

Firm Brochure

Flat Rock Global, LLC

1350 Avenue of the Americas, 18th Floor
New York, NY 10019
(212) 596-3413 (telephone)
www.flatrockglobal.com

This brochure provides information about the qualifications and business practices of Flat Rock Global, LLC. If you have any questions about the information contained in this brochure, please contact us at (212) 596-3413. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of offering and governing documents that contain a description of the material terms relating to such investments, products or services.

Additional information about Flat Rock Global, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

July 2017

Item 2. Material Changes.

Not applicable.

Item 3. Table of Contents

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Item 4. Advisory Business

Flat Rock Global, LLC (“Flat Rock” or “we” or “us”), a Delaware limited liability company, was formed in 2016 and is controlled by Robert K. Grunewald. We provide investment management and other services to Flat Rock Capital Corp. (“Flat Rock Capital” or the “Fund”), a non-diversified, closed-end management investment company that has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “Investment Company Act”) on June 21, 2017.

We provide investment advice to our clients (“Clients”) in accordance with their investment objectives, policies and guidelines set forth in their applicable offering and/or governing documents, and not in accordance with the individual needs or objectives of any particular investor.

Currently, Flat Rock has one Client, the Fund. The Fund’s strategy is focused on making debt investments in senior secured loans of U.S. middle-market companies (“Senior Loans”). The Fund plans to hold many of its investments to maturity or repayment, but will sell its investments earlier if a sale or recapitalization of a portfolio company takes place, or if Flat Rock determines a sale of one or more of the Fund’s investments is in its best interest. The Fund seeks to create diverse portfolios of Senior Loans by investing approximately \$10 to \$25 million of capital, on average, in the securities of middle-market companies.

Flat Rock has \$21.4 million assets under management as of June 30, 2017. All of the assets that we manage are managed on a discretionary basis.

Item 5: Fees and Compensation

We are generally entitled to receive management fees and incentive fees. While our fees are described in detail in the Clients’ applicable offering and/or governing documents, a summary of the fees to be earned for investment advisory services to the Fund, under the Investment Advisory Agreement we entered into with the Fund (the “Advisory Agreement”), is set forth below.

Base Management Fee

The base management fee is calculated at an annual rate of 1.375% of the Fund’s gross assets, including assets purchased with borrowed funds or other forms of leverage and excluding cash and cash equivalents. The base management fee is payable monthly in arrears. For the first quarter of operations, the base management fee will be calculated based on the initial value of the Fund’s gross assets. Beginning with the second quarter of operations, the base management fee will be calculated based on the average value of the Fund’s gross assets, excluding cash and cash equivalents, at the end of the two most recently completed calendar quarters. Base management fees for any partial month or quarter will be appropriately pro-rated.

Incentive Fee

The incentive fee consists of two parts. The first part, which we refer to as the subordinated incentive fee on income, is calculated and payable quarterly in arrears based on 15% of our pre-incentive fee net investment income for the immediately preceding quarter. The payment of the subordinated incentive fee on income is subject to payment of a preferred return to investors each quarter, expressed as a quarterly rate of return on adjusted capital at the beginning of the most recently completed calendar quarter, of 1.5% (6.0% annualized), subject to a “catch up” feature. The foregoing incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of the Fund’s pre-incentive fee net investment income is payable except to the extent that 15.0% of the cumulative net increase in net assets resulting from operations for the prior twelve quarters exceeds the cumulative incentive fees accrued and/or paid for the prior twelve quarters. In other words, any subordinated incentive fee on income that is payable in a calendar quarter is limited to the lesser of (i) 15.0% of the amount by which our pre-incentive fee net investment income for such calendar quarter that exceeds the 1.5% hurdle, subject to the “catch-up” provision and (ii) (x) 15.0% of the cumulative net increase in net assets resulting from operations for the prior twelve quarters minus (y) the cumulative incentive fees accrued and/or paid for the prior twelve quarters. For the foregoing purpose, the

“cumulative net increase in net assets resulting from operations” is the sum of our pre-incentive fee net investment income, realized gains and losses and unrealized gains and losses since inception.

