

Item 1. Cover Page

THL Credit, Inc.

**100 Federal Street, 31st floor
Boston, MA 02110**

800-450-4424

www.thlcredit.com

Part 2A of Form ADV: Firm Brochure
February 10, 2012

This brochure provides information about the qualifications and business practices of THL Credit, Inc. If you have any questions about the contents of this brochure, please contact us at 800-450-4424. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about THL Credit, Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov, as well as in its public filings made from time to time with the SEC. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

Item 2 is not applicable to THL Credit, Inc.

Item 3. Table of Contents

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means THL Credit, Inc., together (where the context permits) with its affiliate, THL Credit Advisors LLC.

The Adviser provides investment supervisory services to investment vehicles (collectively, the “Clients”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

As of February 9, 2012, THL Credit, Inc. had two Clients: THL Credit Greenway Fund LLC, a Delaware limited liability company (“Greenway”) and THL Credit SBIC, LP (the “SBIC”).

The Clients make primarily long-term junior capital investments. In accordance with the Clients’ respective investment objectives, investments may be made in companies doing business in a wide range of industries and sectors.

The Adviser provides investment supervisory services to each Client in accordance with a separate management agreement with such Client, or the limited liability company agreement or limited partnership agreement (or analogous organizational document) of such Client (collectively, the “Governing Documents”). The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Clients, managing and monitoring the performance of such investments and disposing of such investments.

Investment advice is provided directly to the Clients and not individually to the investors in the Clients. Services are provided to each Client in accordance with its Governing Documents. Investment restrictions for a Client, if any, are generally established in its Governing Documents.

THL Credit, Inc. is a publicly-held company. An affiliated unmanaged fund, THL Credit Partners BDC Holdings, LP (“BDC Holdings”), owns approximately 44% of THL Credit, Inc. as of February 10, 2012. Apart from BDC Holdings, there are no holders of 25% or more of THL Credit, Inc.’s capital stock. The Adviser, including its predecessors, has been in business since 2007. Measured as of February 10, 2012, THL Credit, Inc. manages a total of approximately \$135,500,000 of Client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

Greenway

As compensation for investment supervisory services rendered by THL Credit, Inc. to Greenway, Greenway pays THL Credit, Inc. a management fee, an incentive fee (if earned) and a portion of closing fees paid to Greenway in connection with investments (collectively, the “Greenway Fees”). The Greenway Fees were negotiated with the investors in Greenway and are set forth in the Governing Documents for Greenway.

The Greenway Fees are paid to THL Credit, Inc. by Greenway through a wire transfer from Greenway's bank account. The management fee is paid quarterly, the incentive fee (if earned) is paid at the time of any distribution by Greenway to its investors but not less than quarterly, and the closing fees are paid at the time of or promptly following the closing of the related investments. Each periodic distribution notice sent to THL Credit, Inc. (as investment adviser) and the Greenway investors sets forth any Greenway Fees that have been wired to THL Credit, Inc. The Greenway Fees are paid in arrears.

In addition, Greenway reimburses the Adviser for any organizational expenses and fees that the Adviser may incur on Greenway's behalf, such as the fees and expenses of outside counsel in forming Greenway and the annual corporate fees such as resident agent representation in Delaware.

Upon dissolution of Greenway, under the terms of the Greenway Governing Documents THL Credit, Inc. will recalculate the incentive fee earned during the entire term of Greenway. To the extent THL Credit, Inc. received the payment of any incentive fee in excess of this recalculated amount, the investors in Greenway may claw back such excess from THL Credit, Inc.

The SBIC

The SBIC and its general partner, THL Credit SBIC GP, LLC (the "SBIC GP"), were organized in Delaware on August 25, 2011 as a limited partnership and limited liability company, respectively. Both the SBIC and SBIC GP are consolidated wholly-owned subsidiaries of THL Credit, Inc. The SBIC is capitalized with investments in eligible small businesses that were pre-approved by the SBA.

As of February 10, 2012, the SBIC was not licensed as a small business investment company with the Small Business Association. Therefore, as of February 10, 2012 the SBIC was not paying any fees or other compensation to THL Credit, Inc. as its investment adviser. However, when and if the SBIC is licensed as a small business investment company with the Small Business Association, it is anticipated that the SBIC will pay to THL Credit, Inc. a management fee and an incentive fee or "carried interest."

