New Mountain Finance Corp
Form 497
September 21, 2015

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This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but the information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell and are not soliciting an offer to buy these securities in any jurisdiction where the offer and sale is not permitted.

Subject to Completion, Dated September 21, 2015

PRELIMINARY PROSPECTUS SUPPLEMENT
(to Prospectus dated June 4, 2015)

5,000,000 Shares

New Mountain Finance Corporation

Common Stock

We are a Delaware corporation that was originally incorporated on June 29, 2010. We are a closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940. Our investment objective is to generate current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure, including first and second lien debt, notes, bonds and mezzanine securities. In some cases, our investments may also include equity interests. Our primary focus is in the debt of defensive growth companies, which are defined as generally exhibiting the following characteristics: (i) sustainable secular growth drivers, (ii) high barriers to competitive entry, (iii) high free cash flow after capital expenditure and working capital needs, (iv) high returns on assets and (v) niche market dominance.

The investments that we invest in are almost entirely rated below investment grade or may be unrated, which are often referred to as "leveraged loans," "high yield" or "junk" debt investments, and may be considered "high risk" or speculative compared to debt investments that are rated investment grade. Such issuers are considered more likely than investment grade issuers to default on their payments of interest and principal and such risk of default could reduce our net asset value and income distributions. Our investments are also primarily floating rate debt investments that contain interest reset provisions that may make it more difficult for borrowers to make debt repayments to us if interest rates rise. In addition, some of our debt investments will not fully amortize during their lifetime, which could result in a loss or a substantial amount of unpaid principal and interest due upon maturity. Our debt investments may also lose significant market value before a default occurs. Furthermore, an active trading market may not exist for these securities. This illiquidity may make it more difficult to value our investments.

We are offering for sale 5,000,000 shares of our common stock. Steven B. Klinsky, the Chairman of our board of directors, has agreed to purchase 500,000 shares in this offering at the public offering price. We have granted the underwriters a 30-day option to purchase up to 750,000 additional shares of our common stock at the public offering price, less underwriting discounts and commissions.

Our common stock is listed on the New York Stock Exchange under the symbol "NMFC". On September 18, 2015, the last reported sales price on the New York Stock Exchange for our common stock was $14.34 per share, and the net asset value per share of our common stock on June 30, 2015 (the last date prior to the date of this prospectus supplement on which we determined our net asset value per share) was $13.90.

An investment in our common stock is very risky and highly speculative. Shares of closed-end investment companies, including business development companies, frequently trade at a discount to their net asset value. In addition, the companies in which we invest in are subject to special risks. See "Risk Factors" beginning on page S-28 of this prospectus supplement and beginning on page 29 of the accompanying prospectus to read about factors you should consider, including the risk of leverage, before investing in our common stock.

This prospectus supplement and the accompanying prospectus contain important information about us that a prospective investor should know before investing in our common stock. Please read this prospectus supplement and the accompanying prospectus before investing and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information with the United States Securities and Exchange Commission (*http://www.sec.gov*), which is available free of charge by contacting us by mail at 787 Seventh Avenue, 48th Floor, New York, New York 10019 or on our website at *http://www.newmountainfinance.com*. Information contained on our website is not incorporated by reference into this prospectus supplement and the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement and the accompanying prospectus.

Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total(4)
Public Offering Price	$	$
Sales Load paid by us (Underwriting Discounts and Commissions)(1)(2)	$	$
Proceeds to us (before expenses)(2)(3)	$	$
Sales Load payable to the underwriters by Investment Adviser (Underwriting Discounts and Commissions)(1)(3)	$	$

(1) See "Underwriting" for details of compensation to be received by the underwriters.

(2) As per an arrangement between the underwriters and Steven B. Klinsky, our Chairman of the board of directors, the underwriters will not receive sales load on the 500,000 shares Mr. Klinsky expects to buy in this offering, which will decrease the total sales load received by the underwriters by approximately $.

(3)

New Mountain Finance Advisers BDC, L.L.C. (the "Investment Adviser") has agreed to bear $, or $ per share, of sales load only in connection with this offering, which is reflected in the above table. All payments made by the Investment Adviser will not be subject to reimbursement by us. All other expenses of the offering will be borne by us. We will incur approximately $339,730 of estimated expenses in connection with this offering.

(4)

To the extent that the underwriters sell more than 5,000,000 shares of our common stock, the underwriters have the option to purchase up to an additional 750,000 shares of our common stock at the public offering price, less the sales load, within 30 days of the date of this prospectus supplement. If the underwriters exercise this option in full, the total public offering price, sales load payable by us, proceeds to us and sales load payable by the Investment Adviser will be $, $, $ and $, respectively. See "Underwriting".

The underwriters expect to deliver the shares against payment in New York, New York on or about September , 2015.

Joint-Lead Bookrunners

Wells Fargo Securities **Goldman, Sachs & Co.** **Morgan Stanley** **Keefe, Bruyette & Woods**
A Stifel Company

Lead Manager

Baird

Co-Managers

Janney Montgomery Scott **Oppenheimer & Co.**

Prospectus Supplement dated , 2015

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PROSPECTUS SUPPLEMENT

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ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriters have authorized any other person to provide you with different information from that contained in this prospectus supplement or the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to buy, any shares of our common stock by any person in any jurisdiction where it is unlawful for that person to make such an offer or solicitation or to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation. The information contained in this prospectus supplement and the accompanying prospectus is complete and accurate only as of their respective dates, regardless of the time of their delivery or sale of our common stock. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information different from or additional to the information in that prospectus.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of common stock and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information and disclosure. To the extent the information contained in this prospectus supplement differs from the information contained in the accompanying prospectus, the information in this prospectus supplement shall control. Please carefully read this prospectus supplement and the accompanying prospectus together with any exhibits and the additional information described under "Available Information" and in the "Summary" and "Risk Factors" sections of this prospectus supplement and the accompanying prospectus before you make an investment decision. Unless otherwise indicated, all information included in this prospectus supplement assumes no exercise by the underwriters of their option to purchase up to an additional 750,000 shares of our common stock.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights some of the information in this prospectus supplement and the accompanying prospectus. It may not contain all the information that is important to you. For a more complete understanding, we encourage you to read this entire prospectus supplement and the accompanying prospectus and the documents to which we have referred in this prospectus supplement, together with the accompanying prospectus, including the risks set forth under "Risk Factors" and the other information included in this prospectus supplement and the accompanying prospectus.

In this prospectus supplement, unless the context otherwise requires, references to:

- *"NMFC", the "Company", "we", "us" and "our" refers to New Mountain Finance Corporation, a Delaware corporation, which was incorporated on June 29, 2010, including, where appropriate, its wholly-owned direct and indirect subsidiaries;*
- *"NMF SLF" refers to New Mountain Finance SPV Funding, L.L.C., a Delaware limited liability company;*
- *"NMF Holdings" and "Predecessor Operating Company" refers to New Mountain Finance Holdings, L.L.C., a Delaware limited liability company. References to NMF Holdings include its wholly-owned subsidiary, NMF SLF, unless the context otherwise requires. References to NMF Holdings exclude NMF SLF when referencing NMF Holdings' common membership units, board of directors, and credit facility or leverage;*
- *"SBIC GP" refers to New Mountain Finance SBIC G.P. L.L.C., a Delaware limited liability company;*
- *"SBIC LP" refers to New Mountain Finance SBIC L.P., a Delaware limited partnership;*
- *"Guardian AIV" refers to New Mountain Guardian AIV, L.P.;*
- *"AIV Holdings" refers to New Mountain Finance AIV Holdings Corporation, a Delaware corporation which was incorporated on March 11, 2011, of which Guardian AIV was the sole stockholder;*
- *"Investment Adviser" refers to New Mountain Finance Advisers BDC, L.L.C., our investment adviser;*
- *"Administrator" refers to New Mountain Finance Administration, L.L.C., our administrator;*
- *"New Mountain Capital" refers to New Mountain Capital Group, L.L.C. and its affiliates;*
- *"Predecessor Entities" refers to New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P., together with their respective direct and indirect wholly-owned subsidiaries prior to our initial public offering;*
- *"NMFC Credit Facility" refers to our Senior Secured Revolving Credit Agreement with Goldman Sachs Bank USA, Morgan Stanley Bank, N.A. and Stifel Bank & Trust, dated June 4, 2014, as amended (together with the related guarantee and security agreement);*

"Holdings Credit Facility" refers to NMF Holdings' Second Amended and Restated Loan and Security Agreement with Wells Fargo Bank, National Association, dated December 18, 2014;

"Predecessor Holdings Credit Facility" refers to NMF Holdings' Amended and Restated Loan and Security Agreement with Wells Fargo Bank, National Association, dated May 19, 2011, as amended;

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"SLF Credit Facility" refers to NMF SLF's Loan and Security Agreement with Wells Fargo Bank, National Association, dated October 27, 2010, as amended; and

"Convertible Notes" refers to our convertible notes issued on June 3, 2014 under an indenture between us and U.S. Bank National Association.

For the periods prior to and as of December 31, 2013, all financial information provided in this prospectus supplement and accompanying prospectus reflect our organizational structure prior to the restructuring on May 8, 2014 described under "Description of Restructuring" in the accompanying prospectus, where NMF Holdings functioned as the operating company.

Overview

We are a Delaware corporation that was originally incorporated on June 29, 2010. We are a closed-end, non-diversified 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 "1940 Act"). As such, we are obligated to comply with certain regulatory requirements. We have elected to be treated, and intend to comply with the requirements to continue to qualify annually, as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended, (the "Code"). We are also registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

On May 19, 2011, we priced our initial public offering (the "IPO") of 7,272,727 shares of common stock at a public offering price of $13.75 per share. Concurrently with the closing of the IPO and at the public offering price of $13.75 per share, we sold an additional 2,172,000 shares of our common stock to certain executives and employees of, and other individuals affiliated with, New Mountain Capital in a concurrent private placement (the "Concurrent Private Placement"). Additionally, 1,252,964 shares were issued to the partners of New Mountain Guardian Partners, L.P. at that time for their ownership interest in the Predecessor Entities. In connection with our IPO and through a series of transactions, NMF Holdings acquired all of the operations of the Predecessor Entities, including all of the assets and liabilities related to such operations.

NMF Holdings is a Delaware limited liability company. Until May 8, 2014, NMF Holdings was externally managed and was regulated as a BDC under the 1940 Act. As such, NMF Holdings was obligated to comply with certain regulatory requirements. NMF Holdings was treated as a partnership for United States ("U.S.") federal income tax purposes for so long as it had at least two members. With the completion of the underwritten secondary offering on February 3, 2014, NMF Holdings' existence as a partnership for U.S. federal income tax purposes terminated and NMF Holdings became an entity that is disregarded as a separate entity from its owner for U.S. federal tax purposes. See "Material Federal Income Tax Considerations" in the accompanying prospectus. For additional information on our organizational structure prior to May 8, 2014, see "Description of Restructuring" in the accompanying prospectus.

