluted per share net increase in net assets resulting from operations	\$ 0.34	\$ 0.17	\$ 0.59	\$ 0.49

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NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated events that have occurred after the balance sheet date but before the consolidated financial statements are issued and has determined that there were no additional subsequent events requiring adjustment or disclosure in the consolidated financial statements.

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 our Consolidated Financial Statements appearing elsewhere in this quarterly report on Form 10-Q. In this quarterly report on Form 10-Q, the "Company", "we", "us", "our" and "WhiteHorse Finance" refer to WhiteHorse Finance, Inc. and its consolidated subsidiaries.

Forward-Looking Statements

Some of the statements in this quarterly report on Form 10-Q constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this quarterly report on Form 10-Q involve risks and uncertainties, including statements as to:

- our future operating results;
- our ability to consummate new investments and the impact of such investments;
- the ability of our portfolio companies to achieve their objectives;
- our contractual arrangements and relationships with third parties;
- the impact of sustained high interest rates;
- changes in political, economic or industry conditions, and conditions affecting the financial and capital markets, which could result in changes to the value of our assets, including changes from the impact of the ongoing war between Russia and Ukraine and the conflict between Israel and Hamas;
- elevated levels of inflation, and the potential impact of inflation on our portfolio companies and on the industries in which we invest;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the impact of increased competition;
- the ability of our investment adviser to locate suitable investments for us and to monitor our investments;
- our expected financings and investments and the rate at which our investments are refunded by portfolio companies;
- our ability to pay dividends or make distributions;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our prospective portfolio companies; and
- the impact of future acquisitions and divestitures.

We use words such as "may," "might," "will," "intends," "should," "could," "can," "would," "expects," "believes," "estimates," "anticipates," "predicts," "potential," "plan" and similar expressions to identify forward-looking statements. Our actual results could differ materially from those projected in the forward-looking statements for any reason, including the factors set forth in "Item 1A-Risk Factors" in our annual report on Form 10-K and elsewhere in this quarterly report on Form 10-Q.

We have based the forward-looking statements included in this quarterly report on Form 10-Q on information available to us on the date of this quarterly report on Form 10-Q, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures

that we may make directly to you or through reports that we may file with the U.S. Securities and Exchange Commission, or the SEC, in the future, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

You should understand that under Sections 27A(b)(2)(B) and (D) of the Securities Act of 1933, as amended, or the Securities Act, and Sections 21E(b)(2)(B) and (D) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended, do not apply to statements made in connection with this quarterly report on Form 10-Q or any periodic reports we file under the Exchange Act.

Overview

We are an externally managed, non-diversified, closed-end management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940, as amended, or the 1940 Act. In addition, for tax purposes, we elected to be treated as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code of 1986, as amended, or the Code.

We were formed on December 28, 2011 and commenced operations on January 1, 2012. We were originally capitalized with approximately \$176.3 million of contributed assets from two private funds that are advised by an affiliate of H.I.G. Capital, L.L.C., or H.I.G. Capital. These assets were contributed as of January 1, 2012 in exchange for 11,752,383 units in WhiteHorse Finance, LLC. On December 4, 2012, we converted from a Delaware LLC into a Delaware corporation and elected to be treated as a business development company under the 1940 Act.

On December 4, 2012, we priced our initial public offering, or the IPO, selling 6,666,667 shares. Concurrent with the IPO, certain of our directors and officers, the managers of H.I.G. WhiteHorse Advisers, LLC ("WhiteHorse Advisers" or the "Investment Adviser") and their immediate family members or entities owned by, or family trusts for the benefit of, such persons, purchased an additional 472,673 shares through a private placement exempt from registration under the Securities Act. Our shares of common stock are listed on the Nasdaq Global Select Market under the symbol "WHF."

We are a direct lender targeting debt investments in privately held, lower middle market companies located in the United States. We define the lower middle market as those companies with enterprise values between \$50 million and \$350 million. Our investment objective is to generate attractive risk-adjusted returns primarily by originating and investing in senior secured loans, including first lien and second lien facilities, to performing lower middle market companies across a broad range of industries. Such loans typically carry a floating interest index rate such as the Secured Overnight Financing Rate, or SOFR, plus a spread and typically have a term of three to six years. While we focus principally on originating senior secured loans to lower middle market companies, we may also opportunistically make investments at other levels of a company's capital structure, including mezzanine loans or equity interests, and in companies outside of the lower middle market, to the extent we believe the investment presents an opportunity to achieve an attractive risk-adjusted return. We also may receive warrants to purchase common stock in connection with our debt investments. We expect to generate current income through the receipt of interest payments, as well as origination and other fees, capital appreciation and dividends.

Our investment activities are managed by WhiteHorse Advisers and are supervised by our board of directors, a majority of whom are independent of us, WhiteHorse Advisers and its affiliates. Under the Investment Advisory Agreement, we have agreed to pay WhiteHorse Advisers an annual base management fee based on our average consolidated gross assets as well as an incentive fee based on our investment performance. Under our Administration Agreement, we have agreed to reimburse WhiteHorse Administration for our allocable portion (subject to the review and approval of our independent directors) of overhead and other expenses incurred by WhiteHorse Administration in performing its obligations under the Administration Agreement.

Reference Rate Reform

In July 2017, the head of the United Kingdom Financial Conduct Authority, or the FCA, announced that it will phase out the use of the London Interbank Offer Rate, or LIBOR, by 2021. One-week and two-month U.S. dollar LIBOR and non-U.S. LIBOR ceased at the end of 2021, and the remaining U.S. dollar LIBOR tenors ceased after

June 30, 2023. In light of feedback received, the FCA proposed that the one-, three- and six-month U.S. dollar LIBOR tenors continue to be published on a synthetic basis through September 2024. Other jurisdictions have also proposed their own alternatives to LIBOR, including the Sterling Overnight Index Average for Sterling markets, the Euro Short Term Rate for Euros and Tokyo Overnight Average Rate for Japanese Yen.

To identify a successor rate for U.S. dollar LIBOR, the Federal Reserve System, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified SOFR as its preferred alternative rate for LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. LIBOR is no longer utilized as the floating benchmark rate on our debt investments to portfolio companies or Credit Facility.

Revenues

We generate revenue in the form of interest payable on the debt securities that we hold and capital gains and distributions, if any, on the portfolio company investments that we originate or acquire. Our debt investments, whether in the form of senior secured loans or mezzanine loans, typically have terms of three to six years and bear interest at a fixed or floating rate based on a spread over SOFR or an equivalent index rate. Interest on debt securities is generally payable monthly or quarterly, with the amortization of principal generally being deferred for several years from the date of the initial investment. In some cases, we may also defer payments of interest for the first few years after our investment. The principal amount of the debt securities and any accrued but unpaid interest generally becomes due at the maturity date. In addition, we generate revenue in the form of commitment, origination, structuring or diligence fees, fees for providing managerial assistance and possibly consulting fees. We capitalize loan origination fees, original issue discount and market discount, and we then amortize such amounts as interest income. Upon the prepayment of a loan or debt security, we record any unamortized loan origination fees as interest income. We record prepayment premiums on loans and debt securities as fee income when earned. Dividend income is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies.

Expenses

Our primary operating expenses include (1) investment advisory fees to WhiteHorse Advisers; (2) the allocable portion of overhead under the Administration Agreement; (3) the interest expense on our outstanding debt; and (4) other operating costs as detailed below. Our investment advisory fees compensate our investment adviser for its work in identifying, evaluating, negotiating, consummating and monitoring our investments.