The incentive fee paid to THL Credit, Inc. will have two components, ordinary income and capital gains, calculated as follows:

The ordinary income component will be calculated and payable quarterly in arrears based on the SBIC's preincentive fee net investment income for the immediately preceding calendar quarter, subject to a total return requirement and deferral of non-cash amounts, and will be 20.0% of the amount, if any, by which the SBIC's preincentive fee net investment income, expressed as a rate of return on the value of the SBIC's net assets, for the immediately preceding calendar quarter exceeds a 2.0% (which is 8.0% annualized) hurdle rate and a "catch-up" provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, the SBIC's investment advisor receives no incentive fee until the SBIC's preincentive fee net investment income equals the hurdle rate of 2.0%, but then receives, as a "catch-up," 100% of the SBIC's preincentive fee net investment income with respect to that portion of such preincentive fee net

investment income, if any, that exceeds the hurdle rate but is less than 2.5%. The effect of the “catch-up” provision is that, subject to the total return and deferral provisions discussed below, if preincentive fee net investment income exceeds 2.5% in any calendar quarter, the SBIC’s investment advisor/manager will receive 20.0% of the SBIC’s preincentive fee net investment income as if a hurdle rate did not apply. For this purpose, preincentive fee net investment income means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence, managerial assistance and consulting fees or other fees that the SBIC receives from portfolio companies) accrued during the calendar quarter, minus the SBIC’s operating expenses for the quarter (including the base management fee, expenses payable under the administration agreement (as defined below), and any interest expense and any dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee and any offering expenses and other expenses not charged to operations but excluding certain reversals to the extent such reversals have the effect of reducing previously accrued incentive fees based on the deferral of non-cash interest). Preincentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest and zero coupon securities), accrued income that the SBIC has not yet received in cash. The foregoing incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of the SBIC’s preincentive fee net investment income will be payable except to the extent 20.0% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding quarters exceeds the cumulative incentive fees accrued and/or paid for the 11 preceding quarters. In other words, any ordinary income incentive fee that is payable in a calendar quarter will be limited to the lesser of:

(i) 20% of the amount by which the SBIC’s preincentive fee net investment income for such calendar quarter exceeds the 2.0% hurdle, subject to the “catch-up” provision, and

(ii) (x) 20% of the cumulative net increase in net assets resulting from operations for the then current and 11 preceding calendar quarters minus (y) the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters.

For the foregoing purpose, the “cumulative net increase in net assets resulting from operations” is the amount, if positive, of the sum of preincentive fee net investment income, base management fees, realized gains and losses and unrealized appreciation and depreciation of the SBIC for the then current and 11 preceding calendar quarters. In addition, the portion of such incentive fee that is attributable to deferred interest (such as PIK interest or OID) will be paid to THL Credit Advisors, together with interest thereon from the date of deferral to the date of payment, only if and to the extent the SBIC actually receives such interest in cash, and any accrual thereof 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 accounts 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 and there is no delay of payment if prior quarters are below the quarterly hurdle.

Preincentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that the SBIC may pay an incentive fee in a quarter where the SBIC incurs a loss, subject to the total return requirement and deferral of non-cash amounts. For example, if the SBIC receives preincentive fee net investment income in excess of the quarterly minimum hurdle rate, the SBIC will pay the applicable incentive fee even if the SBIC has incurred a loss in that quarter due to realized and unrealized capital losses. The SBIC's net investment income used to calculate this component of the incentive fee is also included in the amount of the SBIC's gross assets used to calculate the 1.5% base management fee. These calculations will be appropriately pro rated for any period of less than three months and adjusted for any share issuances or repurchases during the current quarter.

The capital gains component of the incentive fee will be 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), commencing on December 31 of the year in which the SBIC commences operations, and will equal 20.0% of the SBIC's cumulative aggregate realized capital gains from inception through the end of that calendar year, computed net of the SBIC's aggregate cumulative realized capital losses and the SBIC's aggregate cumulative unrealized capital depreciation through the end of such year, less the aggregate amount of any previously paid capital gains incentive fees, provided that the incentive fee determined as of December 31 of the year in which the SBIC commences operations will be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses and unrealized capital depreciation for the period ending December 31 of the year in which the SBIC commences operations. If such amount is negative, then no capital gains incentive fee will be payable for such 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.