Until May 8, 2014, NMF Holdings was externally managed by the Investment Adviser. As of May 8, 2014, the Investment Adviser serves as the external investment adviser to us. The Administrator provides the administrative services necessary for operations. The Investment Adviser and Administrator are wholly-owned subsidiaries of New Mountain Capital. New Mountain Capital is a firm with a track record of investing in the middle market and with assets under management totaling more than $15.0 billion(1), which includes total assets held by us. New Mountain Capital focuses on investing in defensive growth companies across its private equity, public equity, and credit investment vehicles. NMF Holdings, formerly known as New Mountain Guardian

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(1) Includes amounts committed, not all of which have been drawn down and invested to-date, as of June 30, 2015, as well as amounts called and returned since inception.

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(Leveraged), L.L.C., was originally formed as a subsidiary of Guardian AIV by New Mountain Capital in October 2008. Guardian AIV was formed through an allocation of approximately $300.0 million of the $5.1 billion of commitments supporting New Mountain Partners III, L.P., a private equity fund managed by New Mountain Capital. In February 2009, New Mountain Capital formed a co-investment vehicle, New Mountain Guardian Partners, L.P., comprising $20.4 million of commitments.

Prior to December 18, 2014, NMF SLF was a Delaware limited liability company. NMF SLF was a wholly-owned subsidiary of NMF Holdings and thus a wholly-owned indirect subsidiary of us. NMF SLF was bankruptcy-remote and non-recourse to us. As part of an amendment to our existing credit facilities with Wells Fargo Bank, National Association, NMF SLF merged with and into NMF Holdings on December 18, 2014. See "Management's Discussion and Analysis of Financial Conditions and Results of Operations Liquidity and Capital Resources Borrowings" in this prospectus supplement for additional information on our borrowings.

During the six months ended June 30, 2015, we established a wholly-owned subsidiary, NMF QID NGL Holdings, Inc. ("NMF QID"). Our wholly-owned subsidiaries, NMF Ancora Holdings Inc. ("NMF Ancora"), NMF QID and NMF YP Holdings Inc. ("NMF YP"), are structured as Delaware entities that serve as tax blocker corporations which hold equity or equity-like investments in portfolio companies organized as limited liability companies (or other forms of pass-through entities). We consolidate our tax blocker corporations for accounting purposes. The tax blocker corporations are not consolidated for income tax purposes and may incur income tax expense as a result of their ownership of the portfolio companies. Additionally, our wholly-owned subsidiary, New Mountain Finance Servicing, L.L.C. ("NMF Servicing") serves as the administrative agent on certain investment transactions. SBIC LP, and its general partner, SBIC GP, were organized in Delaware as a limited partnership and limited liability company, respectively. SBIC LP and SBIC GP are our consolidated wholly-owned direct and indirect subsidiaries. SBIC LP received a license from the U.S. Small Business Administration (the "SBA") to operate as a small business investment company ("SBIC") under Section 301(c) of the Small Business Investment Act of 1958, as amended (the "1958 Act").

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The diagram below depicts our organizational structure as of September 21, 2015.

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Includes partners of New Mountain Guardian Partners, L.P.

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NMFC is the sole limited partner of SBIC LP. NMFC, directly or indirectly through SBIC GP, wholly-owns SBIC LP. NMFC owns 100.0% of SBIC GP which owns 1.0% of SBIC LP. NMFC owns 99.0% of SBIC LP.

Our investment objective is to generate current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure, including first and second lien debt, notes, bonds and mezzanine securities. In some cases, our investments may also include equity interests. The primary focus is in the debt of defensive growth companies, which are defined as generally exhibiting the following characteristics: (i) sustainable secular growth drivers, (ii) high barriers to competitive entry, (iii) high free cash flow after capital expenditure and working capital needs, (iv) high returns on assets and (v) niche market dominance. Similar to us, SBIC LP's investment objective is to generate current income and capital appreciation under our investment criteria. However, SBIC LP's investments must be in SBA eligible companies. Our portfolio may be concentrated in a limited number of industries. As of June 30, 2015, our top five industry concentrations were software, business services, education, federal services and distribution & logistics.

The investments that we invest in are almost entirely rated below investment grade or may be unrated, which are often referred to as "leveraged loans," "high yield" or "junk" debt investments, and may be considered "high risk" or speculative compared to debt investments that are rated investment grade. Such issuers are considered more likely than investment grade issuers to default on their payments of interest and principal and such risk of default could reduce our net asset value and income distributions. Our investments are also primarily floating rate debt investments that contain interest reset provisions that may make it more difficult for borrowers to make debt repayments to us if interest rates rise. In addition, some of our debt investments will not fully

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amortize during their lifetime, which could result in a loss or a substantial amount of unpaid principal and interest due upon maturity. Our debt investments may also lose significant market value before a default occurs. Furthermore, an active trading market may not exist for these securities. This illiquidity may make it more difficult to value our investments.

As of June 30, 2015, our net asset value was $808.3 million and our portfolio had a fair value of approximately $1,308.9 million in 65 portfolio companies, with a weighted average yield to maturity at cost ("Yield to Maturity at Cost") of approximately 10.8%. This Yield to Maturity at Cost calculation assumes that all investments, including secured collateralized agreements, not on non-accrual are purchased at the adjusted cost on the quarter end date and held until their respective maturities with no prepayments or losses and exited at par at maturity. Adjusted cost reflects the accounting principles generally accepted in the United States of America ("GAAP") cost for post-IPO investments and a stepped up cost basis of pre-IPO investments (assuming a step-up to fair market value occurred on the IPO date). This calculation excludes the impact of existing leverage. Yield to Maturity at Cost uses the London Interbank Offered Rate ("LIBOR") curves at each quarter's end date. The actual yield to maturity may be higher or lower due to the future selection of the LIBOR contracts by the individual companies in our portfolio or other factors.

The Investment Adviser

The Investment Adviser, a wholly-owned subsidiary of New Mountain Capital, manages our day-to-day operations and provides us with investment advisory and management services. In particular, the Investment Adviser is responsible for identifying attractive investment opportunities, conducting research and due diligence on prospective investments, structuring our investments and monitoring and servicing our investments. We currently do not have, and do not intend to have, any employees. As of June 30, 2015, the Investment Adviser was supported by approximately 100 staff members of New Mountain Capital, including approximately 60 investment professionals.

The Investment Adviser is managed by a five member investment committee (the "Investment Committee"), which is responsible for approving purchases and sales of our investments above $10.0 million in aggregate by issuer. The Investment Committee currently consists of Steven B. Klinsky, Robert A. Hamwee, Adam B. Weinstein and John R. Kline. The fifth and final member of the Investment Committee will consist of a New Mountain Capital Managing Director who will hold the position on the Investment Committee on an annual rotating basis. Beginning in August 2015, Matthew S. Holt was appointed to the Investment Committee for the following twelve months. In addition, our executive officers and certain investment professionals of the Investment Adviser are invited to all Investment Committee meetings. Purchases and dispositions below $10.0 million may be approved by our Chief Executive Officer. These approval thresholds are subject to change over time. We expect to benefit from the extensive and varied relevant experience of the investment professionals serving on the Investment Committee, which includes expertise in private equity, primary and secondary leveraged credit, private mezzanine finance and distressed debt.

Recent Developments

Departure of Certain Officers & Appointment of Certain Officers

On June 22, 2015, our board of directors appointed Karrie J. Jerry as the Chief Compliance Officer and Corporate Secretary of NMFC, in place of Paula A. Bosco, who previously served in such positions.

Ms. Jerry, 41, joined NMFC in 2011 and served as our Compliance Vice President and Assistant Corporate Secretary prior to this promotion. Before joining NMFC, Ms. Jerry served as a Compliance Associate and Assistant Corporate Secretary at Apollo Investment Corporation ("Apollo"), a BDC, from 2005 until 2011. During her time at Apollo, Ms. Jerry also served in

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compliance and corporate governance oversight roles of Apollo's other publicly listed funds, which included a real estate investment trust and another closed-end fund. Ms. Jerry received a Bachelor of Science in Paralegal Studies from Boston University.

On August 4, 2015, our board of directors appointed Melody L. Siu as the interim Chief Financial Officer ("CFO") and Treasurer of NMFC, effective as of August 14, 2015, in place of David M. Cordova, who previously served in such positions. We have commenced a search for a new permanent CFO.

Ms. Siu, 32, joined NMFC in 2011 and served as our Controller prior to this interim appointment. From 2008 to 2010, she served as the Assistant Controller for Prospect Capital Corporation ("Prospect"), an externally managed BDC. During her time at Prospect, Ms. Siu assisted with Prospect's accounting, financial and U.S. Securities and Exchange Commission ("SEC") reporting. Ms. Siu began her career at Ernst & Young LLP within their Financial Services Office Assurance practice focusing primarily on investment companies and Sarbanes-Oxley compliance, where she held several positions from 2003 to 2008 and finished as a supervising senior auditor. Ms. Siu received a Bachelor of Science in Accounting and International Business from New York University's Leonard N. Stern School of Business.

Dividend

On August 4, 2015, our board of directors declared a third quarter 2015 distribution of $0.34 per share payable on September 30, 2015 to holders of record as of September 16, 2015.

Preliminary Estimates of Net Asset Value and Adjusted Net Investment Income

Set forth below is a preliminary estimate of our net asset value per share as of September 21, 2015 and a preliminary estimate of our adjusted net investment income per share range for the three months ended September 30, 2015. The following estimates are not a comprehensive statement of our financial condition or results for the period from December 31, 2014 through September 21, 2015. We advise you that our actual results for the three and nine months ended September 30, 2015 may differ materially from these estimates, which are given only as of the date of this prospectus supplement, as a result of the completion of our financial closing procedures, final adjustments and other developments, including changes in interest rates, changes in the businesses to whom we have made loans or market and industry fluctuations, which may arise between now and the time that our financial results for the three and nine months ended September 30, 2015 are finalized. This information is inherently uncertain.

As of the date of this prospectus supplement, we currently expect that we will meet our adjusted net investment income per share estimate of between $0.33 and $0.35 for the three months ended September 30, 2015, which was previously announced on our quarterly earnings call held on August 6, 2015.

As of September 21, 2015, we estimate that our net asset value per share is approximately $13.78.

The preliminary financial estimates provided herein have been prepared by, and are the responsibility of, management. Neither Deloitte & Touche LLP, our independent registered public accounting firm, nor any other independent accountants, have audited, reviewed, compiled, or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, Deloitte & Touche LLP does not express an opinion or any form of assurance with respect thereto and assumes no responsibility for, and disclaims any association with, this information.

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Competitive Advantages

We believe that we have the following competitive advantages over other capital providers to middle market companies:

Proven and Differentiated Investment Style With Areas of Deep Industry Knowledge

In making its investment decisions, the Investment Adviser applies New Mountain Capital's long-standing, consistent investment approach that has been in place since its founding more than 15 years ago. We focus on companies in less well followed defensive growth niches of the middle market space where we believe few debt funds have built equivalent research and operational size and scale.