We bear all other costs and expenses of our operations and transactions, including:

- our organization;
- calculating our net asset value and net asset value per share (including the costs and expenses of independent valuation firms);
- fees and expenses, including travel expenses, incurred by WhiteHorse Advisers or payable to third parties in performing due diligence on prospective portfolio companies, monitoring our investments and, if necessary, enforcing our rights;
- the costs of all future offerings of common shares and other securities, and other incurrences of debt;
- the base management fee and any incentive fee;
- distributions on our shares;
- transfer agent and custody fees and expenses;
- amounts payable to third parties relating to, or associated with, evaluating, making and disposing of investments;

- brokerage fees and commissions;
- registration fees;
- listing fees;
- taxes;
- independent directors' fees and expenses;
- costs associated with our reporting and compliance obligations under the 1940 Act and applicable U.S. federal and state securities laws;
- the costs of any reports, proxy statements or other notices to our stockholders, including printing costs;
- costs of holding stockholder meetings;
- our fidelity bond;
- directors and officers/errors and omissions liability insurance and any other insurance premiums;
- litigation, indemnification and other non-recurring or extraordinary expenses;
- direct costs and expenses of administration and operation, including audit and legal costs;
- fees and expenses associated with marketing efforts, including deal sourcing and marketing to financial sponsors;
- dues, fees and charges of any trade association of which we are a member; and
- all other expenses reasonably incurred by us or WhiteHorse Administration in connection with administering our business, including rent and our allocable portion of the costs and expenses of our chief financial officer and chief compliance officer along with their respective staffs.

WhiteHorse Advisers or WhiteHorse Administration may pay for certain expenses that we incur, which are subject to reimbursement by us.

Recent Developments

None.

Consolidated Results of Operations

Comparison of the Three and Six Months Ended June 30, 2024 and June 30, 2023

Set forth below are the consolidated results of operations for the three and six months ended June 30, 2024 and 2023:

(\$ in thousands)	Three months ended June 30,		Three Months Variance	Six months ended June 30,		Six Months Variance
	2024	2023		2024	2023	
Total investment income	\$ 23,482	\$ 25,595	\$ (2,113)	\$ 48,957	\$ 51,759	\$ (2,802)
Total expenses	14,190	15,003	(813)	28,850	30,463	(1,613)
Net investment income	9,292	10,592	(1,300)	20,107	21,296	(1,189)
Net realized gains/(losses) on investments and foreign currency transactions	(93)	(289)	196	(5,727)	396	(6,123)
Net change in unrealized gains/(losses) on investments and foreign currency transactions	(1,360)	(6,422)	5,062	(572)	(10,305)	9,733
Net increase in net assets resulting from operations	\$ 7,839	\$ 3,881	\$ 3,958	\$ 13,808	\$ 11,387	\$ 2,421

The consolidated results of operations described below may not be indicative of the results we report in future periods. Net investment income and net increase in net assets can vary substantially from period to period due to various reasons, including the level of new investments and the recognition of realized gains and losses and unrealized appreciation and depreciation. As a result, period to period comparisons of net increases in net assets resulting from operations may not be meaningful.

Consolidated operating results for the three and six months ended June 30, 2024 and 2023 are as follows:

Net Investment Income

Net investment income for the three and six months ended June 30, 2024 totaled \$9.3 million and \$20.1 million, respectively. Net investment income for the three and six months ended June 30, 2023 totaled \$10.6 million and \$21.3 million, respectively. Net investment income decreased by \$1.3 million and \$1.2 million for the three and six months ended June 30, 2024 from the three and six months ended June 30, 2023, as described below under "Investment Income" and "Operating Expenses."

Investment Income

The following table summarizes our investment income for the three and six months ended June 30, 2024 and 2023:

(\$ in thousands)	Three months ended		Three Months Variance	Six months ended June 30,		Six Months Variance
	2024	2023		2024	2023	
Investment income (excluding STRS JV):						
Interest and payment-in-kind income	\$ 19,108	\$ 20,991	\$ (1,883)	\$ 39,125	\$ 42,207	\$ (3,082)
Fee and dividend income	462	937	(475)	1,128	2,069	(941)
Investment income of STRS JV:						
Interest and dividend income	\$ 3,912	\$ 3,667	\$ 245	\$ 8,704	\$ 7,483	\$ 1,221
Total investment income	<u>\$ 23,482</u>	<u>\$ 25,595</u>	<u>\$ (2,113)</u>	<u>\$ 48,957</u>	<u>\$ 51,759</u>	<u>\$ (2,802)</u>

Interest and payment-in-kind income decreased \$1.9 million and \$3.1 million for the three and six months ended June 30, 2024 from the three and six months ended June 30, 2023, primarily attributable to lower portfolio size. For the three and six months ended June 30, 2024, the weighted average size of the debt portfolio, excluding STRS JV, was \$583.9 million and \$597.0 million, respectively. For the three and six months ended June 30, 2023, the weighted average size of the debt portfolio, excluding STRS JV, was \$653.0 million and \$658.2 million, respectively.

Fee and dividend income decreased by \$0.5 million and \$1.0 million for the three and six months ended June 30, 2024 from the three and six months ended June 30, 2023 due to lower non-recurring fee income. We expect to generate some level of non-recurring fee income during most quarters from prepayments, amendments and other sources.

Interest and dividend income from STRS JV increased by \$0.2 million and \$1.2 million for the three and six months ended June 30, 2024 from the three and six months ended June 30, 2023, primarily attributable to an increase in base rates.

Operating Expenses

The following table summarizes our expenses for the three and six months ended June 30, 2024 and 2023:

(\$ in thousands)	Three months ended		Three Months Variance	Six months ended June 30,		Six Months Variance
	2024	2023		2024	2023	
Interest expense						
Interest expense	\$ 7,144	\$ 7,334	\$ (190)	\$ 14,474	\$ 14,859	\$ (385)
Base management fees	3,065	3,705	(640)	6,182	7,416	(1,234)
Performance-based incentive fees	2,323	2,648	(325)	5,026	5,324	(298)
Administrative service fees	170	170	—	341	341	—
General and administrative expenses	1,221	896	325	2,268	2,023	245
Total expenses, before excise tax	<u>13,923</u>	<u>14,753</u>	<u>(830)</u>	<u>28,291</u>	<u>29,963</u>	<u>(1,672)</u>
Excise tax	267	250	17	559	500	59
Total expenses, including excise tax	<u>\$ 14,190</u>	<u>\$ 15,003</u>	<u>\$ (813)</u>	<u>\$ 28,850</u>	<u>\$ 30,463</u>	<u>\$ (1,613)</u>

Interest expense decreased \$0.2 million and \$0.4 million for the three and six months ended June 30, 2024 from the three and six months ended June 30, 2023, primarily due to a decrease in total debt outstanding, partially offset by higher weighted average interest rates. For the three and six months ended June 30, 2024, the weighted average outstanding borrowings were \$386.0 million and \$392.0 million at a weighted average interest rate of 6.48% and 6.51%, respectively. For the three and six months ended June 30, 2023, the weighted average outstanding borrowings were \$426.7 million and \$441.2 million at a weighted average interest rate of 6.31% and 6.24%, respectively.

Base management fees decreased by \$0.6 million and \$1.2 million for the three and six months ended June 30, 2024, respectively, from the three and six months ended June 30, 2023 due to the base management fee rate reduction to 1.75%, from 2.00% effective January 1, 2024.

Performance-based incentive fees were \$2.3 million and \$5.0 million for the three and six months ended June 30, 2024, respectively, and \$2.7 million and \$5.3 million for the three and six months ended June 30, 2023, respectively, which were comprised of pre-incentive fee net investment income. There was no capital gains incentive fee incurred for both the three and six months ended June 30, 2024 and the three and six months ended June 30, 2023.

General and administrative expenses increased by \$0.3 million and \$0.2 million for the three and six months ended June 30, 2024, respectively, from the three months ended June 30, 2023, primarily due to higher legal fees.

Excise Tax Expense

We have elected to be treated as a RIC under Subchapter M of the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. In order to be subject to tax as a RIC, we are required to meet certain source of income and asset diversification requirements, as well as timely distribute to our stockholders dividends for U.S. federal income tax purposes of an amount generally at least equal to 90% of investment company taxable income, as defined by the Code, and determined without regard to any deduction for dividends paid for each tax year. We have made and intend to continue to make the requisite distributions to our stockholders that will generally relieve us from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to retain taxable income in excess of current year distributions into the next tax year in an amount less than what would trigger payments of U.S. federal income tax under Subchapter M of the Code. We may then be required to incur a 4% excise tax on such income. To the extent that we determine that our estimated current year annual taxable income may exceed estimated current year distributions, we accrue excise tax, if any, on estimated excess taxable income as taxable income is earned.

Excise tax was \$0.3 million and \$0.6 million for the three and six months ended June 30, 2024, respectively. Excise tax was \$0.3 million and \$0.5 million for the three and six months ended June 30, 2023, respectively. As of June 30, 2024 and December 31, 2023, we accrued a net federal excise tax expense of \$0.5 million and \$1.0 million, respectively.