The total return requirement described above is designed to measure the performance of Flat Rock Global over a longer time horizon than on a quarterly basis and to ensure that Flat Rock Global does not earn fees for exceeding the hurdle rate in selected quarters while under-performing on a longer-term basis. The total return requirement is likewise designed to incentivize Flat Rock Global to not focus solely on quarterly performance, but to seek investments that exhibit strong performance on a long-term basis. We believe that the total return requirement is beneficial to investors and has the potential to reduce the fees payable to Flat Rock Global in the event of under-performance on a long-term basis.

Under the capital gains component of the incentive fee, Flat Rock Global will receive, at the end of each calendar year, 15.0% of our aggregate cumulative realized capital gains from inception through the end of that year, computed net of our aggregate cumulative realized capital losses and our aggregate cumulative unrealized losses through the end of such year, less the aggregate amount of any previously paid capital gain incentive fees. For the foregoing purpose, The Fund’s “aggregate cumulative realized capital gains” does not include any unrealized gains. It should be noted that The Fund accrues an incentive fee for accounting purposes taking into account any unrealized gains in accordance with GAAP. The capital gains component of the incentive fee is not subject to any minimum return to stockholders. If such amount is negative, then no capital gains incentive fee is payable for such year. Additionally, if the Advisory Agreement is terminated as of a date that is not a calendar year end, the termination date is treated as though it were a calendar year end for purposes of calculating and paying the capital gains incentive fee.

Management fees and income incentive fees are payable quarterly in arrears. Capital gains incentive fees, if any, are paid annually.

Except for the compensation and routine overhead expenses of personnel allocable to the investment advisory services we will provide, all other out-of-pocket costs and expenses of the Fund’s operations and transactions will be paid by the Fund.

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

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

As noted under Item 5 above, we may be entitled to receive incentive fees with respect to the Fund. Incentive fees could motivate us to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. The method of calculating the incentive fees may result in conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions. Certain of our individual employees, agents and affiliates may be compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflict. To address these actual or potential conflicts of interest, we have adopted a Code of Ethics as required under SEC rules. We have also adopted written compliance policies and procedures as required under SEC rules. We believe our compliance policies and procedures are reasonably designed to prevent, detect and cure violations by us, our employees and our supervised persons of the Advisers Act and other applicable federal securities laws. Our policy is to manage the Fund’s investments consistent with applicable law. To that end, we have procedures in place which we believe are reasonably designed to prevent the Fund from being systematically favored or otherwise disadvantaged. We also attempt to address these conflicts through full and fair disclosure in the applicable offering documents and this brochure. For more information on the types of conflicts we face and the procedures for resolution of these conflicts we have adopted, please refer to Item 10 of this brochure.

Item 7: Types of Clients

Currently, we only provide investment advisory services to the Fund but may provide investment advisory services to other Clients in the future. For information on the Fund and its investment strategies, see Item 4 of this brochure.

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

The Flat Rock is responsible for evaluating potential investments for its Clients, including the Fund. As noted in Item 1, the Fund intends to make senior loans and middle-market companies. With respect to the Fund, Flat Rock will source investments from a variety of different investment sources, including private equity sponsors, fundless sponsors, family offices, management teams, financial institutions, debt advisory firms, investment bankers, accounting firms and law firms in the United States.