We benefit directly from New Mountain Capital's private equity investment strategy that seeks to identify attractive investment sectors from the top down and then works to become a well positioned investor in these sectors. New Mountain Capital focuses on companies and industries with sustainable strengths in all economic cycles, particularly ones that are defensive in nature, that are secular and can maintain pricing power in the midst of a recessionary and/or inflationary environment. New Mountain Capital focuses on companies within sectors in which it has significant expertise (examples include federal services, software, education, niche healthcare, business services, energy and distribution & logistics) while typically avoiding investments in companies with products or services that serve markets that are highly cyclical, have the potential for long-term decline, are overly-dependent on consumer demand or are commodity-like in nature.

In making its investment decisions, the Investment Adviser has adopted the approach of New Mountain Capital, which is based on three primary investment principles:

1. A generalist approach, combined with proactive pursuit of the highest quality opportunities within carefully selected industries, identified via an intensive and structured ongoing research process;

2. Emphasis on strong downside protection and strict risk controls; and

3. Continued search for superior risk adjusted returns, combined with timely, intelligent exits and outstanding return performance.

Experienced Management Team and Established Platform

The Investment Adviser's team members have extensive experience in the leveraged lending space. Steven B. Klinsky, New Mountain Capital's Founder, Chief Executive Officer and Managing Director and Chairman of our board of directors, was a general partner of Forstmann Little & Co., a manager of debt and equity funds totaling multiple billions of dollars in the 1980s and 1990s. He was also a co-founder of Goldman, Sachs & Co.'s Leverage Buyout Group in the period from 1981 to 1984. Robert A. Hamwee, our Chief Executive Officer and President and Managing Director of New Mountain Capital, was formerly President of GSC Group, Inc. ("GSC"), where he was the portfolio manager of GSC's distressed debt funds and led the development of GSC's CLOs. John R. Kline, our Chief Operating Officer and Executive Vice President and Managing Director of New Mountain Capital, worked at GSC as an investment analyst and trader for GSC's control distressed and corporate credit funds and at Goldman, Sachs & Co. in the Credit Risk Management and Advisory Group.

Many of the debt investments that we have made to date have been in the same companies with which New Mountain Capital has already conducted months of intensive acquisition due diligence related to potential private equity investments. We believe that private equity underwriting due diligence is usually more robust than typical due diligence for loan underwriting. In its

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underwriting of debt investments, the Investment Adviser is able to utilize the research and hands-on operating experience that New Mountain Capital's private equity underwriting teams possess regarding the individual companies and industries. Business and industry due diligence is led by a team of investment professionals of the Investment Adviser that generally consists of three to seven individuals, typically based on their relevant company and/or industry specific knowledge. Additionally, the Investment Adviser is also able to utilize its relationships with operating management teams and other private equity sponsors. We believe this differentiates us from many of our competitors.

Significant Sourcing Capabilities and Relationships

We believe the Investment Adviser's ability to source attractive investment opportunities is greatly aided by both New Mountain Capital's historical and current reviews of private equity opportunities in the business segments we target. To date, a significant majority of the investments that we have made are in the debt of companies and industry sectors that were first identified and reviewed in connection with New Mountain Capital's private equity efforts, and the majority of our current pipeline reflects this as well. Furthermore, the Investment Adviser's investment professionals have deep and longstanding relationships in both the private equity sponsor community and the lending/agency community which they have and will continue to utilize to generate investment opportunities.

Risk Management through Various Cycles

New Mountain Capital has emphasized tight control of risk since its inception and long before the recent global financial distress began. To date, New Mountain Capital has never experienced a bankruptcy of any of its portfolio companies in its private equity efforts. The Investment Adviser seeks to emphasize tight control of risk with our investments in several important ways, consistent with New Mountain Capital's historical approach. In particular, the Investment Adviser:

- Emphasizes the origination or purchase of debt in what the Investment Adviser believes are defensive growth companies, which are less likely to be dependent on macro-economic cycles;

- Targets investments in companies that are preeminent market leaders in their own industries, and when possible, investments in companies that have strong management teams whose skills are difficult for competitors to acquire or reproduce; and

- Emphasizes capital structure seniority in the Investment Adviser's underwriting process.

Access to Non Mark to Market, Seasoned Leverage Facility

The amount available under our Holdings Credit Facility is generally not subject to reduction as a result of mark to market fluctuations in our portfolio investments. For a detailed discussion of our credit facilities, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations   Liquidity and Capital Resources" in this prospectus supplement.

Market Opportunity

We believe that the size of the market for investments that we target, coupled with the demands of middle market companies for flexible sources of capital at competitive terms and rates, create an attractive investment environment for us.

- *The leverage finance market has a high level of financing needs over the next several years due to significant bank debt maturities.* We believe that the large dollar volume of loans that

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need to be refinanced will present attractive opportunities to invest capital in a manner consistent with our stated objectives.

Middle market companies continue to face difficulties in accessing the capital markets. We believe opportunities to serve the middle market will continue to exist. While many middle market companies were formerly able to raise funds by issuing high-yield bonds, we believe this approach to financing has become more difficult in recent years as institutional investors have sought to invest in larger, more liquid offerings.

Consolidation among commercial banks has reduced the focus on middle market lending. We believe that many traditional bank lenders to middle market businesses have either exited or de-emphasized their service and product offerings in the middle market. These traditional lenders have instead focused on lending and providing other services to large corporate clients. We believe this has resulted in fewer key players and the reduced availability of debt capital to the companies we target.

Attractive pricing. Reduced access to, and availability of, debt capital typically increases the interest rates, or pricing, of loans for middle market lenders. Recent primary debt transactions in this market often include upfront fees, prepayment protections and, in some cases, warrants to purchase common stock, all of which should enhance the profitability of new loans to lenders.

Conservative deal structures. As a result of the credit crisis, many lenders are requiring larger equity contributions from financial sponsors. Larger equity contributions create an enhanced margin of safety for lenders because leverage is a lower percentage of the implied enterprise value of the company.

Large pool of uninvested private equity capital available for new buyouts. We expect that private equity firms will continue to pursue acquisitions and will seek to leverage their equity investments with mezzanine loans and/or senior loans (including traditional first and second lien, as well as unitranche loans) provided by companies such as ours.

Operating and Regulatory Structure

We are a closed-end, non-diversified management investment company that has elected to be regulated as a BDC under the 1940 Act and are required to maintain an asset coverage ratio, as defined in the 1940 Act, of at least 200.0%. We include the assets and liabilities of our consolidated subsidiaries for purposes of satisfying the requirements under the 1940 Act. See "Regulation" in the accompanying prospectus.

We have elected to be treated, and intend to comply with the requirements to continue to qualify annually, as a RIC under Subchapter M of the Code. See "Material Federal Income Tax Considerations" in the accompanying prospectus. As a RIC, we generally will not be subject to corporate-level U.S. federal income taxes on any net ordinary income or capital gains that we timely distribute to our stockholders as dividends if it meets certain source-of-income, distribution and asset diversification requirements. We intend to distribute to our stockholders substantially all of our annual taxable income except that we may retain certain net capital gains for reinvestment.

Risks

An investment in our common stock involves risk, including the risk of leverage and the risk that our operating policies and strategies may change without prior notice to our stockholders or prior stockholder approval. See "Risk Factors" and the other information included in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock. The value of our assets, as well

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as the market price of our common stock, will fluctuate. Our investments may be risky, and you may lose all or part of your investment. Investing in our common stock involves other risks, including the following:

- We may suffer credit losses;
- We do not expect to replicate the Predecessor Entities' historical performance or the historical performance of other entities managed or supported by New Mountain Capital;
- There is uncertainty as to the value of our portfolio investments because most of our investments are, and may continue to be in private companies and recorded at fair value;
- Our ability to achieve our investment objective depends on key investment personnel of the Investment Adviser. If the Investment Adviser were to lose any of its key investment personnel, our ability to achieve our investment objective could be significantly harmed;
- The Investment Adviser has limited experience managing a BDC or a RIC, which could adversely affect our business;
- We operate in a highly competitive market for investment opportunities and may not be able to compete effectively;
- Our investments in securities rated below investment grade are speculative in nature and are subject to additional risk factors such as increased possibility of default, illiquidity of the security, and changes in value based on changes in interest rates;
- Our business, results of operations and financial condition depends on our ability to manage future growth effectively;
- We borrow money, which could magnify the potential for gain or loss on amounts invested in us and increase the risk of investing in us;
- Changes in interest rates may affect our cost of capital and net investment income;
- Regulations governing the operations of BDCs will affect our ability to raise additional equity capital as well as our ability to issue senior securities or borrow for investment purposes, any or all of which could have a negative effect on our investment objectives and strategies;
- We may experience fluctuations in our annual and quarterly results due to the nature of our business;
- Our board of directors may change our investment objective, operating policies and strategies without prior notice or member approval, the effects of which may be adverse to your interests;
- We will be subject to corporate-level U.S. federal income tax on all of our income if we are unable to maintain RIC status under Subchapter M of the Code, which would have a material adverse effect on our financial performance;

We may not be able to pay distributions on our common stock, our distributions may not grow over time and a portion of our distributions to you may be a return of capital for U.S. federal income tax purposes;

Our investments in portfolio companies may be risky, and we could lose all or part of any of our investments;

The lack of liquidity in our investments may adversely affect our business;

Economic recessions or downturns could impair our portfolio companies and harm our operating results;

- The market price of our common stock may fluctuate significantly; and

- Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of its common stock.

Company Information

Our administrative and executive offices are located at 787 Seventh Avenue, 48th Floor, New York, New York 10019, and our telephone number is (212) 720-0300. We maintain a website at *http://www.newmountainfinance.com*. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

Presentation of Historical Financial Information and Market Data

Historical Financial Information

Unless otherwise indicated, historical references contained in the accompanying prospectus for periods prior to and as of December 31, 2013 in "Selected Financial and Other Data", "Selected Quarterly Data", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Senior Securities" relate to NMF Holdings. Unless otherwise indicated, historical references contained in this prospectus supplement for periods prior to and as of December 31, 2013 in "Selected Financial and Other Data", "Selected Quarterly Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" relate to NMF Holdings. The consolidated financial statements of New Mountain Finance Holdings, L.L.C., formerly known as New Mountain Guardian (Leveraged), L.L.C., and New Mountain Guardian Partners, L.P. are NMF Holdings' historical consolidated financial statements.

Market Data

Statistical and market data used in this prospectus supplement and accompanying prospectus has been obtained from governmental and independent industry sources and publications. We have not independently verified the data obtained from these sources, and we cannot assure you of the accuracy or completeness of the data. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements contained in this prospectus supplement and accompanying prospectus. See "Cautionary Statement Regarding Forward-Looking Statements" in this prospectus supplement and the accompanying prospectus.

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THE OFFERING

Common Stock Offered	We are offering 5,000,000 shares of our common stock. To the extent that the underwriters sell more than 5,000,000 shares of our common stock, the underwriters have the option to purchase up to an additional 750,000 shares of our common stock at the initial public offering price, less the underwriting discount (sales load), within 30 days of the date of this prospectus supplement.
Shares of Our Common Stock Currently Outstanding	58,161,821 shares.
Shares of Our Common Stock Outstanding After This Offering	63,161,821 shares, excluding 750,000 shares of common stock issuable pursuant to the option to purchase additional shares granted to the underwriters. This amount does not include any shares which may be issuable upon conversion of existing securities.