Net Realized and Unrealized Gains (Losses) on Investments

The following table shows the breakdown of net realized gains and losses on investments for the three and six months ended June 30, 2024 and 2023:

(\$ in millions)	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
AG Kings Holdings Inc. ⁽¹⁾	\$ 0.1	\$ —	\$ 0.6	\$ 0.4
Atlas Purchaser, Inc. (d/b/a Aspect Software, Inc.)	—	—	(3.1)	—
Arcole Acquisition Corp (PI Financial)	—	(0.3)	—	(0.3)
ATSG, Inc.	—	—	—	(0.1)
Foodservices Brand Group, LLC (d/b/a Crown Brands Group)	—	—	(2.9)	—
Manchester Acquisition Sub LLC (d/b/a Draslovka Holding AS)	(0.2)	—	(0.2)	—
Project Castle, Inc. (d/b/a Material Handling Systems, Inc.)	—	—	(0.2)	—
Other ⁽²⁾	—	—	0.1	—
Total net realized gains/(losses) on investments	\$ (0.1)	\$ (0.3)	\$ (5.7)	\$ —

(1) Escrow receivable amounts were recognized in connection with cash proceeds received from realization events.

(2) Includes various investments with aggregate realized gains or losses less than \$50,000.

The following table shows the breakdown in the changes in unrealized appreciation and depreciation of investments for the three and six months ended June 30, 2024 and 2023:

(\$ in millions)	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Gross unrealized appreciation on investments	\$ 3.9	\$ 5.1	\$ 6.8	\$ 6.5
Gross unrealized depreciation on investments	(5.4)	(12.2)	(11.0)	(16.4)
Reversal of prior period net unrealized (appreciation) depreciation upon a realization ⁽¹⁾	—	1.1	3.1	0.4
Total unrealized appreciation (depreciation) on investments	\$ (1.5)	\$ (6.0)	\$ (1.1)	\$ (9.5)

(1) The six months ended June 30, 2024 includes reversal of unrealized appreciation of \$0.4 million from the collection of the AG Kings Holdings Inc. escrow receivable.

Financial Condition, Off-Balance Sheet Arrangements, Liquidity and Capital Resources

As a business development company, we distribute substantially all of our net income to our stockholders. We generate cash primarily from offerings of securities, borrowings under the Credit Facility, and cash flows from operations, including interest earned from the temporary investment of cash in U.S. government securities and other high-quality debt investments that mature in one year or less. We expect to fund a portion of our investments through future borrowings. In the future, we may obtain borrowings under other credit facilities and from issuances of senior securities to the extent permitted by the 1940 Act. We may also borrow funds to the extent we determine that additional capital would allow us to take advantage of additional investment opportunities, if the market for debt financing presents attractively priced debt financing opportunities or if our board of directors determines that leveraging our portfolio would be in our best interest and the best interests of our stockholders.

Our board of directors may decide to issue common stock, such as through at-the-market offerings, direct placements or otherwise, to finance our operations rather than issuing debt or other senior securities. Any decision to sell shares below the then-current net asset value per share of our common stock is subject to stockholder approval and a determination by our board of directors that such issuance and sale is in our and our stockholders' best interests. Any sale or other issuance of shares of our common stock at a price below net asset value per share results in immediate dilution to our stockholders' interests in our common stock and a reduction in our net asset value per share. If we were to issue additional shares of our common stock during the next 12 months, we do not intend to issue shares below the then-current net asset value per share.

Restricted cash and cash equivalents include amounts that are collected and held by the trustee appointed as custodian of the assets securing the Credit Facility. Restricted cash is held by the trustee for the payment of interest expense and principal on the outstanding borrowings or reinvestment into new assets. Restricted cash that represents interest or fee income is transferred to unrestricted cash accounts by the trustee generally once a quarter after the payment of operating expenses and amounts due under the Credit Facility.

We may become a party to financial instruments with off-balance sheet risk in the normal course of our business to meet the financial needs of our portfolio companies. These instruments may include commitments to extend credit and involve elements of liquidity and credit risk in excess of the amount recognized on the consolidated statements of assets and liabilities. As of June 30, 2024 and December 31, 2023, we had commitments to fund approximately \$24.7 million and \$21.4 million, respectively, of revolving lines of credit or delayed draw facilities to our portfolio companies. We reasonably believe that we have sufficient assets to adequately cover and allow us to satisfy our outstanding unfunded commitments.

Our operating activities provided cash and cash equivalents of \$43.1 million during the six months ended June 30, 2024, primarily from the net proceeds received from realizations and repayments on our investments, partially offset by acquisition of investments and cash used from the net change in working capital. Our financing activities used cash and cash equivalents of \$45.8 million during the six months ended June 30, 2024, primarily for repayments on the Credit Facility and the payment of distributions to stockholders.

Our operating activities provided cash and cash equivalents of \$32.3 million during the six months ended June 30, 2023, primarily from the net proceeds received from realizations and repayments on our investments, partially offset by acquisition of investments and cash used from the net change in working capital. Our financing activities used cash and cash equivalents of \$35.5 million during the six months ended June 30, 2023, primarily due to repayments on the Credit Facility and the payment of distributions to stockholders.

As of June 30, 2024, we had cash and cash equivalent resources of \$21.8 million, including \$8.9 million of restricted cash. As of June 30, 2024, we had approximately \$166.9 million undrawn and available to be drawn under the Credit Facility based on the collateral and portfolio quality requirements stipulated in the related credit agreement.

As of December 31, 2023, we had cash and cash equivalent resources of \$24.5 million, including \$13.7 million of restricted cash. As of December 31, 2023, we had approximately \$138.5 million undrawn and available to be drawn under the Credit Facility based on the collateral and portfolio quality requirements stipulated in the related credit agreement.

STRS JV

In January 2019, we and STRS Ohio formed a joint venture, STRS JV, that invests primarily in senior secured loans, including first lien and second lien facilities, to performing lower middle market companies across a broad range of industries that typically carry a floating interest index rate based on SOFR, or an equivalent index rate and have a term of three to six years. STRS JV invests in portfolio companies in the same industries in which we may directly invest. STRS JV was formed as a Delaware LLC and is not consolidated by either us or STRS Ohio for financial reporting purposes. On July 19, 2019, STRS JV formally launched operations. As of June 30, 2024, STRS JV had total assets of \$345.0 million. As of December 31, 2023, STRS JV had total assets of \$332.2 million.

We provide capital to STRS JV in the form of LLC equity interests and subordinated notes. In February 2023, we increased our capital commitment to the STRS JV in the amount of an additional \$15.0 million, bringing our total capital commitment to the STRS JV to \$115.0 million, comprised of \$92.0 million of subordinated notes and \$23.0 million of LLC equity interests. We previously increased our capital commitment in February 2022 to the STRS JV in the amount of an additional \$25.0 million, bringing our then total capital commitment to the STRS JV to \$100.0 million, comprised of \$80.0 million of subordinated notes and \$20.0 million of LLC equity interests.

As of June 30, 2024, we and STRS Ohio owned approximately 65.71% and 34.29%, respectively, of the LLC equity interests of STRS JV. As of June 30, 2024, our investment in STRS JV consisted of equity contributions and subordinated note advance commitments of \$23.0 million and \$92.0 million, respectively, of which \$1.9 million and \$7.6 million were unfunded, respectively.

As of December 31, 2023, we and STRS Ohio owned approximately 65.71% and 34.29%, respectively, of the LLC equity interests of STRS JV. As of December 31, 2023, our investment in STRS JV consisted of equity contributions and subordinated note advance commitments of \$23.0 million and \$92.0 million, respectively, of which \$1.9 million and \$7.6 million were unfunded, respectively.

STRS JV is managed by a four-person board of managers, two of whom are selected by us and two of whom are selected by STRS Ohio. All material decisions with respect to STRS JV, including those involving its investment portfolio, require unanimous approval of a quorum of the board of managers. Quorum is defined as (i) the presence of two members of the board of managers; provided that at least one individual is present that was elected, designated or appointed by each member; (ii) the presence of three members of the board of managers; provided that the individual that was elected, designated or appointed by the member with only one individual present is entitled to cast two votes on each matter; or (iii) the presence of four members of the board of managers; provided that two individuals are present that were elected, designated or appointed by each member.