Item 6. Performance-Based Fees and Side-By-Side Management

As noted above in Item 5, a portion of the profits of Greenway is distributed to THL Credit, Inc. as an incentive fee or "carried interest." This fee is aggregated with other income to THL Credit, Inc. and factored into the calculation of fees paid by THL Credit, Inc. to its investment adviser, THL Credit Advisors LLC.

With respect to the SBIC, as noted above in Item 5, as of February 10, 2012 the SBIC did not yet pay any fees to THL Credit, Inc. However, when and if the SBIC is licensed as a small business investment company with the Small Business Association, it is anticipated that a portion of the profits of the SBIC would be distributed to THL Credit, Inc. as an incentive fee or "carried interest" as described above in Item 5, and factored on a consolidated basis into the calculation of fees paid by THL Credit, Inc. to its investment adviser, THL Credit Advisors LLC. Until such time, given that the SBIC is a consolidated wholly-owned subsidiary of THL Credit, Inc., THL Credit, Inc. incorporates the profits of the SBIC into its own profits for purposes of calculating the fees paid by THL Credit, Inc. to its investment adviser, THL Credit Advisors LLC.

To the extent supervised persons of THL Credit, Inc. face any conflicts of interest by THL Credit, Inc.'s managing Greenway and the SBIC in creating an incentive for THL Credit, Inc. to disproportionately allocate time, services or functions to Clients paying carried interest or allocate investment opportunities to such Clients, these conflicts are mitigated by (i) contractual provisions requiring Greenway to purchase and sell investments contemporaneously with THL Credit, Inc. or the SBIC, as applicable, and/or (ii) contractual provisions and procedures setting forth investment allocation requirements.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to the Clients. Investment advice is provided directly to the Clients and not individually to investors in any Client. As of February 10, 2012, the Adviser had two Clients: Greenway and the SBIC.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The Adviser uses fundamental credit analysis to identify attractive investment opportunities and seeks attractive risk-adjusted returns, primarily through investments in privately-negotiated debt and equity securities of middle-market companies.

Investment selection

The Adviser has identified several criteria it believes are important in evaluating investment opportunities. These criteria provide general guidelines for investment decisions. However, each investment the Adviser makes on behalf of the Clients may not meet all of these criteria.

Value orientation/positive cash flow. The Adviser's investment philosophy places a premium on fundamental credit analysis and has a distinct value orientation. The Adviser focuses on companies in which it can invest at relatively low multiples of operating cash flow and that are profitable at the time of investment on an operating cash flow basis. Although the Adviser will obtain liens on collateral on behalf of its Clients when appropriate, it is primarily focused on the predictability of future cash flow.

Seasoned management with significant equity ownership. Strong, committed management teams are important to the success of an investment and the Adviser intends to invest in companies where strong management teams are either already in place or where new management teams have been identified. Additionally, the Adviser generally requires the portfolio companies to have in place compensation provisions that appropriately incentivize management to succeed and to act in the Clients' interests as investors.

Strong competitive position. The Adviser seeks to invest on behalf of the Clients in companies that have developed competitive advantages and defensible market positions within their respective markets and are well positioned to capitalize on growth opportunities.

Exit strategy. The Adviser seeks companies that it believes will generate consistent cash flow to repay the Clients' loans and reinvest in their respective businesses. The Adviser expects such

internally-generated cash flow in portfolio companies to be a key means by which the Clients exit from such investments over time. In addition, the Adviser will also seek to invest on behalf of the Clients in companies whose business models and expected future cash flows offer attractive exit possibilities for the equity component of their returns. These companies include candidates for strategic acquisition by other industry participants and companies that may repay the Client's investments through an initial public offering of common stock or another capital market transaction.

Due diligence and investment process

The Adviser employs a rigorous and disciplined underwriting and due diligence process. Its process includes a comprehensive understanding of a borrower's industry, market, operational, financial, organizational and legal position and prospects. It seeks borrowers who have proven management teams that have a vested interest in the company in the form of a meaningful level of equity ownership, who generate cash flow that is stable and predictable, and whose market position is defensible. The Adviser will invest in companies with the expectation that the Clients will own the investment through a complete business cycle, and possibly a recession, and the Adviser determines the appropriate amount of debt for the company accordingly. In addition, the Adviser views a sale of the company that might result in a refinancing the Clients' investments as a possibility but not an expectation. The Adviser conducts thorough reference and background checks on senior management for all investment transactions.