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Use of Proceeds	Our net proceeds from this offering will be approximately $69.4 million (using the last reported closing price of our common stock on September 18, 2015 of $14.34 per share) after deducting estimated offering expenses of approximately $0.3 million payable by us and underwriting discounts and commissions of approximately $1.9 million, or $79.9 million, after deducting estimated offering expenses of approximately $0.3 million payable by us and underwriting discounts and commissions of approximately $2.3 million, if the underwriters' option to purchase additional shares is exercised in full. Steven B. Klinsky, the Chairman of our board of directors, has submitted a non-binding indication of interest to purchase 500,000 shares of the common stock in connection with this offering. As per an arrangement with the underwriters, we will not pay and the underwriters will not receive the sales load on the shares Mr. Klinsky expects to receive in this offering. As a result, the estimated net proceeds to be received by us from the offering set forth above assumes the receipt of such purchase price for such shares in this offering. We intend to use the net proceeds from this offering primarily for new investments in portfolio companies in accordance with our investment objective and strategies described in this prospectus supplement and the accompanying prospectus. We may also use a portion of the net proceeds from the sale of shares of our common stock offered by us for other general corporate purposes, including to temporarily repay indebtedness (which will be subject to reborrowing), and other working capital needs. We are continuously identifying, reviewing and, to the extent consistent with our investment objective, funding new investments. As a result, we typically raise capital as we deem appropriate to fund such new investments. We expect it will take up to three months for us to substantially invest the net proceeds of this offering, depending on the availability of attractive opportunities and market conditions. However, we can offer no assurance that we will be able to achieve this goal. Pending such use, we will invest the net proceeds primarily in cash, cash equivalents, U.S. government securities and other high-quality investments that mature in one year or less from the date of the investment. These securities may have lower yields than the types of investments we would typically make in accordance with our investment objective and, accordingly, may result in lower distributions, if any, during such period. See "Use of Proceeds" in this prospectus supplement.
New York Stock Exchange Symbol	"NMFC"

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Investment Advisory Fees	We pay the Investment Adviser a fee for its services under an investment advisory and management agreement (the "Investment Management Agreement") consisting of two components a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 1.75% of our gross assets, which equals our total assets on the Consolidated Statements of Assets and Liabilities, less (i) the borrowings under the SLF Credit Facility and (ii) cash and cash equivalents. The base management fee is payable quarterly in arrears, and is calculated based on the average value of our gross assets, which equals our total assets, as determined in accordance with GAAP, borrowings under the SLF Credit Facility, and cash and cash equivalents at the end of each of the two most recently completed calendar quarters, and appropriately adjusted on a pro rata basis for any equity capital raises or repurchases during the current calendar quarter. Since our IPO, the base management fee calculation has deducted the borrowings under the SLF Credit Facility. The SLF Credit Facility has historically consisted of primarily lower yielding assets at higher advance rates. As part of an amendment to our existing credit facilities with Wells Fargo Bank, National Association, the SLF Credit Facility merged with the Predecessor Holdings Credit Facility and into the Holdings Credit Facility on December 18, 2014. Post credit facility merger and to be consistent with the methodology since our IPO, the Investment Adviser will waive management fees on the leverage associated with those assets that share the same underlying yield characteristics with investments leveraged under the legacy SLF Credit Facility. The Investment Adviser cannot recoup management fees that the Investment Adviser has previously waived. We have not invested, and currently do not invest, in derivatives. To the extent we invest in derivatives in the future, we will use the actual value of the derivatives, as reported on our Consolidated Statements of Assets and Liabilities, for purposes of calculating our base management fee. The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears and equals 20.0% of our "Pre-Incentive Fee Adjusted Net Investment Income" for the immediately preceding quarter, subject to a "preferred return", or "hurdle", and a "catch-up" feature each as described in the Investment Management Agreement. The second part will be determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement) and will equal 20.0% of our "Adjusted Realized Capital Gains", if any, on a cumulative basis from inception through the end of the year, computed net of all "Adjusted Realized Capital Losses" and "Adjusted Unrealized Capital Depreciation" on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fee each as described in the Investment Management Agreement. See "Investment Management Agreement" in the accompanying prospectus.

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Administrator	The Administrator serves as the administrator for us and arranges office space for us and provides us with office equipment and administrative services. The Administrator performs, or oversees the performance of, our financial records, prepares reports to our stockholders and reports filed by us with the SEC, monitors the payment of our expenses, and oversees the performance of administrative and professional services rendered to us by others. We reimburse the Administrator for our allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to us under an administration agreement, as amended and restated (the "Administration Agreement"). See "Administration Agreement" in the accompanying prospectus.
Distributions	We intend to pay quarterly distributions to our stockholders out of assets legally available for distribution. The quarterly distributions, if any, will be determined by our board of directors. The distributions we pay to our stockholders in a year may exceed our taxable income for that year and, accordingly, a portion of such distributions may constitute a return of capital for U.S. federal income tax purposes. The specific tax characteristics of our distributions will be reported to stockholders after the end of the calendar year. See "Price Range of Common Stock and Distributions" in this prospectus supplement and the accompanying prospectus.
Taxation of NMFC	We have elected to be treated, and intend to comply with the requirements to continue to qualify annually, as a RIC under Subchapter M of the Code. As a RIC, we generally will not pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that are timely distributed to our stockholders as dividends. To maintain our RIC status, we must meet specified source-of-income and asset diversification requirements and distribute annually to our stockholders at least 90.0% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. See "Price Range of Common Stock and Distributions" in this prospectus supplement and the accompanying prospectus and "Material Federal Income Tax Considerations" in the accompanying prospectus.

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Dividend Reinvestment Plan	We have adopted an "opt out" dividend reinvestment plan for our stockholders. As a result, if we declare a distribution, then your cash distributions will be automatically reinvested in additional shares of our common stock, unless you specifically "opt out" of the dividend reinvestment plan so as to receive cash distributions. Stockholders who receive distributions in the form of stock will be subject to the same U.S. federal income tax consequences as stockholders who elect to receive their distributions in cash. Cash distributions reinvested in additional shares of our common stock will be automatically reinvested by us in additional shares of our common stock. We will use only newly issued shares to implement the plan if the price at which newly issued shares are to be credited is equal to or greater than 110.0% of the last determined net asset value of our shares. We reserve the right to either issue new shares or purchase shares of our common stock in the open market in connection with our implementation of the plan if the price at which newly issued shares are to be credited to stockholders' accounts does not exceed 110.0% of the last determined net asset value of the shares. See "Dividend Reinvestment Plan" in the accompanying prospectus.
Trading at a Discount	Shares of closed-end investment companies frequently trade at a discount to their net asset value. The possibility that our common stock may trade at a discount to our net asset value per share is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our common stock will trade above, at or below net asset value.
License Agreement	We have entered into a royalty-free license agreement with New Mountain Capital, pursuant to which New Mountain Capital has agreed to grant us a non-exclusive license to use the names "New Mountain" and "New Mountain Finance". See "License Agreement" in the accompanying prospectus.
Leverage	We expect to continue to use leverage to make investments. As a result, we may continue to be exposed to the risks of leverage, which include that leverage may be considered a speculative investment technique. The use of leverage magnifies the potential for gain and loss on amounts we invest and therefore, indirectly, increases the risks associated with investing in shares of our common stock. See "Risk Factors" in this prospectus supplement and the accompanying prospectus.

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Anti-Takeover Provisions	Our board of directors is divided into three classes of directors serving staggered three-year terms. This structure is intended to provide us with a greater likelihood of continuity of management, which may be necessary for us to realize the full value of our investments. A staggered board of directors also may serve to deter hostile takeovers or proxy contests, as may certain other measures that we may adopt. These measures may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders. See "Description of Capital Stock Delaware Law and Certain Certificate of Incorporation and Bylaw Provisions; Anti-Takeover Measures" in the accompanying prospectus.
Available Information	We have filed with the SEC a registration statement on Form N-2 together with all amendments and related exhibits under the Securities Act of 1933, as amended (the "Securities Act"). The registration statement contains additional information about us and the shares of common stock being offered by this prospectus supplement and the accompanying prospectus. We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This information is available at the SEC's public reference room at 100 F Street, NE, Washington, District of Columbia 20549 and on the SEC's website at *http://www.sec.gov*. The public may obtain information on the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330. This information is also available free of charge by contacting us at New Mountain Finance Corporation, 787 Seventh Avenue, 48th Floor, New York, New York 10019, by telephone at (212) 720-0300, or on our website at *http://www.newmountainfinance.com*. Information contained on our website or on the SEC's web site about us is not incorporated into this prospectus supplement and the accompanying prospectus and you should not consider information contained on our website or on the SEC's website to be part of this prospectus supplement and the accompanying prospectus.

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FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that you will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this prospectus supplement and the accompanying prospectus contains a reference to fees or expenses paid by "you", "NMFC", or "us" or that "we", "NMFC", or the "Company" will pay fees or expenses, we will pay such fees and expenses out of our net assets and, consequently, you will indirectly bear such fees or expenses as an investor in us. However, you will not be required to deliver any money or otherwise bear personal liability or responsibility for such fees or expenses.

Stockholder transaction expenses:	
Sales load borne by us (as a percentage of offering price)	3.00%(1)
Offering expenses borne by us (as a percentage of offering price)	0.47%(2)
Dividend reinvestment plan fees	N/A(3)
Total stockholder transaction expenses (as a percentage of offering price)	3.47%
Annual expenses (as a percentage of net assets attributable to common stock):	
Base management fees	2.87%(4)
Incentive fees payable under the Investment Management Agreement	2.38%(5)
Interest payments on borrowed funds	1.98%(6)
Other expenses	0.91%(7)
Acquired fund fees and expenses	0.18%(8)
Total annual expenses	8.32%(9)

Example

The following example, required by the SEC, demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed that our borrowings and annual operating expenses would remain at the levels set forth in the table above. See Note 6 below for additional information regarding certain assumptions regarding our level of leverage.

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5.0% annual return	$ 58	$ 171	$ 281	$ 545

The example and the expenses in the tables above should not be considered a representation of future expenses, and actual expenses may be greater or less than those shown.

While the example assumes, as required by the applicable rules of the SEC, a 5.0% annual return, our performance will vary and may result in a return greater or less than 5.0%. The incentive fee under the Investment Management Agreement, which, assuming a 5.0% annual return, would either not be payable or would have an insignificant impact on the expense amounts shown above, is not included in the above example. The above illustration assumes that we will not realize any capital gains (computed net of all realized capital losses and unrealized capital depreciation) in any of the indicated time periods. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive fee of a material amount, our expenses and returns to our investors would be higher. For example, if we assumed that we received our 5.0% annual return completely in the form of net realized capital gains on our investments, computed net

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of all cumulative unrealized depreciation on our investments, the projected dollar amount of total cumulative expenses set forth in the above illustration would be as follows:

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5.0% annual return	$ 67	$ 196	$ 319	$ 606

The example assumes a sales load borne by us of 3.0%. In addition, while the examples assume reinvestment of all distributions at net asset value, participants in our dividend reinvestment plan will receive a number of shares of our common stock determined by dividing the total dollar amount of the distribution payable to a participant by the market price per share of our common stock at the close of trading on the dividend payment date. The market price per share of our common stock may be at, above or below net asset value. See "Dividend Reinvestment Plan" in the accompanying prospectus for additional information regarding the dividend reinvestment plan.