Below is a summary of STRS JV's portfolio as of June 30, 2024 and December 31, 2023:

(\$ in thousands)	As of June 30, 2024	As of December 31, 2023
Total investments ⁽¹⁾	\$ 324,844	\$ 312,217
Weighted average effective yield on total portfolio ⁽²⁾	12.3 %	12.4 %
Number of portfolio companies in STRS JV	38	34
Largest portfolio company investment ⁽¹⁾	18,758	18,853
Total of five largest portfolio company investments ⁽¹⁾	80,787	83,564

(1) At fair value.
 (2) Weighted average effective yield is computed by dividing (a) annualized interest income (including interest income resulting from the amortization of fees and discounts) by (b) the weighted average cost of investment.

STRS JV's investments consisted of the following:

(\$ in thousands)	As of June 30, 2024	As of December 31, 2023		
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First lien secured loans	\$ 324,993	\$ 324,844	\$ 312,807	\$ 312,217
Total	\$ 324,993	\$ 324,844	\$ 312,807	\$ 312,217

The following table shows the portfolio composition by industry grouping at fair value:

Industry (\$ in thousands)	As of June 30, 2024	As of December 31, 2023
Advertising	\$ 12,099	3.7 %
Air Freight & Logistics	3,323	1.0
Broadline Retail	18,759	5.8
Building Products	13,449	4.1
Construction & Engineering	15,452	4.8
Data Processing & Outsourced Services	13,656	4.2
Distributors	4,123	1.3
Diversified Support Services	19,273	5.9
Drug Retail	5,089	1.6
Electronic Equipment & Instruments	13,267	4.1
Environmental & Facilities Services	36,616	11.3
Food Distributors	4,934	1.5
Health Care Supplies	7,626	2.3
Household Appliances	7,857	2.4
Industrial Machinery & Supplies & Components	—	—
Investment Banking & Brokerage	—	—
IT Consulting & Other Services	51,762	15.9
Packaged Foods & Meats	11,202	3.4
Paper & Plastic Packaging Products & Materials	6,621	2.0
Personal Care Products	5,843	1.8
Pharmaceuticals	15,965	4.9
Real Estate Operating Companies	6,743	2.1
Real Estate Services	6,430	2.0
Research & Consulting Services	12,044	3.7
Technology Hardware, Storage & Peripherals	18,061	5.6
Trading Companies & Distributors	8,284	2.6
Wireless Telecommunication Services	6,366	2.0
Total	\$ 324,844	100.0 %
	\$ 312,217	100.0 %

See Note 4 to our consolidated financial statements for further discussion on STRS JV's portfolio and selected balance sheet information as of June 30, 2024 and December 31, 2023 and selected statement of operations information for the three and six months ended June 30, 2024 and 2023.

At-the-Market Offering

On March 31, 2023, we entered into an equity distribution agreement, or the Equity Distribution Agreement, with WhiteHorse Advisers, WhiteHorse Administration and B. Riley Securities, Inc., as the sales agent, or the Sales Agent, in connection with the sale of shares of our common stock, with an aggregate offering price of up to \$35.0 million. The Equity Distribution Agreement provides that we may offer and sell shares of our common stock from time to time through the Sales Agent in amounts and at times to be determined by us (the "ATM Offering"). Actual sales will depend on a variety of factors to be determined by us from time to time, including market conditions and the trading price of our common stock. We expect to use all or substantially all of the net proceeds from the ATM Offering to invest in portfolio companies in accordance with our investment objective and strategies and for general corporate purposes.

On March 15, 2021, we previously entered into an equity distribution agreement, or the 2021 Equity Distribution Agreement, with WhiteHorse Advisers, WhiteHorse Administration and Raymond James & Associates, Inc., as the sales agent, or Raymond James, in connection with the sale of shares of our common stock, with an aggregate offering price of up to \$35.0 million (the "2021 ATM Offering"). We used all or substantially all of the net proceeds from the 2021 ATM Offering to invest in portfolio companies in accordance with our investment objective and strategies and for general corporate purposes. The 2021 Equity Distribution Agreement with Raymond James is no longer effective. Gross proceeds of \$4.4 million were raised from the 2021 ATM Offering with Raymond James.

Credit Facility

On December 23, 2015, our wholly owned subsidiary WhiteHorse Credit I, LLC, or WhiteHorse Credit, entered into a revolving credit and security agreement with JPMorgan, as administrative agent and lender (the "Credit Facility").

On January 4, 2022, the terms of the Credit Facility were amended to, among other things, continue to establish a temporary upsize to the borrowing capacity under the Credit Facility, which allowed WhiteHorse Credit to borrow up to \$335.0 million for a four-month period that originally began on October 4, 2021.

On February 4, 2022, the terms of the Credit Facility were further amended to, among other things (i) increase WhiteHorse Credit's availability under the Credit Facility from \$285.0 million to \$310.0 million (the "\$25 Million Increase"), (ii) increase the minimum funding amount from \$200.0 million to \$217.0 million, (iii) extend an additional temporary increase of \$25.0 million in availability under the Credit Facility, allowing WhiteHorse Credit to borrow up to \$335.0 million through April 4, 2022 (the "\$25 Million Temporary Increase") and (iv) apply an annual interest rate equal to applicable SOFR plus 2.50% to any borrowings under the \$25 Million Increase in the Credit Facility and the \$25 Million Temporary Increase in availability under the Credit Facility.

On March 30, 2022, the terms of the Credit Facility were further amended to, among other things: (i) increase WhiteHorse Credit's availability under the Credit Facility from \$310.0 million to \$335.0 million; (ii) retain an accordion feature which allows for the expansion of the borrowing limit up to \$375.0 million; and (iii) increase the minimum funding amount from \$217.0 million to \$234.5 million.

On April 12, 2023, the terms of the Credit Facility were amended to (i) apply an annual interest rate equal to the applicable base rate plus 2.50% to any USD denominated borrowings, and (ii) convert to SOFR for USD denominated borrowings effective June 6, 2023.

As of June 30, 2024, the Credit Facility provided for borrowings in an aggregate principal amount up to \$335.0 million with an accordion feature which allows for the expansion of the borrowing limit up to \$375.0 million, subject to consent from the Lender and other customary conditions. As of June 30, 2024, the required minimum outstanding borrowings under the Credit Facility were \$234.5 million.

Under the Credit Facility, there are two coverage tests that WhiteHorse Credit must meet on specified compliance dates in order to permit WhiteHorse Credit to make new borrowings and to make distributions in the ordinary course: (i)

a borrowing base test and (ii) a market value test. The borrowing base test compares, at any given time, the aggregate outstanding amount of all Lender advances under the Credit Facility less the amount of principal proceeds in respect of the collateral on deposit in the accounts to the net asset value of the collateral, as set forth in the credit agreement, as amended and restated from time to time, in connection therewith (the "Amended Loan Agreement"), and related documentation. To meet the borrowing base test, this ratio must be less than or equal to 60%, as set forth in the Amended Loan Agreement and related documentation. To meet the market value test, the value of WhiteHorse Credit's portfolio investments must exceed a minimum of 167.5% of the aggregate outstanding amount of all Lender advances as set forth in the Amended Loan Agreement and related documentation.

Advances under the Credit Facility are based on SOFR for USD denominated borrowings plus an annual spread of 2.50%. The Credit Facility bears interest at EurIBOR for EUR denominated borrowings, CDOR for CAD denominated borrowings and SONIA for GBP denominated borrowings, plus a spread of 2.35% on outstanding borrowings. Interest is payable quarterly in arrears. WhiteHorse Credit is required to pay a non-usage fee which accrues at 0.75% per annum on the average daily unused amount of the financing commitments, to the extent the aggregate principal amount available under the Credit Facility has not been borrowed. WhiteHorse Credit paid an upfront fee and incurred certain other customary costs and expenses in connection with obtaining the Credit Facility. Any amounts borrowed under the Credit Facility will mature, and all accrued and unpaid interest thereunder will be due and payable, on November 22, 2025.