Flat Rock maintains a rigorous and disciplined investment process, which initiates with the sourcing of a potential transaction. Upon receiving information on a potential transaction, the information is circulated amongst the principals and the investment professionals of Flat Rock and discussed during regular investment meetings. Upon determination that a potential target has investment merit, Flat Rock will typically schedule an in-person or telephonic meeting with the management team, investment bank or private equity sponsor. Typically, after completing a preliminary analysis of the target's information, the principals of Flat Rock will decide whether to present the deal to Flat Rock's investment committee (the "Investment Committee"). From time to time, the investment process may require the issuance of an informal term sheet of indicative terms, which allows the intermediary, private equity firm or target company to select a smaller group of lenders to continue to conduct due diligence on the transaction. Presentations to the Investment Committee consist of a variety and number of investment memoranda that provides, among other data, a situation overview, a company overview, key investment considerations, investment risks, information on the management team, financial data, a financial model and investment return information. Other considerations that go into the evaluation process include an operational analysis of the key risks and opportunities; an analysis of industry dynamics and the competitive position of the company; background checks on key management and personnel; and a legal and accounting review. Investment Committee approval of the underwriting memorandum is required prior to proceeding towards negotiating final documentation and closing the transaction. Investing in middle market senior loans involves a risk of loss that Clients must be prepared to bear. Investments of the type that Flat Rock recommend are subject to financial market risks, including, but not limited to, changes in interest rates, which may have a substantial negative impact on the value of Clients' investments. In addition, Flat Rock may recommend investments in, among other things, various types of debt or equity securities, including credit instruments that may be secured, unsecured, rated or unrated, and such investments are subject to specific risks relating to the type of security held, the issuer of such security, and various other risks. Investments in various types of debt securities are subject to non-payment risk, and may be speculative in nature. Securities recommended by Flat Rock may have limited or no liquidity. Flat Rock may also recommend that Clients borrow funds to make investments. As a result, such Clients would be exposed to the risks of borrowing, also known as leverage. Leverage increases the volatility of investments by magnifying the potential for gain and loss on amounts invested.

For information on potential risks related to conflicts between Flat Rock and the Fund, see Item 10 below.

Item 9: Disciplinary Information

Flat Rock has not been involved in any disciplinary actions or material legal or administrative proceedings related to its business activities.

Item 10: Other Financial Industry Activities and Affiliations

There exist potential conflicts of interest with Flat Rock's current Client, the Fund, related to the relationships between Flat Rock and the Fund. These potential conflicts include the following:

- From time to time, certain of our employees and affiliates may serve as directors, officers and/or committee members of, and provide advice to, companies in which the Fund invests and/or are actively involved in the operations and management of such companies. Investors should be aware

that the receipt of non-public information by our related persons regarding these companies could preclude us from effecting discretionary transactions on behalf of the Fund in certain securities of these issuers.

- The Fund may face conflicts from other investment vehicles that may be created in the future and managed by Flat Rock. Flat Rock and its affiliates must allocate their time between advising the Fund and managing other investment activities and business activities in which Flat Rock may be involved, including sharing senior management and investment personnel with Flat Rock, and any BDCs or other investment programs that may be sponsored by Flat Rock and its affiliates in the future.
- The compensation payable by the Fund to Flat Rock and other affiliates will be approved by the Fund's board of directors consistent with the exercise of the requisite standard of conduct applicable to directors under Maryland law. Such compensation is payable, in most cases, regardless of the quality of the assets acquired, the services provided to the Fund or whether or not our stockholders receive distributions, and may be based in part on the value of assets acquired with leverage.
- Flat Rock and its affiliates are not restricted from forming additional BDCs or other investment programs, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with us or may involve substantial time and resources of Flat Rock and its affiliates.
- Flat Rock will receive substantial fees from the Fund in return for its services, and these fees could influence the advice provided to the Fund. Among other matters, the compensation arrangements could affect its judgment with respect to any offering, private or public, of equity by the Fund, which allow Flat Rock to earn increased management fees.
- To the extent permitted by the 1940 Act and interpretations of the SEC staff, Flat Rock may determine it is appropriate for the Fund and one or more other Clients to participate in an investment opportunity. To the extent required, the Fund will seek exemptive relief from the SEC to engage in co-investment opportunities with Flat Rock. There can be no assurance that the Fund will obtain such exemptive relief and if the Fund is unable to obtain such relief, the Fund may be excluded from such investment opportunities. These co-investment opportunities may give rise to conflicts of interest or perceived conflicts of interest among the Fund and the other participating accounts.

To mitigate these conflicts, Flat Rock will seek to execute such transactions for all of the participating investment accounts, including the Fund, on a fair and equitable basis, taking into account such factors as the relative amounts of capital available for new investments and the investment programs and portfolio positions of the Fund, the clients for which participation is appropriate and any other factors deemed appropriate. Flat Rock believes that it has sufficient personnel to discharge fully its responsibilities to its Clients.