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(1) Represents the sales load to be paid by us with respect to the shares of common stock to be sold by us in this offering. Steven B. Klinsky, the Chairman of our board of directors, has submitted a non-binding indication of interest to purchase 500,000 shares of the common stock in connection with this offering. As per an arrangement with the underwriters, we will not pay and the underwriters will not receive the sales load on the shares Mr. Klinsky expects to receive in this offering. The Investment Adviser has agreed to bear $ per share, or approximately % of the offering price, of the sales load in connection with this offering, which is not reflected in the above table and will not be subject to reimbursement by us. There is no guaranty that there will be any sales of our common stock pursuant to this prospectus supplement or the accompanying prospectus.

(2) The offering expenses of this offering are estimated to be approximately $339,730.

(3) The de minimus expenses of the dividend reinvestment plan are included in "other expenses".

(4) The base management fee under the Investment Management Agreement is based on an annual rate of 1.75% of our average gross assets for the two most recent quarters, which equals our total assets on the Consolidated Statements of Assets and Liabilities, less (i) the borrowings under the SLF Credit Facility and (ii) cash and cash equivalents. We have not invested, and currently do not invest, in derivatives. To the extent we invest in derivatives in the future, we will use the actual value of the derivatives, as reported on our Consolidated Statements of Assets and Liabilities, for purposes of calculating our base management fee. Since our IPO, the base management fee calculation has deducted the borrowings under the SLF Credit Facility. The SLF Credit Facility has historically consisted of primarily lower yielding assets at higher advance rates. As part of an amendment to our existing credit facilities with Wells Fargo Bank, National Association, the SLF Credit Facility merged with the Predecessor Holdings Credit Facility and into the Holdings Credit Facility on December 18, 2014. Post credit facility merger and to be consistent with the methodology since IPO, the Investment Adviser will waive management fees on the leverage associated with those assets that share the same underlying yield characteristics with investments leveraged under the legacy SLF Credit Facility. The Investment Adviser cannot recoup management fees that the Investment Adviser has previously waived. The base management fee reflected in the table above is based on the six months ended June 30, 2015 and does not include any management fees waived. The base management fee net of the management fee waiver would be 2.36% for the six months ended June 30, 2015. See "Investment Management Agreement" in the accompanying prospectus.

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(5)
Assumes that annual incentive fees earned by the Investment Adviser remain consistent with the incentive fees earned by the Investment Adviser during the six months ended June 30, 2015 and includes accrued capital gains incentive fee. These accrued capital gains incentive fees would be paid by us if we ceased operations on June 30, 2015 and liquidated our investments at the June 30, 2015 valuation. As we cannot predict whether we will meet the thresholds for incentive fees under the Investment Management Agreement, the incentive fees paid in subsequent periods, if any, may be substantially different than the fees incurred during the six months ended June 30, 2015. For more detailed information about the incentive fee calculations, see the "Investment Management Agreement" section of the accompanying prospectus.

(6)
We may borrow funds from time to time to make investments to the extent we determine that additional capital would allow us to take advantage of additional investment opportunities or if the economic situation is otherwise conducive to doing so. The costs associated with these borrowings are indirectly borne by our stockholders. As of June 30, 2015, we had $359.9 million, $38.0 million, $115.0 million and $55.0 million of indebtedness outstanding under the Holdings Credit Facility, the NMFC Credit Facility, the Convertible Notes and the SBA-guaranteed debentures, respectively. For purposes of this calculation, we have assumed the June 30, 2015 amounts outstanding under the credit facilities, Convertible Notes and SBA-guaranteed debentures, and have computed interest expense using an assumed interest rate of 2.6% for the Holdings Credit Facility, 2.7% for the NMFC Credit Facility, 5.0% for the Convertible Notes and 2.3% for the SBA-guaranteed debentures, which were the rates payable as of June 30, 2015. See "Senior Securities" in this prospectus supplement.

(7)
"Other expenses" include our overhead expenses, including payments by us under the Administration Agreement based on the allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to us under the Administration Agreement. Pursuant to the Administration Agreement, the Administrator may, in its own discretion, submit to us for reimbursement some or all of the expenses that the Administrator has incurred on our behalf during any quarterly period. As a result, the amount of expenses for which we will have to reimburse the Administrator may fluctuate in future quarterly periods and there can be no assurance given as to when, or if, the Administrator may determine to limit the expenses that the Administrator submits to us for reimbursement in the future. However, it is expected that the Administrator will continue to support part of our expense burden in the near future and may decide to not calculate and charge through certain overhead related amounts as well as continue to cover some of the indirect costs. The Administrator cannot recoup any expenses that the Administrator has previously waived. This expense ratio does not include any expenses waived or reimbursed by the Administrator. Assuming the expenses waived or reimbursed by the Administrator at June 30, 2015, the expense ratio including expenses waived or reimbursed by the Administrator would be 0.82%. See "Administration Agreement" in the accompanying prospectus.

(8)
The holders of shares of our common stock indirectly bear the expenses of our investment in NMFC Senior Loan Program I, LLC ("SLP I"). No management fee is charged to the Company's investment in SLP I in connection with the administrative services provided to SLP I. Future expenses for SLP I may be substantially higher or lower because certain expenses may fluctuate over time.

(9)
The holders of shares of our common stock indirectly bear the cost associated with our annual expenses.

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SELECTED FINANCIAL AND OTHER DATA

The selected financial data should be read in conjunction with the respective financial statements and related consolidated notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this prospectus supplement and the accompanying prospectus. Financial information for the years ended December 31, 2014, December 31, 2013, December 31, 2012, December 31, 2011, December 31, 2010 and December 31, 2009 has been derived from the Predecessor Operating Company and our financial statements and the related notes thereto that were audited by Deloitte & Touche, LLP, an independent registered public accounting firm. The financial information at and for the six months ended June 30, 2015 was derived from our unaudited consolidated financial statements and related consolidated notes. In the opinion of management, all adjustments, consisting solely of normal recurring accruals, considered necessary for the fair presentation of financial statements for the interim periods, have been included. Our results for the interim periods may not be indicative of our results for any future interim period or the full year. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Senior Securities" in this prospectus supplement and the accompanying prospectus for more information.

The below selected financial and other data is for NMFC.

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(in thousands except shares and per share data)

New Mountain Finance Corporation	Six months ended June 30, 2015	Years ended December 31, 2014	2013	2012	Period from May 19, 2011 (commencement of operations) to December 31, 2011
Statement of Operations Data:					
Investment income	$ 74,441	$ 91,923	$	$	$
Investment income allocated from NMF Holdings		43,678	90,876	$ 37,511	$ 13,669
Net expenses	35,126	34,727			
Net expenses allocated from NMF Holdings		20,808	40,355	17,719	5,324
Net investment income	39,315	80,066	50,521	19,792	8,345
Net realized (losses) gains on investments	(13,471)	357			
Net realized and unrealized gains (losses) allocated from NMF Holdings		9,508	11,443	12,087	(4,235)
Net change in unrealized appreciation (depreciation) of investments	17,970	(43,863)			
Net change in unrealized (depreciation) appreciation of investment in NMF Holdings			(44)	(95)	6,221
Provision for taxes	(636)	(493)			
Net increase in net assets resulting from operations	43,178	45,575	61,920	31,784	10,331
Per share data:					
Net asset value	$ 13.90	$ 13.83	$ 14.38	$ 14.06	$ 13.60
Net increase in net assets resulting from operations (basic)	0.74	0.88	1.76	2.14	0.97
Net increase in net assets resulting from operations (diluted)(1)	0.70	0.86	1.76	2.14	0.38
Dividends declared(2)	0.68	1.48	1.48	1.71	0.86
Balance sheet data:					
Total assets	$ 1,392,101	$ 1,514,920	$ 650,107	$ 345,331	$ 145,487
Holdings Credit Facility	359,858	468,108	N/A	N/A	N/A
Convertible Notes	115,000	115,000	N/A	N/A	N/A
SBA-guaranteed debentures	55,000	37,500	N/A	N/A	N/A
NMFC Credit Facility	38,000	50,000	N/A	N/A	N/A
Total net assets	808,326	802,170	650,107	341,926	145,487
Other data:					
Total return on market value(3)	1.58%	9.66%	11.62%	24.84%	4.16%
Total return on net asset value(4)	5.48%	6.56%	13.27%	16.61%	2.82%
	65	71	N/A	N/A	N/A

Number of portfolio companies at period end					
Total new investments for the period(5)	$ 190,041	$ 720,871	N/A	N/A	N/A
Investment sales and repayments for the period(5)	$ 315,219	$ 384,568	N/A	N/A	N/A
Weighted average Yield to Maturity at Cost on debt portfolio at period end (unaudited)(6)	10.8%	10.7%	N/A	N/A	N/A
Weighted average shares outstanding for the period (basic)	58,037,868	51,846,164	35,092,722	14,860,838	10,697,691
Weighted average shares outstanding for the period (diluted)	65,265,931	56,157,835	35,092,722	14,860,838	10,697,691
Portfolio turnover(5)	14.01%	29.51%	N/A	N/A	N/A

(1) In applying the if-converted method, conversion is not assumed for purposes of computing diluted earnings per share if the effect would be anti-dilutive. For the six months ended June 30, 2015 and the year ended December 31, 2014, there was no anti-dilution. For the years ended December 31, 2013 and December 31, 2012, due to reflecting earnings for the full year of operations of the Predecessor Operating Company assuming 100.0% NMFC ownership of Predecessor Operating Company and assuming all of AIV Holdings units in the Predecessor Operating Company

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were exchanged for public shares of NMFC during the years then ended, the earnings per share would be $1.79 and $2.18, respectively.

(2)

Dividends declared in the year ended December 31, 2014 include a $0.12 per share special dividend related to realized capital gains attributable to the Company's warrant investments in Learning Care Group (US), Inc. Dividends declared in the year ended December 31, 2013 include a $0.12 per share special dividend related to a distribution received attributable to NMF Holdings' investment in YP Equity Investors LLC. Dividends declared in the year ended December 31, 2012 include a $0.23 per share special dividend related to estimated realized capital gains attributable to NMF Holdings' investments in Lawson Software, Inc. and Infor Lux Bond Company and a $0.14 per share special dividend intended to minimize to the greatest extent possible NMFC's U.S. federal income or excise tax liability.

(3)

For the six months ended June 30, 2015 and the years ended December 31, 2014, December 31, 2013, December 31, 2012 and for the period May 19, 2011 to December 31, 2011, total return is calculated assuming a purchase of common stock at the opening of the first day of the year and assuming a purchase of common stock at our IPO, respectively, and a sale on the closing of the last day of the respective period ends. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under NMFC's dividend reinvestment plan.