The Credit Facility and the related documents require WhiteHorse Finance and WhiteHorse Credit to agree to make certain customary representations and to comply with customary affirmative and negative covenants. The Credit Facility also includes customary events of default for credit facilities of this nature, including breaches of representations, warranties or covenants by WhiteHorse Finance or WhiteHorse Credit, the occurrence of a change in control, or failure to maintain certain required ratios.

If we fail to perform our obligations under the Amended Loan Agreement or the related agreements, an event of default may occur, which could cause the Lender to accelerate all of the outstanding debt and other obligations under the Credit Facility or to exercise other remedies under the Amended Loan Agreement. Any such developments could have a material adverse effect on our financial condition and results of operations.

If any of our contractual obligations discussed above is terminated, our costs under new agreements that we enter into may increase. In addition, we will likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under our Investment Advisory Agreement and our Administration Agreement. Any new investment management agreement would also be subject to approval by our stockholders.

As of June 30, 2024, there were \$168.1 million in outstanding borrowings under the Credit Facility and, based on collateral and portfolio requirements stipulated in the Credit Facility agreement, approximately \$166.9 million was available to be drawn on such date. The Credit Facility is secured by all of the assets of WhiteHorse Credit, which included loans with a fair value of \$529.1 million as of June 30, 2024.

As of December 31, 2023, there were \$196.5 million in outstanding borrowings under the Credit Facility and, based on collateral and portfolio requirements stipulated in the Credit Facility agreement, approximately \$138.5 million was available to be drawn on such date. The Credit Facility is secured by all of the assets of WhiteHorse Credit, which included loans with a fair value of \$572.1 million as of December 31, 2023.

5.375% 2025 Notes

On October 20, 2020, we entered into the 2025 Note Purchase Agreement to sell in a private offering \$40 million of aggregate principal amount of unsecured notes to qualified institutional investors in reliance on Section 4(a)(2) of the Securities Act. Interest on the 5.375% 2025 Notes is payable semiannually on April 20 and October 20, at a fixed, annual rate of 5.375%. This interest rate is subject to increase (up to 6.375%) in the event that, subject to certain exceptions, the 5.375% 2025 Notes cease to have an investment grade rating. The 5.375% 2025 Notes mature on October 20, 2025, unless redeemed, purchased or prepaid prior to such date by us or our affiliates in accordance with their terms. The 5.375% 2025 Notes are general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness that we may issue. The closing of the transaction occurred on October 20, 2020. We used the net proceeds from this offering to redeem existing debt.

5.375% 2026 Notes

On December 4, 2020, we entered into the 2026 Note Purchase Agreement to sell in a private offering \$10 million of aggregate principal amount of unsecured notes to qualified institutional investors in reliance on Section 4(a)(2) of the Securities Act. Interest on the 5.375% 2026 Notes is payable semiannually on June 4 and December 4, at a fixed, annual rate of 5.375%. This interest rate is subject to increase (up to 6.375%) in the event that, subject to certain exceptions, the 5.375% 2026 Notes cease to have an investment grade rating. The 5.375% 2026 Notes mature on December 4, 2026, unless redeemed, purchased or prepaid prior to such date by us or our affiliates in accordance with their terms. The 5.375% 2026 Notes are general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness that we may issue. The closing of the transaction occurred on December 4, 2020.

5.625% 2027 Notes

On December 4, 2020, we entered into the 2027 Note Purchase Agreement to sell in a private offering \$10 million of aggregate principal amount of unsecured notes to qualified institutional investors in reliance on Section 4(a)(2) of the Securities Act. Interest on the 5.625% 2027 Notes is payable semiannually on June 4 and December 4, at a fixed, annual rate of 5.625%. This interest rate is subject to increase (up to 6.625%) in the event that, subject to certain exceptions, the 5.625% 2027 Notes cease to have an investment grade rating. The 5.625% 2027 Notes mature on December 4, 2027, unless redeemed, purchased or prepaid prior to such date by us or our affiliates in accordance with their terms. The 5.625% 2027 Notes are general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness that we may issue. The closing of the transaction occurred on December 4, 2020.

4.000% 2026 Notes

On November 24, 2021, we completed a public offering of \$75 million of aggregate principal amount of unsecured notes, the net proceeds of which were used to fund investments in debt and equity securities and repay outstanding indebtedness under the Credit Facility. Interest on the 4.000% 2026 Notes is paid semiannually on June 15, and December 15, at a fixed, annual rate of 4.00%. The 4.000% 2026 Notes will mature on December 15, 2026 and may be redeemed in whole or in part at any time prior to September 15, 2026, at par plus a "make-whole" premium, and thereafter at par. The 4.000% 2026 Notes are direct unsecured obligations and are structurally subordinate to borrowings under the Credit Facility and will rank pari passu with all outstanding and future unsecured unsubordinated indebtedness.

4.250% 2028 Notes

On December 6, 2021, we entered into the 2028 Note Purchase Agreement to sell in a private offering \$25 million of aggregate principal amount of unsecured notes to qualified institutional investors in reliance on Section 4(a)(2) of the Securities Act. Interest on the 4.250% 2028 Notes is payable semiannually on June 6 and December 6, at a fixed, annual rate of 4.25%. This interest rate is subject to increase (up to 5.25%) in the event that, subject to certain exceptions, the 4.250% 2028 Notes cease to have an investment grade rating. The 4.250% 2028 Notes mature on December 6, 2028, unless redeemed, purchased or prepaid prior to such date by us or our affiliates in accordance with their terms. The 4.250% 2028 Notes are general unsecured obligations that rank pari passu with all outstanding and future unsecured unsubordinated indebtedness that we may issue. The closing of the transaction occurred on December 6, 2021.

7.875% 2028 Notes

On August 24, 2023, the Company completed a public offering of 7.875% 2028 Notes in aggregate principal amount of \$30 million, the net proceeds of which were used to fund investments in debt and equity securities and repay outstanding indebtedness under its revolving credit facility. Additionally the offering included an overallotment feature for up to an additional \$4.5 million of aggregate principal amount under the same terms as the initial offering. On August 31, 2023, the underwriters fully exercised their option to purchase an additional \$4.5 million, bringing the aggregate principal amount of the 7.875% 2028 Notes to \$34.5 million. Interest on the 7.875% 2028 Notes is paid quarterly on March 15, June 15, September 15 and December 15 each year, at an annual rate of 7.875%. The 7.875% 2028 Notes will mature on September 15, 2028 and may be redeemed in whole or in part at any time, or from time to time, at the Company's option on or after September 15, 2025. The 7.875% 2028 Notes are direct unsecured obligations and are structurally subordinate to borrowings under the Credit Facility and will rank pari passu with all outstanding and future unsecured unsubordinated indebtedness we may issue. The 7.875% 2028 Notes are listed on the Nasdaq Global Select Market under the trading symbol "WHFCL".

6.000% 2023 Notes

On July 13, 2018, we entered into the 2023 Note Purchase Agreement to sell in a private offering \$30 million of aggregate principal amount of unsecured notes to qualified institutional investors in reliance on Section 4(a)(2) of the Securities Act. Interest on the 6.000% 2023 Notes was payable semiannually on February 7 and August 7, at a fixed, annual rate of 6.000%. This interest rate was subject to increase (up to 6.50%) in the event that, subject to certain exceptions, the 6.000% 2023 Notes cease to have an investment grade rating. The 6.000% 2023 Notes were issued on August 7, 2018 and were general unsecured obligations that ranked pari passu with all outstanding and future unsecured unsubordinated indebtedness that we may issue. On August 7, 2023, the 6.000% 2023 Notes matured and were fully repaid by the Company.

Portfolio Investments and Yield

As of June 30, 2024, our investment portfolio consisted primarily of senior secured loans across 125 positions in 72 companies with an aggregate fair value of \$660.0 million. As of June 30, 2024, the majority of our portfolio was comprised of senior secured loans to lower middle market borrowers and nearly all of those loans were variable-rate investments (primarily indexed to SOFR) with six fixed-rate loan investments representing 1.2% based on fair value. As of June 30, 2024, our portfolio had an average investment size of \$4.5 million based on fair value and average debt investment size of \$5.8 million, with investment sizes ranging from zero to \$21.0 million and a weighted average effective yield of 11.7% (and a weighted average effective yield on income-producing debt investments of 13.8%).