The Adviser's due diligence typically includes the following elements (although not all elements will necessarily form part of every due diligence project):

Issuer Characteristics: key levers of the business including a focus on drivers of cash flow and growth; revenue visibility; customer and supplier concentrations; historical revenue and margin trends; fixed versus variable costs; free cash flow analysis; company versus industry performance; and sensitivity analysis around various future performance scenarios (with a focus on downside scenario analysis);

Industry Analysis: including the company's position within the context of the general economic environment and relevant industry cycles; industry size and growth rates; competitive landscape; barriers to entry and potential new entrants; product position and defensibility of market share; technological, regulatory and similar threats; and pricing power and cost considerations;

Management: including the quality, breadth and depth of the issuer's management; track record and prior experience; background checks; reputation; compensation and equity incentives; corporate overhead; and motivation; interviews with management, employees, customers and vendors;

Financial Analysis: an understanding of relevant financial ratios and statistics, including various leverage, liquidity, free cash flow and fixed charge coverage ratios; impact on ratios in various future performance scenarios and comparison of ratios to industry competitors; satisfaction with the auditor of the financial statements; quality of earnings analysis;

Capital Structure: diverse considerations regarding leverage (including understanding seniority and leverage multiples); ability to service debt; collateral and security protections; covenants and guarantees; equity investment amounts and participants (where applicable); and review of other significant structural terms and pertinent legal documentation; and

Collateral and Enterprise Value: analysis of relevant collateral coverage, including assets on a liquidation basis and enterprise value on a going concern basis; assignment of recovery percentages by type of hard asset; matrix analysis of cash flow and valuation multiples under different scenarios along with recovery estimates; comparison to recent transaction multiples and valuations.

Risks

Investing in securities involves a substantial degree of risk. A Client may lose all or a substantial portion of its investments, and investors in the Clients must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Clients, include the risks described in THL Credit, Inc.'s Pre-Effective Amendment No. 4 to the Registration Statement under the Securities Act of 1933, as amended, on Form N-2, filed with the Securities and Exchange Commission on October 18, 2011, in the section entitled "Risks" beginning on page 14.

Item 9. Disciplinary Information

James K. Hunt is the Chief Executive Officer, the Chief Investment Officer and a Director of the Adviser. He is also a director of Lender Processing Services, Inc. ("LPS"). As a director of LPS, he was personally named in a shareholder derivative lawsuit entitled International Brotherhood of Electrical Workers Local 164 Pension Fund, derivatively on behalf of Lender Processing Services, Inc. v. Lee A. Kennedy, et al. The complaint was filed on December 22, 2010 in the Court of Chancery in the State of Delaware. It seeks recovery on behalf of LPS of damages from certain directors, including Mr. Hunt, for purported violations of fiduciary duties and breaches of good faith in connection with LPS' default operations. LPS filed a motion to dismiss the complaint on August 1, 2011 and the plaintiff filed a response to LPS' motion on September 9, 2011. On January 21, 2011, a second derivative lawsuit entitled Michael Wheatley, derivatively on behalf of Lender Processing Services, Inc. v. Jeffrey S. Carbiener, et al., was filed in the Circuit Court of the 4th Judicial Circuit, in and for Duval County, Florida. The second complaint also seeks damages from LPS' directors, including Mr. Hunt, and certain current and former executives and contains nearly identical allegations. The parties have agreed to a voluntary stay in this matter.

Item 10. Other Financial Industry Activities and Affiliations

THL Credit, Inc. is an externally-managed, non-diversified closed-end management investment company incorporated in Delaware on May 26, 2009, that has elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940, as

amended. Its investment activities are managed by THL Credit Advisors LLC and supervised by its board of directors, a majority of whom are independent of THL Credit Advisors LLC and its affiliates. Apart from the foregoing, THL Credit, Inc. currently has no relationships or arrangements with related persons which are material to the advisory business or clients of THL Credit, Inc.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The Adviser has adopted a written Code of Ethics and a Code of Business Conduct (collectively, the “Codes”) that are applicable to all of its directors, officers and employees (collectively, “Adviser Personnel”). In addition, each of THL Credit, Inc. and THL Credit Advisors LLC has a Compliance Manual (collectively, the “Compliance Manuals”) that are applicable to all employees of THL Credit, Inc. and THL Credit Advisors LLC in performing advisory services for the Clients. The Codes and Compliance Manuals, which are designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Client, subject to the terms of the Codes and Compliance Manuals. Under the Codes and Compliance Manuals, as applicable, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Codes and Compliance Manuals help the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Codes or Compliance Manuals may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Codes of which they become aware. Senior Management and all directors of THL Credit, Inc. are required to annually certify compliance with the Codes.