(4)

Total return is calculated assuming a purchase at net asset value on the opening of the first day of the period and a sale at net asset value on the last day of the period. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at the net asset value on the last day of the respective quarter.

(5)

For the year ended December 31, 2014, amounts include the investment activity of the Predecessor Operating Company and the Company.

(6)

The weighted average Yield to Maturity at Cost calculation assumes that all investments, including secured collateralized agreements, not on non-accrual are purchased at the adjusted cost on the respective period ends and held until their respective maturities with no prepayments or losses and exited at par at maturity. Adjusted cost reflects the GAAP cost for post-IPO investments and a stepped up cost basis of pre-IPO investments (assuming a step-up to fair market value occurred on the IPO date).

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As of May 8, 2014, NMFC assumed all operating activities previously undertaken by NMF Holdings. The following table sets forth selected financial and other data for NMF Holdings when it was the Predecessor Operating Company.

(in thousands except units and per unit data)

	Years ended December 31,				
New Mountain Finance Holdings, L.L.C.	**2013**	**2012**	**2011**	**2010**	**2009**
Statement of Operations Data:					
Total investment income	$ 114,912	$ 85,786	$ 56,523	$ 41,375	$ 21,767
Net expenses	51,235	40,569	17,998	3,911	1,359
Net investment income	63,677	45,217	38,525	37,464	20,408
Net realized and unrealized gains (losses)	15,247	28,779	(6,848)	26,328	105,272
Net increase in net assets resulting from operations	78,924	73,996	31,677	63,792	125,680
Per unit data:					
Net asset value	$ 14.38	$ 14.06	$ 13.60	N/A	N/A
Net increase in net assets resulting from operations (basic and diluted)	1.79	2.18	1.02	N/A	N/A
Dividends declared(1)	1.48	1.71	0.86	N/A	N/A
Balance sheet data:					
Total assets	$ 1,147,841	$ 1,025,564	$ 730,579	$ 460,224	$ 330,558
Holdings Credit Facility	221,849	206,938	129,038	59,697	77,745
SLF Credit Facility	214,668	214,262	165,928	56,936	
Total net assets	688,516	569,939	420,502	241,927	239,441
Other data:					
Total return at net asset value(2)	13.27%	16.61%	10.09%	26.54%	76.38%
Number of portfolio companies at period end	59	63	55	43	24
Total new investments for the period	$ 529,307	$ 673,218	$ 493,331	$ 332,708	$ 268,382
Investment sales and repayments for the period	$ 426,561	$ 423,874	$ 231,962	$ 258,202	$ 125,430
Weighted average Yield to Maturity at Cost on debt portfolio at period end (unaudited)(3)	11.0%	10.3%	10.3%		
Weighted average Yield to Maturity on debt portfolio at period end (unaudited)(4)	10.6%	10.1%	10.7%	(5)	(5)
Weighted average Adjusted Yield to Maturity on debt portfolio at period end (unaudited)	(6)	(6)	13.1%	12.5%	12.7%
Weighted average common membership units outstanding for the period	44,021,920	34,011,738	30,919,629(7)	N/A	N/A
Portfolio turnover	40.52%	52.02%	42.13%	76.69%	57.50%

N/A Fund was not unitized as of December 31, 2010 and December 31, 2009.

(1) Dividends declared in the year ended December 31, 2013 include a $0.12 per unit special dividend related to a distribution received attributable to NMF Holdings' investment in YP Equity Investors LLC. Dividends

declared in the year ended December 31, 2012 include a $0.23 per unit special dividend related to estimated realized capital gains attributable to NMF Holdings' investments in Lawson Software, Inc. and Infor Lux Bond Company and a $0.14 per unit special dividend intended to minimize to the greatest extent possible NMFC's U.S. federal income or excise tax liability. Actual cash payments on the dividends declared to AIV Holdings only, for the quarters ended March 31, 2012, June 30, 2012, December 31, 2012 and March 31, 2013, were made on April 4, 2012, July 9, 2012, January 7, 2013 and April 5, 2013 respectively.

(2)

For years ended December 31, 2013 and December 31, 2012, total return is calculated assuming a purchase at net asset value on the opening of the first day of the year and a sale at net asset value on the last day of the respective period ends. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at the net asset value on the last day of the respective quarter. For the year ended December 31, 2011, total return is calculated in two parts: (1) from the opening of the first day of the year to NMFC's IPO date, total return is calculated based on net income over weighted average net assets and (2) from NMFC's IPO date to the last day of the year, total return is calculated assuming a purchase at net asset value on NMFC's IPO date and a sale at net asset value on the last day of the year. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at the net asset value on the last day of the respective quarter. For the years ended December 31, 2010 and December 31, 2009, total return is the ratio of net income compared to capital, adjusted for capital contributions and distributions.

(3)

The weighted average Yield to Maturity at Cost calculation assumes that all investments not on non-accrual are purchased at the adjusted cost on the respective period ends and held until their respective maturities with no prepayments or losses and exited at par at maturity. Adjusted cost reflects the GAAP cost for post-IPO investments

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and a stepped up cost basis of pre-IPO investments (assuming a step-up to fair market value occurred on the IPO date). The weighted average Yield to Maturity at Cost was not calculated prior to NMFC's IPO.

(4)

The weighted average Yield to Maturity calculation assumes that all investments not on non-accrual are purchased at fair value on the respective period ends and held until their respective maturities with no prepayments or losses and exited at par at maturity. The weighted average Yield to Maturity was not calculated subsequent to December 31, 2013.

(5)

Prior to NMFC's IPO, for yield calculation purposes, NMF SLF was treated as a fully levered asset of NMF Holdings with NMF SLF's net asset value being included in the yield to maturity calculations. Since NMF SLF is consolidated in accordance with GAAP, at the time of the IPO, NMF Holdings began using the weighted average Yield to Maturity concept instead of the "Adjusted Yield to Maturity" concept for yield calculation purposes.

(6)

"Adjusted Yield to Maturity" assumes that the investments in NMF Holdings' portfolio are purchased at fair value on the respective period ends and held until their respective maturities with no prepayments or losses and exited at par at maturity. This calculation excludes the impact of existing leverage, except for the non-recourse debt of NMF SLF. NMF SLF is treated as a fully levered asset of NMF Holdings, with NMF SLF's net asset value being included for yield calculation purposes.

(7)

Weighted average common membership units outstanding presented from May 19, 2011 to December 31, 2011, as the fund became unitized on May 19, 2011, the IPO date.

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SELECTED QUARTERLY FINANCIAL DATA

The selected quarterly financial data should be read in conjunction with the respective financial statements and related consolidated notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this prospectus supplement and the accompanying prospectus. The following table sets forth certain quarterly financial data for the quarter ended June 30, 2015 and March 31, 2015 and each of the quarters for the fiscal years ended December 31, 2014 and December 31, 2013 of NMFC. This data is derived from our unaudited financial statements. Results for any quarter are not necessarily indicative of results for the full year or for any future quarter. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Senior Securities" included in this prospectus supplement and the accompanying prospectus for more information.

The below selected quarterly financial data is for NMFC.

(in thousands except for per share data)

	Total Investment Income		Net Investment Income		Total Net Realized and Unrealized (Losses) Gains		Net Increase (Decrease) in Net Assets Resulting from Operations	
Quarter Ended	**Total**	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**
June 30, 2015	$ 37,905	$ 0.65	$ 20,253	$ 0.35	$ 11	$ 0.00	$ 20,264	$ 0.35
March 31, 2015	36,536	0.63	19,062	0.33	3,852	0.07	22,914	0.40
December 31, 2014	$ 36,748	$ 0.65	$ 25,919	$ 0.46	$ (34,865)	$ (0.62)	$ (8,946)	$ (0.16)
September 30, 2014	34,706	0.67	20,800	0.40	(13,389)	(0.26)	7,411	0.14
June 30, 2014	33,708	0.65	17,289	0.34	6,373	0.12	23,662	0.46
March 31, 2014	30,439	0.65	16,058	0.34	7,390	0.16	23,448	0.50
December 31, 2013	$ 26,783	$ 0.60	$ 14,826	$ 0.33	$ 3,119	$ 0.07	$ 17,945	$ 0.40
September 30, 2013	22,012	0.58	10,803	0.29	6,664	0.17	17,467	0.46
June 30, 2013	26,400	0.82	17,674	0.55	(6,682)	(0.21)	10,992	0.34
March 31, 2013	15,681	0.62	7,218	0.28	8,298	0.33	15,516	0.61

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As of May 8, 2014, NMFC assumed all operating activities previously undertaken by NMF Holdings. The following table sets forth certain quarterly financial data for each of the quarters for the fiscal years ended December 31, 2013, December 31, 2012, December 31, 2011, December 31, 2010 and December 31, 2009 of NMF Holdings when it was the Predecessor Operating Company.

(in thousands except for per share data)

	Investment Income		Net Investment Income		Total Net Realized Gains and Net Changes in Unrealized Appreciation (Depreciation) of Investments		Net Increase (Decrease) in Capital Resulting from Operations	
Quarter Ended	**Total**	**Per Unit**	**Total**	**Per Unit**	**Total**	**Per Unit**	**Total**	**Per Unit**
December 31, 2013	$ 28,645	$ 0.60	$ 15,848	$ 0.33	$ 3,213	$ 0.07	$ 19,061	$ 0.40
September 30, 2013	25,793	0.57	12,659	0.29	7,819	0.17	20,478	0.46
June 30, 2013	35,156	0.82	23,543	0.55	(8,719)	(0.21)	14,824	0.34
March 31, 2013	25,318	0.62	11,627	0.28	12,934	0.32	24,561	0.60
December 31, 2012	$ 24,713	$ 0.65	$ 13,522	$ 0.36	$ 3,478	$ 0.09	$ 17,000	$ 0.45
September 30, 2012	21,752	0.60	10,136	0.28	12,109	0.34	22,245	0.62
June 30, 2012	20,299	0.66	11,646	0.38	(561)	(0.02)	11,085	0.36
March 31, 2012	19,022	0.62	9,913	0.32	13,754	0.45	23,667	0.77
December 31, 2011	$ 17,127	$ 0.55	$ 9,540	$ 0.31	$ 8,317	$ 0.27	$ 17,857	$ 0.58
September 30, 2011	15,069	0.49	10,002	0.32	(21,255)	(0.68)	(11,253)	(0.36)
June 30, 2011	13,116	0.42	9,554	0.31	(899)	(0.03)	8,655	0.28
March 31, 2011	11,212	N/A	9,429	N/A	6,990	N/A	16,419	N/A
December 31, 2010	$ 9,820	N/A	$ 8,335	N/A	$ 7,978	N/A	$ 16,313	N/A
September 30, 2010	13,881	N/A	13,145	N/A	5,560	N/A	18,705	N/A
June 30, 2010	8,597	N/A	7,777	N/A	(5,349)	N/A	2,428	N/A
March 31, 2010	9,077	N/A	8,208	N/A	18,138	N/A	26,346	N/A
December 31, 2009	$ 7,617	N/A	$ 6,617	N/A	$ 1,617	N/A	$ 8,234	N/A
September 30, 2009	6,148	N/A	6,030	N/A	33,709	N/A	39,739	N/A
June 30, 2009	5,092	N/A	4,877	N/A	42,562	N/A	47,439	N/A
March 31, 2009	2,910	N/A	2,883	N/A	27,385	N/A	30,268	N/A

N/A Not applicable, as NMF Holdings was not unitized until May 19, 2011.