As of December 31, 2023, our investment portfolio consisted primarily of senior secured loans across 116 positions in 72 companies with an aggregate fair value of \$696.2 million. As of December 31, 2023, the majority of our portfolio was comprised of senior secured loans to lower middle market borrowers, and nearly all of those loans were variable-rate investments, primarily indexed to SOFR, with fixed-rate loan investments representing 0.9% based on fair value. As of December 31, 2023, our portfolio had an average investment size of \$5.2 million based on fair value and average debt investment size of \$6.7 million, with investment sizes ranging from zero to \$21.7 million and a weighted average effective yield of 12.4% (and a weighted average effective yield on income-producing debt investments of 13.7%).

For the six months ended June 30, 2024, we invested \$116.4 million in new and existing portfolio companies, offset by repayments and sales of \$152.0 million. Proceeds from sales totaled \$57.2 million while repayments included \$3.6 million of scheduled repayments and \$91.2 million of unscheduled repayments.

For the six months ended June 30, 2023, we invested \$65.3 million in new and existing portfolio companies, offset by repayments and sales of \$93.4 million. Proceeds from sales totaled \$45.3 million while repayments included \$6.4 million of scheduled repayments and \$41.7 million of unscheduled repayments.

We actively monitor and manage our portfolio with regard to individual company performance as well as general market conditions. Investment decisions on new originations generally include an analysis of the impact of the new loan on our broader portfolio, including a "top-down" assessment of portfolio diversification and risk exposure. This assessment includes a review of portfolio concentration by issuer, industry, geography and type of credit as well as an evaluation of our portfolio's exposure to macroeconomic factors and cyclical trends.

We believe that consistent, active monitoring of individual companies and the broader market is integral to portfolio management and a critical component of our investment process. Our investment adviser uses several methods to evaluate and monitor the performance and fair value of our investments, which may include the following:

- frequent discussions with management and sponsors, including board observation rights where possible;
- comparing/analyzing financial performance to the portfolio company's business plan, as well as our internal projections developed at underwriting;
- tracking portfolio company compliance with covenants as well as other metrics identified at initial investment stage, such as acquisitions, divestitures, product development and specified management hires; and
- periodic review by the investment committee of each asset in the portfolio and more rigorous monitoring of "watch list" positions.

As part of the monitoring process, our investment adviser regularly assesses the risk profile of each of our investments and, on a quarterly basis, grades each investment on a risk scale of 1 to 5. This risk rating system is intended to identify and assess risks relative to when we initially made the investment and could be impacted by such factors as company-specific performance, changes in collateral, changes in potential exit opportunities or macroeconomic conditions.

All investments are initially assigned a rating of 2, as this grade represents a company that is meeting initial expectations with regard to performance and outlook. A rating may be improved to a 1 if, in the opinion of our investment adviser, a portfolio company's risk of loss has been reduced relative to initial expectations. An investment will be assigned a rating of 3 if the risk of loss has increased relative to initial expectations and will be assigned a rating of 4 if our investment principal is at a material risk of not being fully repaid. A rating of 5 indicates an investment is in payment default and has significant risk of not receiving full repayment.

The following table shows the distribution of our investments on the 1 to 5 investment performance rating scale at fair value:

Investment Performance Rating (\$ in millions)	As of June 30, 2024		As of December 31, 2023	
	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio
1	\$ 84.8	12.8 %	\$ 127.4	18.3 %
2	406.0	61.6	413.7	59.4
3	126.2	19.1	133.7	19.2
4	34.8	5.3	6.3	0.9
5	8.2	1.2	15.1	2.2
Total Portfolio	\$ 660.0	100.0 %	\$ 696.2	100.0 %

Distributions

In order to maintain our status as a RIC and to avoid the imposition of corporate-level tax on income, we must distribute to our stockholders each taxable year an amount generally at least equal to the sum of 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses out of the assets legally available for distribution. In order to avoid the imposition of certain excise taxes imposed on RICs, we must distribute in respect of each calendar year an amount at least equal to the sum of (1) 98% of our ordinary income (taking into account certain deferrals and elections) for the calendar year, (2) 98.2% of our capital gains in excess of capital losses, or capital gain net income, adjusted for certain ordinary losses, for the one-year period ending on October 31 of the calendar year and (3) any ordinary income and capital gain net income for preceding years that were not distributed during such years on which we incurred no U.S. federal income tax.

The timing and amount of our quarterly distributions, if any, are determined by our board of directors. While we intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution, we may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of our distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage requirements applicable to us as a business development company under the 1940 Act. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including the possible loss of our tax status as a RIC. We cannot assure stockholders that they will receive any distributions.

During the three and six months ended June 30, 2024, we declared to stockholders distributions of \$0.385 and \$0.770, respectively, per share for total distributions of \$8.9 million and \$17.9 million, respectively. During the three and six months ended June 30, 2023, we declared to stockholders distributions of \$0.37 and \$0.795, respectively, for total distributions of \$8.6 million and \$18.5 million, respectively.

To the extent our taxable earnings fall below the total amount of our distributions for a fiscal year, a portion of those distributions may be deemed a return of capital to our stockholders for U.S. federal income tax purposes. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our income or gains. During the six months ended June 30, 2024, we estimate that distributions to stockholders included \$17.9 million of ordinary income, for tax purposes, based on earnings for the fiscal year ended December 31, 2023 and current earnings for the six months ended June 30, 2024. The specific tax characteristics of the distribution are reported to stockholders subject to tax reporting on Form 1099-DIV after the end of each calendar year and in our periodic reports with the SEC. Stockholders should read any written disclosure accompanying a distribution payment carefully and should not assume that the source of any distribution is our ordinary income or gains.

In addition, in order to satisfy the annual distribution requirement applicable to RICs, we may declare a significant portion of our dividends in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash (which portion may be as low as 20% of such dividend under published guidance from the Internal Revenue Service) and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes. As a result, a stockholder generally would be subject to tax on 100% of the fair market value of the dividend on the date the dividend is received by the stockholder in the same manner as a cash dividend, even though most of the dividend was paid in shares of our common stock.

We have adopted an "opt out" dividend reinvestment plan, or the DRIP, for our common stockholders. As a result, if we declare a distribution, then stockholders' cash distributions will be automatically reinvested in additional shares of our common stock unless a stockholder specifically "opts out" of our DRIP. If a stockholder opts out, that stockholder receives cash distributions. Although distributions paid in the form of additional shares of our common stock will generally be subject to U.S. federal, state and local taxes in the same manner as cash distributions, stockholders participating in our DRIP will not receive any corresponding cash distributions with which to pay any such applicable taxes.

Related Party Transactions

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

- WhiteHorse Advisers manages our day-to-day operations and provides investment management services to us pursuant to the Investment Advisory Agreement.
- WhiteHorse Administration and certain of its affiliates provide us with the office facilities and administrative services, including access to the resources necessary for us to perform our obligations towards certain portfolio companies, pursuant to the Administration Agreement.
- We have entered into a license agreement with an affiliate of H.I.G. Capital pursuant to which we have been granted a non-exclusive, royalty-free license to use the "WhiteHorse" name.

We entered into the Investment Advisory Agreement with WhiteHorse Advisers in accordance with the 1940 Act on December 4, 2012, which was most recently amended on November 1, 2023 and was executed on February 22, 2024. Under the Investment Advisory Agreement, WhiteHorse Advisers manages our day-to-day investment operations and provides us with access to personnel and an investment committee and certain other resources so that we may fulfill our obligation to act as a portfolio manager of WhiteHorse Credit under the Credit Facility. Payments under the Investment Advisory Agreement in future periods will be equal to (1) a management fee equal to 1.75% of the value of our consolidated gross assets; provided, however, that the management fee on consolidated gross assets financed using leverage over 200% asset coverage (in other words, over 1.0x debt to equity) will be equal to 1.25% and (2) an incentive fee based on our performance. See "Investment Advisory Agreement" in Note 7 to the consolidated financial statements.