Copies of the Codes are available, free of charge, on the Adviser’s website at www.thlcredit.com, and available to any client or prospective client upon written request to the Chief Compliance Officer at SSullivan@thlcredit.com.

Conflicts of Interest

Greenway is a portfolio company of THL Credit, Inc. Greenway is an investment fund with \$150 million of capital committed by affiliates of a single institutional investor. Certain of THL Credit, Inc.’s officers serve or may serve in an investment management capacity to Greenway. As a result, investment professionals may allocate such time and attention as is deemed appropriate and necessary to carry out Greenway’s operations. In this respect, they may experience diversions of their attention from THL Credit, Inc. and potential conflicts of interest

between their work for THL Credit, Inc. and their work for Greenway in the event that the interests of Greenway run counter to THL Credit, Inc.'s interests.

Greenway invests in securities similar to those of THL Credit, Inc. pursuant to investment and allocation guidelines in Greenway's Governing Documents which address, among other things, the size of the borrowers, the types of transactions and the concentration and investment ratio amongst Greenway and THL Credit, Inc.. However, THL Credit, Inc. has the discretion to invest in other securities. Greenway's investments may be made at the direction of the same individuals acting in their capacity on behalf of THL Credit, Inc. and Greenway. As a result, there may be conflicts in the allocation of investment opportunities between THL Credit, Inc. and Greenway.

The SBIC is a consolidated wholly-owned subsidiary of THL Credit, Inc. Certain of THL Credit, Inc.'s officers serve or may serve in an investment management capacity to the SBIC. As a result, investment professionals may allocate such time and attention as is deemed appropriate and necessary to carry out the SBIC's operations. Given the consolidated nature of the SBIC's and THL Credit's operations, it is unlikely that the investment professionals will experience diversions of their attention from THL Credit, Inc. and potential conflicts of interest between their work for THL Credit, Inc. and their work for the SBIC in the event that the interests of the SBIC run counter to THL Credit, Inc.'s interests, but it is possible that such conflicts may arise.

The SBIC invests in securities similar to those of THL Credit, Inc. However, THL Credit, Inc. has the discretion to invest in other securities in companies that are not eligible investments for small business investment companies. The SBIC's investments may be made at the direction of the same individuals acting in their capacity on behalf of THL Credit, Inc. and the SBIC. As a result, there may be conflicts in the allocation of investment opportunities between THL Credit, Inc. and the SBIC.

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, the Adviser may consider various factors, including the interests of the applicable Clients with respect to the immediate issue and/or with respect to their longer term courses of dealing. In recognition of its fiduciary duties, it is the policy of the Adviser to treat Clients fairly and equitably in the allocation of investment opportunities and transactions more generally. The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith.

Management of the Clients

The Adviser manages Clients that have investment objectives similar to each other. The Adviser may in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Clients. Allocation of available investment opportunities between the Clients and any such investment fund could give rise to conflicts of interest. In addition, it is expected that employees of the Adviser responsible for managing a particular Client will have responsibilities with respect to other Clients managed by

the Adviser, including funds that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

Follow-On Investments

Follow-on investments in portfolio companies, including investments to finance follow-on acquisitions, may present conflicts of interest, including determination of the terms of the new financing as well as the allocation of the investment opportunities. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the Adviser

The Adviser generally may, in its discretion, contract with any related person of the Adviser (including but not limited to THL Credit, Inc.'s contracting with THL Credit Advisors LLC) to perform services for the Adviser in connection with its provision of services to the Clients. When engaging a related person to provide such services, the Adviser may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally may, in its discretion, recommend to a Client or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) a related person of the Adviser (including but not limited to a portfolio company of a Client) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser may, because of its financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Fee Structure

As discussed above in Item 6, the Adviser is entitled to carried interest under the terms of the Governing Documents of the Clients. The existence of carried interest may create an incentive for the Adviser to cause such Clients to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Other Potential Conflicts

The Adviser and the Clients will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. In the event of a significant dispute or divergence of interest between Clients, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required.

Please see the discussion above in this Item 11 for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Clients or other persons.