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RISK FACTORS

Investing in our securities involves a number of significant risks. In addition to the other information contained in this prospectus supplement and the accompanying prospectus, you should consider carefully the following information before making an investment in our securities. The risks set out below are not the only risks we face and you should read the risks set out in the accompanying prospectus. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our net asset value and the trading price of our common stock could decline and you may lose all or part of your investment.

RISKS RELATED TO OUR BUSINESS AND STRUCTURE

Our ability to achieve our investment objective depends on key investment personnel of the Investment Adviser. If the Investment Adviser were to lose any of its key investment personnel, our ability to achieve our investment objective could be significantly harmed.

We depend on the investment judgment, skill and relationships of the investment professionals of the Investment Adviser, particularly Steven B. Klinsky and Robert A. Hamwee, as well as other key personnel to identify, evaluate, negotiate, structure, execute, monitor and service our investments. The Investment Adviser, as an affiliate of New Mountain Capital, is supported by New Mountain Capital's team, which as of June 30, 2015 consisted of approximately 100 staff members of New Mountain Capital and its affiliates to fulfill its obligations to us under the Investment Management Agreement. The Investment Adviser may also depend upon New Mountain Capital to obtain access to investment opportunities originated by the professionals of New Mountain Capital and its affiliates. Our future success depends to a significant extent on the continued service and coordination of the key investment personnel of the Investment Adviser. The departure of any of these individuals could have a material adverse effect on our ability to achieve our investment objective.

The Investment Committee, which provides oversight over our investment activities, is provided by the Investment Adviser. The Investment Committee currently consists of five members. The loss of any member of the Investment Committee or of other senior professionals of the Investment Adviser and its affiliates without suitable replacement could limit our ability to achieve our investment objective and operate as we anticipate. This could have a material adverse effect on our financial condition, results of operation and cash flows. To achieve our investment objective, the Investment Adviser may hire, train, supervise and manage new investment professionals to participate in its investment selection and monitoring process. If the Investment Adviser is unable to find investment professionals or do so in a timely manner, our business, financial condition and results of operations could be adversely affected.

We borrow money, which could magnify the potential for gain or loss on amounts invested in us and increase the risk of investing in us.

We borrow money as part of our business plan. Borrowings, also known as leverage, magnify the potential for gain or loss on invested equity capital and may, consequently, increase the risk of investing in us. We expect to continue to use leverage to finance our investments, through senior securities issued by banks and other lenders. Lenders of these senior securities have fixed dollar claims on our assets that are superior to claims of our common stockholders. If the value of our assets decreases, leveraging would cause our net asset value to decline more sharply than it otherwise would have had it not leveraged. Similarly, any decrease in our income would cause our net income to decline more sharply than it would have had it not borrowed. Such a decline could adversely affect our ability to make common stock dividend payments. In addition, because our

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investments may be illiquid, we may be unable to dispose of them or to do so at a favorable price in the event we need to do so if we are unable to refinance any indebtedness upon maturity and, as a result, we may suffer losses. Leverage is generally considered a speculative investment technique.

Our ability to service any debt that we incur depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. Moreover, as the Investment Adviser's management fee is payable to the Investment Adviser based on gross assets, including those assets acquired through the use of leverage, the Investment Adviser may have a financial incentive to incur leverage which may not be consistent with our interests and the interests of our common stockholders. In addition, holders of our common stock will, indirectly, bear the burden of any increase in our expenses as a result of leverage, including any increase in the management fee payable to the Investment Adviser.

At June 30, 2015, we had $359.9 million, $38.0 million, $115.0 million and $55.0 million of indebtedness outstanding under the Holdings Credit Facility, the NMFC Credit Facility, the Convertible Notes and the SBA-guaranteed debentures, respectively. The Holdings Credit Facility had a weighted average interest rate of 2.6% for the six months ended June 30, 2015, the NMFC Credit Facility had a weighted average interest rate of 2.7% for the six months ended June 30, 2015 and the SBA-guaranteed debentures had a weighted average interest rate of 1.9% for the six months ended June 30, 2015. The interest rate on the Convertible Notes is 5.0% per annum.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses and adjusted for unsettled securities purchased. The calculations in the table below are hypothetical. Actual returns may be higher or lower than those appearing below. The calculation assumes (i) $1,392.1 million in total assets, (ii) a weighted average cost of borrowings of 3.0%, which assumes the weighted average interest rates as of June 30, 2015 for the Holdings Credit Facility, the NMFC Credit Facility and the SBA-guaranteed debentures and the interest rate as of June 30, 2015 for the Convertible Notes, (iii) $567.9 million in debt outstanding and (iv) $808.3 million in net assets.

Assumed Return on Our Portfolio
(net of expenses)

	(10.0)%	**(5.0)%**	**0%**	**5.0%**	**10.0%**
Corresponding return to stockholder	(19.3)%	(10.7)%	(2.1)%	6.5%	15.1%

If we are unable to obtain additional debt financing, or if our borrowing capacity is materially reduced, our business could be materially adversely affected.

We may want to obtain additional debt financing, or need to do so upon maturity of our credit facilities, in order to obtain funds which may be made available for investments. The revolving period under the Holdings Credit Facility ends on December 18, 2017, and the Holdings Credit Facility matures on December 18, 2019. The NMFC Credit Facility and the Convertible Notes mature on June 4, 2019 and June 15, 2019, respectively. The SBA-guaranteed debentures have ten year maturities and will begin to mature on March 1, 2025. If we are unable to increase, renew or replace any such facilities and enter into new debt financing facilities or other debt financing on commercially reasonable terms, our liquidity may be reduced significantly. In addition, if we are unable to repay amounts outstanding under any such facilities and are declared in default or are unable to renew or refinance these facilities, we may not be able to make new investments or operate our business in the normal course. These situations may arise due to circumstances that we may be unable to control, such as lack of access to the credit markets, a severe decline in the value of the U.S. dollar, a further economic downturn or an operational problem that affects us or third parties, and could materially damage our business operations, results of operations and financial condition.

RISKS RELATED TO OUR OPERATIONS

Regulations governing the operations of BDCs will affect our ability to raise additional equity capital as well as our ability to issue senior securities or borrow for investment purposes, any or all of which could have a negative effect on our investment objectives and strategies.

Our business requires a substantial amount of capital. We may acquire additional capital from the issuance of senior securities, including borrowing under a credit facility or other indebtedness. In addition, we may also issue additional equity capital, which would in turn increase the equity capital available to us. However, we may not be able to raise additional capital in the future on favorable terms or at all.

We may issue debt securities, preferred stock, and we may borrow money from banks or other financial institutions, which we refer to collectively as "senior securities", up to the maximum amount permitted by the 1940 Act. The 1940 Act permits us to issue senior securities in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 200.0% after each issuance of senior securities. As a result of our SEC exemptive relief, we are permitted to exclude our SBA-guaranteed debentures from the definition of senior securities in the 200.0% asset coverage ratio we are required to maintain under the 1940 Act. If our asset coverage ratio is not at least 200.0%, we would be unable to issue senior securities, and if we had senior securities outstanding (other than any indebtedness issued in consideration of a privately arranged loan, such as any indebtedness outstanding under the Holdings Credit Facility and NMFC Credit Facility), we would be unable to make distributions to our stockholders. However, at June 30, 2015, our only senior securities outstanding were indebtedness under the Holdings Credit Facility, NMFC Credit Facility and Convertible Notes and therefore at June 30, 2015, we would not have been precluded from paying distributions. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to liquidate a portion of our investments and repay a portion of our indebtedness at a time when such sales may be disadvantageous.

The Holdings Credit Facility matures on December 18, 2019 and permits borrowings of $495.0 million as of June 30, 2015. The Holdings Credit Facility had $359.9 million in debt outstanding as of June 30, 2015. The NMFC Credit Facility matures on June 4, 2019 and permits borrowings of $95.0 million as of June 30, 2015. The NMFC Credit Facility had $38.0 million in debt outstanding as of June 30, 2015. The Convertible Notes mature on June 15, 2019. The Convertible Notes had $115.0 million in debt outstanding as of June 30, 2015. The SBA-guaranteed debentures have ten year maturities and will begin to mature on March 1, 2025. As of June 30, 2015, $55.0 million of SBA-guaranteed debentures were outstanding.

In addition, we may in the future seek to securitize other portfolio securities to generate cash for funding new investments. To securitize loans, we would likely create a wholly-owned subsidiary and contribute a pool of loans to the subsidiary. We would then sell interests in the subsidiary on a non-recourse basis to purchasers and we would retain all or a portion of the equity in the subsidiary. If we are unable to successfully securitize its loan portfolio, which must be done in compliance with the relevant restrictions in the Holdings Credit Facility, our ability to grow our business or fully execute our business strategy could be impaired and our earnings, if any, could decrease. The securitization market is subject to changing market conditions, and we may not be able to access this market when it would otherwise deem appropriate. Moreover, the successful securitization of our portfolio might expose us to losses as the residual investments in which we do not sell interests will tend to be those that are riskier and more apt to generate losses. The 1940 Act also may impose restrictions on the structure of any securitization.

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We may also obtain capital through the issuance of additional equity capital. As a BDC, we generally are not able to issue or sell our common stock at a price below net asset value per share. If our common stock trades at a discount to its net asset value per share, this restriction could adversely affect our ability to raise equity capital. We may, however, sell our common stock, or warrants, options or rights to acquire its common stock, at a price below its net asset value per share of the common stock if our board of directors and independent directors determine that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our board of directors, closely approximates the market value of such securities (less any underwriting commission or discount). If we raise additional funds by issuing more shares of our common stock, or if we issue senior securities convertible into, or exchangeable for, our common stock, the percentage ownership of our stockholders may decline and you may experience dilution.

RISKS RELATING TO OUR INVESTMENTS

Our portfolio may be concentrated in a limited number of industries, which may subject us to a risk of significant loss if there is a downturn in a particular industry in which a number of our investments are concentrated.

Our portfolio may be concentrated in a limited number of industries. For example, as of June 30, 2015, our investments in the software, the business services and the education industries represented approximately 25.8%, 18.1% and 11.5%, respectively, of the fair value of our portfolio. A downturn in any particular industry in which we are invested could significantly impact the portfolio companies operating in that industry, and accordingly, the aggregate returns that we realize from our investment in such portfolio companies.

Specifically, companies in the software industry often have narrow product lines and small market shares. Because of rapid technological change, the average selling prices of products and some services provided by software companies have historically decreased over their productive lives. As a result, the average selling prices of products and services offered by software companies in which we invest may decrease over time. In addition, companies in the business services industry are subject to general economic downturns and business cycles, and will often suffer reduced revenues and rate pressures during periods of economic uncertainty. Likewise, companies in the education industry are required to comply with extensive regulatory and accreditation requirements, which could be subject to change by Congress, and which can limit their access to federal aid or similar loan programs, or otherwise increase their compliance costs. If an industry in which we have significant investments suffers from adverse business or economic conditions, as these industries have to varying degrees, a material portion of its investment portfolio could be affected adversely, which, in turn, could adversely affect our financial position and results of operations.