We also entered into the Administration Agreement with WhiteHorse Administration on December 4, 2012. Pursuant to the Administration Agreement, WhiteHorse Administration furnishes us with office facilities and administrative services necessary to conduct our day-to-day operations. WhiteHorse Administration also furnishes us with resources necessary for us to act as portfolio manager to WhiteHorse Credit under the Credit Facility. If requested to provide managerial assistance to our portfolio companies, WhiteHorse Administration will be paid an additional amount based on the services provided, which amount will not, in any case, exceed the amount we receive from the portfolio companies for such services. Payments under the Administration Agreement will be based upon our allocable portion of WhiteHorse Administration's overhead expenses in performing its obligations under the Administration Agreement, including rent and our allocable portion of the costs of our chief financial officer and chief compliance officer along with their respective staffs.

WhiteHorse Advisers, WhiteHorse Administration or their respective affiliates may have other clients with similar, different or competing investment objectives. In serving in these multiple capacities, WhiteHorse Advisers, WhiteHorse Administration or their respective affiliates may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of us or our stockholders. Such persons may face conflicts in the allocation of investment opportunities among us and other investment funds or accounts advised by or affiliated with WhiteHorse Advisers or WhiteHorse Administration. WhiteHorse Advisers or its affiliates will seek to allocate investment opportunities among eligible accounts in a manner that is fair and equitable over time and consistent with its allocation policy. However, we can offer no assurance that such opportunities will be allocated to us fairly or equitably in the short-term or over time.

We depend on the communications and information systems and policies of WhiteHorse Advisers and its affiliates as well as certain third-party service providers to monitor and prevent cybersecurity incidents. Our board of directors and management periodically review and assess the effectiveness of such communications and information systems and policies.

Critical Accounting Policies and Estimates

The preparation of our financial statements in accordance with accounting principles generally accepted in the United States requires management 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. We have identified the following as critical accounting policies and estimates.

Principles of Consolidation

Under the investment company financial accounting guidance, as formally codified in Accounting Standards Codification, or ASC, Topic 946, Financial Services - Investment Companies, we are precluded from consolidating any entity other than another investment company. As provided under ASC Topic 946, we generally consolidate any investment company when we own 100% of its partners' or members' capital or equity units. We own a 100% equity interest in each of WhiteHorse Credit, WhiteHorse Finance (CA), LLC ("WhiteHorse California"), WHF PMA Holdco Blocker, LLC, WHF American Craft Blocker, LLC, WhiteHorse RCKC Holdings, LLC and WhiteHorse Finance Holdings, LLC, which are investment companies for accounting purposes. As such, we have consolidated the accounts of WhiteHorse Credit, WhiteHorse California, WHF PMA Holdco Blocker, LLC, WHF American Craft Blocker, LLC, WhiteHorse RCKC Holdings LLC and WhiteHorse Finance Holdings, LLC into our financial statements. As a result of this consolidation, the amount outstanding under the Credit Facility is treated as our indebtedness.

Valuation of Portfolio Investments

We value our investments in accordance with ASC Topic 820 - *Fair Value Measurements and Disclosures*. ASC Topic 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about assets and liabilities measured at fair value. ASC Topic 820's definition of fair value focuses on exit price in the principal, or most advantageous, market and prioritizes the use of market-based inputs over entity-specific inputs within a measurement of fair value.

In addition, on December 3, 2020, the SEC announced that it adopted Rule 2a-5 under the 1940 Act, which updated the regulatory framework for determining fair value in good faith for purposes of the 1940 Act. The rule permits a fund board to designate the fund's investment adviser to perform fair value determinations, subject to board oversight and certain other conditions. Effective September 8, 2022, the Board designated the Investment Adviser as the Company's valuation designee to perform the fair value determinations relating to all of our investments, subject to the oversight of the Board.

Our portfolio consists primarily of debt investments. These investments are valued at their bid quotations obtained from unaffiliated market makers or other financial institutions that trade in similar investments or based on prices provided by independent third party pricing services. For investments where there are no available bid quotations, fair value is derived using proprietary models that consider the analyses of independent valuation agents as well as credit risk, liquidity, market credit spreads and other applicable factors for similar transactions.

Due to the nature of our strategy, our portfolio includes relatively illiquid investments that are privately held. Valuations of privately held investments are inherently uncertain, may fluctuate over short periods of time and may be based on estimates. The determination of fair value may differ materially from the values that would have been used if a ready market for these investments existed. Our net asset value could be materially affected if the determinations regarding the fair value of our investments were materially higher or lower than the values that we ultimately realize upon the disposal of such investments.

The Investment Adviser, as the valuation designee, is responsible for determining the fair value of the portfolio investments that are not publicly traded, whose market prices are not readily available on a quarterly basis in good faith or any other situation where portfolio investments require a fair value determination. The Investment Adviser has retained one or more independent valuation firms to review the valuation of each portfolio investment that does not have a readily available market quotation at least once during each 12-month period. Independent valuation firms retained by the Investment Adviser provide a valuation review on approximately 25% of our investments for which market quotations are not readily available each quarter to ensure that the fair value of each investment for which a market quote is not readily available is reviewed by an independent valuation firm at least once during each 12-month period. However, the Investment Adviser does not intend to have de minimis investments of less than 1.5% of our total assets (up to an aggregate of 10% of our total assets) independently reviewed.

The valuation process is conducted at the end of each fiscal quarter, with a portion of our valuations of portfolio companies without market quotations subject to review by one or more independent valuation firms each quarter. When an external event occurs with respect to one of our portfolio companies, such as when a purchase transaction, public offering or subsequent equity sale occurs, we expect to use the pricing indicated by such external event to corroborate our valuation.

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

- Our quarterly valuation process begins with each portfolio company or investment being initially valued by investment professionals of our Investment Adviser responsible for credit monitoring in accordance with our valuation procedures.
- Preliminary valuation conclusions are then documented and discussed with our investment committee and our Investment Adviser.
- The valuation committee, comprised of a number of representatives from different functions of the Investment Adviser, reviews these preliminary valuations, and on a quarterly basis, reviews the bases of the valuations by our Investment Adviser and the independent valuation firms.
- At least once annually, the valuation for each portfolio investment is reviewed by an independent valuation firm.
- Our Board, through the Audit Committee, performs oversight of the fair valuation process in accordance with Rule 2a-5.

Fair value of publicly traded instruments is generally based on quoted market prices. Fair value of non-publicly traded instruments, and of publicly traded instruments for which quoted market prices are not readily available, may be determined based on other relevant factors, including without limitation, quotations from unaffiliated market makers or independent third party pricing services, the price activity of equivalent instruments and valuation pricing models. For those investments valued using quotations, the bid price is generally used unless we determine that it is not representative of an exit price.

Fair value is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters, or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation models involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market and the instruments' complexity. Our fair value analysis includes an analysis of the value of any unfunded loan commitments. Financial investments recorded at fair value in the consolidated financial statements are categorized for disclosure purposes based upon the level of judgment associated with the inputs used to measure their value. The valuation hierarchical levels are based upon the transparency of the inputs to the valuation of the investment as of the measurement date. The three levels are defined as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active public markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about what market participants would use in pricing an asset or liability.

Investments for which fair value is determined using inputs defined above as Level 3 are fair valued using the income and market approaches, which may include the discounted cash flow method, reference to performance statistics of industry comparables, relative comparable yield analysis and, in certain cases, third party valuations performed by independent valuation firms. The valuation methods can reference various factors and use various inputs such as assumed growth rates, capitalization rates and discount rates, loan-to-value ratios, liquidation value, relative capital structure priority, market comparables, compliance with applicable loan, covenant and interest coverage performance, book value, market derived multiples, reserve valuation, assessment of credit ratings of an underlying borrower, review of ongoing performance, review of financial projections as compared to actual performance, review of interest rate and yield risk. Such factors may be given different weighting depending on our assessment of the underlying investment, and we may analyze apparently comparable investments in different ways.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the financial instrument.

Fair value for each investment is derived using a combination of valuation methodologies that, in the judgment of the investment committee of the investment adviser are most relevant to such investment, including being based on one or more of the following: (i) market prices obtained from market makers for which the investment committee has deemed there to be enough breadth (number of quotes) and depth (firm bids) to be indicative of fair value, (ii) the price paid or realized in a completed transaction or binding offer received in an arm's-length transaction, (iii) a discounted cash flow analysis, (iv) the guideline public company method, (v) the similar transaction method or (vi) the option pricing method.