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

We and the Fund have each adopted a code of ethics, which sets forth standards of business conduct for all supervised persons. Our code of ethics, pursuant to Rule 204A-1 of the Advisers Act, is primarily designed to educate supervised persons about our and the Fund's philosophy regarding ethics and professionalism, emphasize our fiduciary duties to the Fund, encourage supervised persons to comply with applicable laws, prevent the misuse of material non-public information, restrict the circulation of rumors and other forms of market abuse and address conflicts of interest that arise from personal trading by access persons. Among other things, we and the Fund will impose restrictions on access persons relating to the purchase or sale of certain securities for their own accounts and the accounts of certain affiliated persons. Access persons are required to submit reports disclosing personal securities transactions. We also maintain certain policies and procedures designed to prevent supervised persons from misusing material non-public information or trading the same security ahead of the Fund.

In the course of our activities, including activities on behalf of the Fund, we or our affiliates may acquire confidential information or otherwise become restricted in our investment activities. In such event, we may not be free to act upon such confidential information in the course of performing our duties for the Fund, and we or an affiliate may not be able to initiate a transaction for the Fund that we otherwise would have initiated, with the result being that we are unable to purchase or dispose of an investment. Such restrictions would apply even if we were not involved in, and could not have benefitted from, the receipt of such information. Flat Rock's Clients or prospective Clients may request a copy of our code of ethics by contacting our Chief Compliance Officer, Richard A. Petrocelli at rich@flatrockglobal.com.

Item 12: Brokerage Practices

We generally negotiate directly with the underlying companies with which our Clients invest especially in those instances where we are originating the investment. While we may pay a finder's fee associated with identifying investment opportunities, we don't anticipate paying a brokerage commission or selecting financial institutions or counterparties for transactions. If however we are involved in selecting financial institutions or counterparties for a transaction, we would seek to obtain the best execution and net results for the Fund under the circumstances, taking into account factors such as price (including the applicable brokerage commission or dealer spread), size of the order, and difficulty of execution and operational capabilities of the brokerage firm and the firm's risk and skill in positioning blocks of securities. Although we will generally seek reasonably competitive trade execution costs we will not necessarily pay the lowest spread or commissions available. We do not direct securities transactions to any broker-dealer in exchange for referral of Clients.

In certain circumstances we may select a broker-dealer based upon brokerage or research services provided to us, and we may pay a higher commission than other brokers would charge. These services will be received, and our brokerage practices will be conducted, at all times in compliance with Section 28(e) of the Securities Exchange Act of 1934. Pursuant to our brokerage policies and practices, prior to executing a transaction with a broker-dealer we must determine in good faith that the commission paid is reasonable in relation to the services received.

We currently do not manage investments for multiple Clients. However, prior to trading on behalf of multiple Clients, we will adopt written policies ("Trade Allocation Policies") for the allocation of securities transactions among Clients. The Trade Allocation Policies will be premised on the general practice of aggregating the transactions executed on behalf of Clients, as applicable. We may, but are not obligated to, aggregate transactions and will do so only when we believe that such aggregation is consistent with our duty to seek best execution for Clients. The type of Client, the investment strategies applicable to each Client, system capabilities and constraints, and other factors may result in transactions for certain Clients not being aggregated. If specific transactions are not aggregated, a Client may pay higher brokerage commissions, may receive a less favorable price, or incur other costs, which also may affect the performance of such Client. To the extent that we aggregate such transactions, the Trade Allocation Policies will state that we will do so in a manner:

- consistent with the duty to seek best execution;
- that treats each of the Funds fairly; and
- is consistent with our advisory agreements.

Generally, aggregated transactions are averaged as to price and transactions costs and will be allocated among participating Clients pro rata. Additionally, we may consider the following when determining whether and how to allocate transactions:

- cash flow changes;
- the suitability of a particular transaction for a Client;
- desire for "round lots";

- Clients' asset size; and
- Clients' current portfolio, including:
 - whether the new investment opportunity relates to a Client's existing portfolio holdings; or
 - whether the new investment opportunity will preserve, protect or enhance the value of a Client's existing investments.

Upon request, we will provide a Client with aggregate allocation information relating to such Client's transactions. We will also furnish a copy of the Trade Allocation Policies upon a Client's request.