Item 12. Brokerage Practices

Item 12 does not apply to the Adviser.

Item 13. Review of Accounts

Oversight and Monitoring

The investment portfolios of the Clients are generally private, illiquid and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Clients and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis. The team includes the members of the Investment Committee and other investment professionals of the Adviser.

Reporting

Investors in the Clients will receive, among other things, a copy of audited financial statements of the relevant Client within 100 days after the fiscal year end of such Client, as well as quarterly financial reports within 45 days after each fiscal quarter end. Clients that are consolidated with THL Credit, Inc. (as the SBIC is) will receive such financial statements on a consolidated basis. The Adviser may from time to time, in its sole discretion, provide additional information relating to such Client and to one or more investors in such Client as it deems appropriate.

Item 14. Client Referrals and Other Compensation

Item 14 is not applicable to the Adviser.

Item 15. Custody

The Adviser has custody of Client funds and securities, and is responsible for sending account statements to its Clients. In the future, the Adviser may hire a third-party custodian to retain custody of Client funds and securities.

Item 16. Investment Discretion

Investment advice is provided directly to the Clients and not individually to the investors in the Clients. Services are provided to each Client in accordance with its Governing Documents. Investment restrictions for a Client, if any, are generally established in its Governing Documents.

Item 17. Voting Client Securities

Clients generally cannot direct the Adviser's vote.

THL Credit, Inc. has delegated its proxy voting responsibility to THL Credit Advisors LLC. The Proxy Voting Policies and Procedures of THL Credit Advisors LLC are set forth below. The guidelines are reviewed periodically by THL Credit Advisors LLC and THL Credit, Inc.'s independent directors, and, accordingly, are subject to change.

THL Credit Advisors LLC is registered as an investment adviser under the Advisers Act. As an investment adviser registered under the Advisers Act, THL Credit Advisors LLC has fiduciary duties to THL Credit, Inc. As part of this duty, THL Credit Advisors LLC recognizes that it must vote client securities in a timely manner free of conflicts of interest and in THL Credit, Inc.'s best interests and the best interests of its Clients and stockholders. THL Credit Advisors LLC's Proxy Voting Policies and Procedures have been formulated to ensure decision-making consistent with these fiduciary duties.

These policies and procedures for voting proxies for the Adviser's Clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

THL Credit Advisors LLC evaluates routine proxy matters, such as proxy proposals, amendments or resolutions on a case-by-case basis. Routine matters are typically proposed by management and THL Credit Advisors LLC will normally support such matters so long as they do not measurably change the structure, management control, or operation of the corporation and are consistent with industry standards as well as the corporate laws of the state of incorporation.

THL Credit Advisors LLC also evaluates non-routine matters on a case-by-case basis. Non-routine proposals concerning social issues are typically proposed by stockholders who believe that the corporation's internally adopted policies are ill-advised or misguided. If THL Credit Advisors LLC has determined that management is generally socially responsible, THL Credit Advisors LLC will generally vote against these types of non-routine proposals. Non-routine proposals concerning financial or corporate issues are usually offered by management and seek to change a corporation's legal, business or financial structure. THL Credit Advisors LLC will generally vote in favor of such proposals provided the position of current stockholders is preserved or enhanced. Non-routine proposals concerning stockholder rights are made regularly by both management and stockholders. They can be generalized as involving issues that transfer or realign board or stockholder voting power. THL Credit Advisors LLC typically would oppose any proposal aimed solely at thwarting potential takeovers by requiring, for example, super-majority approval. At the same time, THL Credit Advisors LLC believes stability and continuity promote profitability. THL Credit Advisors LLC's guidelines in this area seek a middle road and individual proposals will be carefully assessed in the context of their particular circumstances.

If a vote may involve a material conflict of interest, prior to approving such vote, THL Credit Advisors LLC must consult with its chief compliance officer to determine whether the potential conflict is material and if so, the appropriate method to resolve such conflict. If the conflict is

determined not to be material, THL Credit Advisors LLC's employees shall vote the proxy in accordance with THL Credit Advisors LLC's proxy voting policy.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Client and copies of proxy voting policies are available to any Client or prospective Client upon written request to: Chief Compliance Officer, THL Credit, Inc., 100 Federal Street, 31st Floor, Boston, MA 02110 or SSullivan@thlcredit.com.

Item 18. Financial Information

Item 18 is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.