Investment Transactions and Related Investment Income and Expense

We record our investment transactions on a trade date basis, which is the date when we have determined that all material terms have been defined for the transactions. These transactions could possibly settle on a subsequent date

depending on the transaction type. All related revenue and expenses attributable to these transactions are reflected on our consolidated statements of operations commencing on the trade date unless otherwise specified by the transaction documents. Realized gains and losses on investment transactions are recorded on the specific identification method.

We accrue interest income if we expect that ultimately we will be able to collect it. Generally, when an interest payment default occurs on a loan in our portfolio, or if our management otherwise believes that the issuer of the loan will not be able to service the loan and other obligations, we place the loan on non-accrual status and will cease recognizing interest income on that loan until all principal and interest is current through payment or until a restructuring occurs, such that the interest income is deemed to be collectible. However, we remain contractually entitled to this interest. We may make exceptions to this policy if the loan has sufficient collateral value and is in the process of collection. Accrued interest is written off when it becomes probable that such interest will not be collected and the amount of uncollectible interest can be reasonably estimated. Any original issue discount, as well as any other market purchase discount or premium on debt investments, are accreted or amortized to interest income or expense, respectively, over the maturity periods of the investments. Dividend income is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies.

Interest expense is recorded on an accrual basis. Certain expenses related to legal and tax consultation, due diligence, rating fees, valuation expenses and independent collateral appraisals may arise when we make certain investments. These expenses are recognized in the consolidated statements of operations as they are incurred.

Loan Origination, Facility, Commitment and Amendment Fees

We may receive fees in addition to interest income from the loans during the life of the investment. We may receive origination fees upon the origination of an investment. We defer these origination fees and deduct them from the cost basis of the investment and subsequently accrete them into income over the term of the loan. We may receive facility, commitment and amendment fees, which are paid to us on an ongoing basis. We accrue facility fees, sometimes referred to as asset management fees, as a percentage periodic fee on the base amount (either the funded facility amount or the committed principal amount). Commitment fees are based upon the undrawn portion committed by us and we record them on an accrual basis. Amendment fees are paid in connection with loan amendments and waivers and we account for them upon completion of the amendments or waivers, generally when such fees are receivable. We include any such fees in fee income on the consolidated statements of operations.

Recent Accounting Pronouncements

See Note 2 to our consolidated financial statements, which discusses recent accounting pronouncements applicable to us, if any.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. During the period covered by our financial statements, many of the loans in our portfolio had floating interest rates, and we expect that many of our loans to portfolio companies in the future will also have floating interest rates. These floating rate loans are usually based on a base rate, such as SOFR, that resets on a periodic basis. Interest rate fluctuations may have a substantial negative impact on our investments, the value of our common stock and our rate of return on invested capital. Since we plan to use debt to finance investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds and the rate at which we invest those funds. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income.

Assuming that the consolidated statement of assets and liabilities as of June 30, 2024 was to remain constant and that we took no actions to alter our existing interest rate sensitivity, the following table shows the annualized impact of hypothetical base rate changes in interest rates (dollars in thousands).

Basis Point Increase (Decrease)	Increase (Decrease) in Interest Income	Increase (Decrease) in Interest Expense	Net Increase (Decrease) ⁽¹⁾
(300)	\$ (17,863)	\$ (5,043)	\$ (12,820)
(200)	(11,964)	(3,362)	(8,602)
(100)	(5,982)	(1,681)	(4,301)
100	5,982	1,681	4,301
200	11,964	3,362	8,602
300	17,946	5,043	12,903

(1) Excludes the impact of incentive fees. See "Item 8. Consolidated Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 7 - Related Party Transactions" for further information.

As of June 30, 2024, nearly all of the performing floating rate investments in our portfolio had interest rate floors. Variable-rate investments subject to a floor generally reset periodically to the applicable floor and, in the case of investments in our portfolio, quarterly to a floor based on base rates, only if the floor exceeds the index. Under these loans, we do not benefit from increases in interest rates until such rates exceed the floor and thereafter benefit from market rates above any such floor.

For a discussion of the risks associated with the discontinuation of LIBOR, see "Item 1A. Risk Factors — Risks Relating to Our Business and Structure — Since we are using debt to finance our investments, and we may use additional debt or preferred stock financing going forward, changes in interest rates may affect our cost of capital, net investment income, value of our common stock and our rate of return on invested capital" in our most recent Annual Report on Form 10-K.

Although management believes that this analysis is indicative of our existing sensitivity to interest rate changes, it does not adjust for changes in the credit markets, the size, credit quality or composition of the assets in our portfolio and other business developments, including borrowing, that could affect net increase in net assets resulting from operations or net income. It also does not adjust for the effect of the time-lag between a change in the relevant interest rate index and the rate adjustment under the applicable loan. Accordingly, we can offer no assurances that actual results would not differ materially from the statement above.

We may in the future hedge against interest rate fluctuations by using standard hedging instruments such as futures, options and forward contracts to the extent permitted under the 1940 Act and applicable commodities laws. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of lower interest rates with respect to the investments in our portfolio with fixed interest rates.

We may enter into foreign currency forward contracts from time to time to facilitate settlement of purchases and sales of investments denominated in foreign currencies and to hedge economically the impact that an adverse change in foreign exchange rates would have on the value of our investments denominated in foreign currencies. We currently utilize forward foreign currency exchange contracts to protect ourselves against fluctuations in exchange rates. See Note 3 to our consolidated financial statements. The following table provides a breakdown of our forward currency contracts for the three and six months ended June 30, 2024 and 2023:

(\$ in thousands)	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Realized gain (loss) on forward currency contracts	\$ 28	\$ 4	\$ —	\$ (3)
Unrealized appreciation (depreciation) on forward currency contracts	(16)	(12)	36	(6)
Total net realized and unrealized gains (losses) on forward currency contracts	\$ 12	\$ (8)	\$ 36	\$ (9)

Item 4. Controls and Procedures

As of the period covered by this report, we, including our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on our evaluation, our management, including our chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective in timely alerting management, including our chief executive officer and chief financial officer, of material information about us required to be included in our periodic SEC filings. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, are based upon certain assumptions about the likelihood of future events and can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. There has not been any change in our internal controls over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Part II. Other Information**Item 1. Legal Proceedings**

Although we may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise, each of WhiteHorse Finance, WhiteHorse Advisers and WhiteHorse Administration is currently not a party to any material legal proceeding.

Item 1A. Risk Factors

You should carefully consider the "Risk Factors" discussed in our most recent Annual Report on Form 10-K which could materially affect our business, financial condition and/or operating results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially affect our business, financial condition and/or operating results.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the three months ended June 30, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits**EXHIBIT INDEX**

Number	Description
31.1*	Certification by Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2*	Certification by Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1*	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2*	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

SIGNATURES

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

WhiteHorse Finance, Inc.

Dated: August 8, 2024

By /s/ Stuart Aronson
Stuart Aronson
Chief Executive Officer
(Principal Executive Officer)

Dated: August 8, 2024

By /s/ Joyson C. Thomas
Joyson C. Thomas
Chief Financial Officer
(Principal Accounting and Financial Officer)

CERTIFICATION PURSUANT TO SECTION 302
CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Stuart Aronson, Chief Executive Officer of WhiteHorse Finance, Inc., certify that:

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

Date: August 8, 2024

By: /s/ Stuart Aronson
Stuart Aronson
Chief Executive Officer

CERTIFICATION PURSUANT TO SECTION 302
CHIEF FINANCIAL OFFICER CERTIFICATION

I, Joyson C. Thomas, Chief Financial Officer of WhiteHorse Finance, Inc., certify that:

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

Date: August 8, 2024

By: /s/ Joyson C. Thomas
Joyson C. Thomas
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

In connection with this Report on Form 10-Q for the three months ended June 30, 2024, (the "Report") of WhiteHorse Finance, Inc. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Stuart Aronson, Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Stuart Aronson

Stuart Aronson
Chief Executive Officer
August 8, 2024

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

In connection with this Report on Form 10-Q for the three months ended June 30, 2024 (the "Report") of WhiteHorse Finance, Inc. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Joyson C. Thomas, Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Joyson C. Thomas

Joyson C. Thomas
Chief Financial Officer
August 8, 2024