Item 13: Review of Accounts

Our management will conduct reviews of the Fund and its investments on at least a monthly basis. As described in Item 10 above, certain of our employees and/or affiliates may serve as directors, officers and/or committee members on portfolio companies in which the Fund invests and/or are actively involved in the operations and activities of such companies. In connection with such activities, we and/or our affiliates will monitor portfolio companies and the performance thereof. With respect to accounting matters, an independent public accounting firm has been engaged to conduct annual audits of the Fund.

While we generally conduct reviews of our Client accounts on at least a monthly basis, we may conduct additional or more frequent reviews under certain circumstances, including in the event of poor or below forecasted performance of an investment.

With the assistance of Flat Rock, the Fund values its assets each quarter. The valuation committee of the Fund's board of directors reviews and discusses preliminary valuation prepared by Flat Rock and any independent valuation firm. Under the 1940 Act, the Fund is required to carry its portfolio investments at market value or, if there is no readily available market value, at fair value, as determined by the Fund's board of directors. However, the majority of the Fund's investments will not be publicly traded or actively traded on a secondary market and will instead be traded on a privately negotiated over-the-counter secondary market for institutional investors. With respect to investments for which pricing data is not readily available or when such pricing data is deemed not to represent fair value, our board of directors has approved a multi-step valuation process each quarter. In connection with our valuation process, Flat Rock Global reviews these investment ratings on a quarterly basis, and our board of directors reviews and affirms such ratings. As a result, the Fund will value these securities quarterly at fair value as determined in good faith by its board of directors, with the assistance of Flat Rock and one or more third-party valuation firms and/or pricing services.

Item 14: Client Referrals and Other Compensation

Neither we nor any of our affiliates receive any economic benefit from any person (other than the Fund) for providing investment advice or other advisory services to the Fund. We may also earn fees (such as break-up or topping fees) in connection with any transaction that is not consummated.

We do not currently compensate any person for referrals of any type.

Item 15: Custody

The Fund's cash and securities are maintained at U.S. Bank, N.A., a qualified custodian. We are responsible for the selection of qualified custodians with respect to the Fund and may change custodians at any time and from time to time without the consent of, or notice to, investors. In general and to the extent required by law, independent public auditors will conduct an annual audit of the Fund, and audited financial statements will be provided to investors on an

annual basis. Such statements generally are filed with the SEC within 90 days after the end of each fiscal year, but there can be no assurance that this will occur. Qualified custodians do not provide statements directly to investors in the Fund.

Item 16: Investment Discretion

We have discretionary power and authority over the types of investments to be bought or sold, as well as the amount to be bought or sold, subject to the investment objectives and limitations set forth in the applicable governing documents of the Fund.

Item 17: Voting Client Securities

While we will have proxy voting authority with respect to the Fund, we generally do not expect, due to the nature of the Fund's investments, to be called upon to vote securities held by the Fund. Nevertheless, in the event that we are called upon to vote proxies, we will vote proxies in accordance with our proxy voting policies and procedures which have been adopted pursuant to Rule 206(4)-6 of the Advisers Act. The scope of our authority to vote securities includes authority to vote proxies and corporate actions, but may not include the authority to vote or file class action, bankruptcy or other litigation claims or related matters. In general, our proxy voting policy requires that we vote proxy proposals, amendments, consents or resolutions in a manner that serves the best interests of the Fund and will enhance the long-term value of the securities being voted. Conflicts of interest may arise when voting securities held by the Fund. We seek to avoid material conflicts of interest through our proxy policies and procedures which require that we vote proxies in an objective and consistent manner across the Fund, based on internal and external research, and without consideration of any client relationship factors.

Flat Rock's Clients or prospective Clients may request a copy of our proxy voting policies and procedures by contacting our Chief Compliance Officer, Richard A. Petrocelli, at rich@flatrockglobal.com.

Item 18: Financial Information

There are no financial conditions affecting us that are reasonably likely to impair our ability to meet contractual commitments to our Clients. We also disclose that we have not been subject to a bankruptcy petition at any time during the past ten years.

Item 19: Requirements for State-Registered Advisers

Not applicable.