Continuation of the current decline in oil and natural gas prices for a prolonged period of time could have a material adverse effect.

As of June 30, 2015, approximately 6.1% of our portfolio at fair value is invested in energy-related businesses. A decline in oil and natural gas prices would adversely affect the credit quality of these investments. A decrease in credit quality would, in turn, negatively affect the fair value of these investments, which would consequently negatively affect our financial position and results of operations. Should the current decline in oil and natural gas prices persist, it is likely that our energy-related portfolio companies' abilities to satisfy our financial or operating covenants or other lenders will be adversely affected, thereby negatively impacting our financial condition and their ability to satisfy their debt service and other obligations to us.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current and prospective portfolio investments, our industry, our beliefs, and our assumptions. Words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "potential", "project", "seek", "should", "target", "will", "would" or variations of these words and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained in this prospectus supplement and the accompanying prospectus involve risks and uncertainties, including statements as to:

- the preliminary estimates of our net asset value and adjusted net investment income;
- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the impact of investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments;
- the adequacy of our cash resources and working capital; and
- the timing of cash flows, if any, from the operations of our portfolio companies.

These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- an economic downturn could impair our portfolio companies' ability to continue to operate, which could lead to the loss of some or all of our investments in such portfolio companies;
- a contraction of available credit and/or an inability to access the equity markets could impair our lending and investment activities;

- interest rate volatility could adversely affect our results, particularly if we elect to use leverage as part of our investment strategy;
- currency fluctuations could adversely affect the results of our investments in foreign companies, particularly to the extent that we receive payments denominated in foreign currency rather than U.S. dollars; and
- the risks, uncertainties and other factors we identify in "Risk Factors" and elsewhere in this prospectus supplement, the accompanying prospectus and in our filings with the SEC.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. Important assumptions include our ability to originate new loans and investments, certain margins and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this prospectus supplement or the

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accompanying prospectus should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include those described or identified in "Risk Factors" and elsewhere in this prospectus supplement and the accompanying prospectus. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this prospectus supplement. However, we will update this prospectus supplement to reflect any material changes to the information contained herein. The forward-looking statements and projections contained in this prospectus supplement are excluded from the safe harbor protection provided by Section 27A of the Securities Act.

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CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2015:

- on an actual basis; and

- on an as adjusted basis to give effect to the sale of 5,000,000 shares of our common stock by us in this offering at a public offering price of $14.34 per share (the last reported closing price of our common stock on September 18, 2015), after deducting the estimated sales load (underwriting discounts and commissions) of approximately $1.9 million and estimated offering expenses of approximately $0.3 million payable by us. The Investment Adviser has agreed to bear $ per share, or approximately % of the offering price, of sales load in connection with this offering, which is not reflected in the below table and will not be subject to reimbursement by us.

You should read this table together with "Use of Proceeds" and the financial statements and related notes thereto included elsewhere in this prospectus supplement and the accompanying prospectus.

	As of June 30, 2015			
	Actual (unaudited)		As Adjusted (unaudited)	
	(in thousands)			
Assets:				
Cash and cash equivalents	$	24,226	$	93,651
Investments at fair value		1,308,872		1,308,872
Other assets		59,003		58,663
Total assets	$	1,392,101	$	1,461,186
Liabilities:				
Credit facilities payable	$	397,858	$	397,858
Convertible Notes		115,000		115,000
SBA-guaranteed debentures		55,000		55,000
Other liabilities		15,917		15,577
Total liabilities	$	583,775	$	583,435
Net assets	$	808,326	$	877,751
Net assets:				
Preferred stock, par value $0.01 per share; 2,000,000 shares authorized, none issued	$		$	
Common stock, par value $0.01 per share; 100,000,000 shares authorized, 58,161,821 and 63,161,821 shares issued and outstanding, respectively		582		632
Paid in capital in excess of par		819,570		888,945
Accumulated undistributed net investment income		2,380		2,380
Accumulated undistributed net realized gains on investments		660		660
Net unrealized (depreciation) appreciation of investments (net of provision for taxes)		(14,866)		(14,866)

Total net assets	808,326	877,751

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USE OF PROCEEDS

We estimate that we will receive net proceeds from the sale of the 5,000,000 shares of our common stock in this offering of approximately $69.4 million (using the last reported closing price of our common stock on September 18, 2015 of $14.34 per share), after deducting estimated offering expenses of approximately $0.3 million payable by us and underwriting discounts and commissions of approximately $1.9 million. In addition, the Investment Adviser has agreed to bear $ of sales load in connection with this offering, which will not be subject to reimbursement by us. Steven B. Klinsky, the Chairman of our board of directors, has submitted a non-binding indication of interest to purchase 500,000 shares of the common stock in connection with this offering. As per an arrangement with the underwriters, we will not pay and the underwriters will not receive the sales load on the shares Mr. Klinsky expects to receive in this offering.

We intend to use the net proceeds from this offering for new investments in portfolio companies in accordance with our investment objective and strategies described in this prospectus supplement and the accompanying prospectus. We may also use a portion of the net proceeds from the sale of shares of our common stock sold in this offering for other general corporate purposes, including to temporarily repay indebtedness (which will be subject to reborrowing), and other working capital needs. We are continuously identifying, reviewing and, to the extent consistent with our investment objective, funding new investments. As a result, we typically raise capital as we deem appropriate to fund such new investments.

We expect that it will take up to three months for us to substantially invest the net proceeds from this offering, depending on the availability of attractive opportunities and market conditions. However, we can offer no assurance that we will be able to achieve this goal.

Proceeds not immediately used for new investments or the temporary repayment of debt will be invested primarily in cash, cash equivalents, U.S. government securities and other high-quality investments that mature in one year or less from the date of investment. These temporary investments are expected to provide a lower net return than we hope to achieve from our target investments.

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PRICE RANGE OF COMMON STOCK AND DISTRIBUTIONS

Our common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "NMFC". The following table sets forth the net asset value ("NAV") per share of our common stock, the high and low closing sale price for our common stock, the closing sale price as a percentage of NAV and the quarterly dividend distributions per share for each fiscal quarter for the years ended December 31, 2015, December 31, 2014 and December 31, 2013.

Fiscal Year Ended	NAV Per Share(2)	Closing Sales Price(3) High	Closing Sales Price(3) Low	Premium or Discount of High Closing Sales to NAV(4)	Premium or Discount of Low Closing Sales to NAV(4)	Declared Dividends Per Share(5)
December 31, 2015						
Third Quarter(1)	*	$ 14.94	$ 14.27	*	*	$ 0.34
Second Quarter	$ 13.90	$ 15.14	$ 14.49	8.92%	4.24%	$ 0.34
First Quarter	$ 13.89	$ 15.06	$ 14.30	8.42%	2.95%	$ 0.34
December 31, 2014						
Fourth Quarter	$ 13.83	$ 15.09	$ 14.14	9.11%	2.24%	$ 0.34
Third Quarter	$ 14.33	$ 15.39	$ 14.48	7.40%	1.05%	$ 0.46(6)
Second Quarter	$ 14.65	$ 14.89	$ 13.91	1.64%	(5.05)%	$ 0.34
First Quarter	$ 14.53	$ 15.19	$ 14.46	4.54%	(0.48)%	$ 0.34
December 31, 2013						
Fourth Quarter	$ 14.38	$ 15.19	$ 14.05	5.63%	(2.29)%	$ 0.34
Third Quarter	$ 14.32	$ 14.90	$ 14.21	4.05%	(0.77)%	$ 0.46(7)
Second Quarter	$ 14.32	$ 15.60	$ 13.82	8.94%	(3.49)%	$ 0.34
First Quarter	$ 14.31	$ 15.45	$ 14.30	7.97%	(0.07)%	$ 0.34

(1) Period from July 1, 2015 through September 18, 2015.

(2) NAV is determined as of the last date in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(3) Closing sales price is determined as the high or low closing sales price noted within the respective quarter, not adjusted for dividends.

(4) Calculated as of the respective high or low closing sales price divided by the quarter end NAV.

(5) Represents the dividend paid for the specified quarter.

(6) Includes a special dividend of $0.12 per share paid on September 3, 2014 and a third quarter dividend of $0.34 per share paid on September 30, 2014.

(7) Includes a special dividend of $0.12 per share paid on August 30, 2013 and a third quarter dividend of $0.34 per share paid on September 30, 2013.

* Not determinable at the time of filing.

On September 18, 2015, the last reported sales price of our common stock was $14.34 per share. As of September 18, 2015, we had approximately 29 stockholders of record and approximately one beneficial owner whose shares are held in the names of brokers, dealers, funds, trusts and clearing agencies.

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Shares of BDCs may trade at a market price that is less than the value of the net assets attributable to those shares. The possibility that our shares of common stock will trade at a discount from NAV or at premiums that are unsustainable over the long term are separate and distinct from the risk that our NAV will decrease. Since our initial public offering on May 19, 2011, our shares of common stock have traded at times at both a discount and a premium to the net assets attributable to those shares. As of September 18, 2015 our shares of common stock traded at a premium of approximately 3.2% of the NAV attributable to those shares as of June 30, 2015. It is not possible to predict whether the shares offered hereby will trade at, above, or below NAV.

We intend to pay quarterly distributions to our stockholders in amounts sufficient to maintain our status as a RIC. We intend to distribute approximately our entire Adjusted Net Investment Income (defined as net investment income adjusted to reflect income as if the cost basis of investments held at the IPO date had stepped-up to fair market value as of the IPO date) on a quarterly basis and substantially all of our taxable income on an annual basis, except that we may retain certain net capital gains for reinvestment.

We have adopted an "opt out" dividend reinvestment plan on behalf of our stockholders, pursuant to which each of our stockholders' cash distributions will be automatically reinvested in additional shares of our common stock, unless the stockholder elects to receive cash. Cash distributions reinvested in additional shares of our common stock will be automatically reinvested by us into additional shares of our common stock.

We apply the following in implementing the dividend reinvestment plan. If the price at which newly issued shares are to be credited to stockholders' accounts is equal to or greater than 110.0% of the last determined NAV of the shares, we will use only newly issued shares to implement the dividend reinvestment plan. Under such circumstances, the number of shares to be issued to a stockholder is determined by dividing the total dollar amount of the distribution payable to such stockholder by the market price per share of our common stock on the NYSE on the distribution payment date. Market price per share on that date will be the closing price for such shares on the NYSE or, if no sale is reported for such day, the average of their electronically reported bid and ask prices.

If the price at which newly issued shares are to be credited to stockholders' accounts is less than 110.0% of the last determined NAV of the shares, we will either issue new shares or instruct the plan administrator to purchase shares in the open market to satisfy the additional shares required. Shares purchased in open market transactions by the plan administrator will be allocated to a stockholder based on the average purchase price, excluding any brokerage charges or other charges, of all shares of common stock purchased in the open market. The number of shares of our common stock to be outstanding after giving effect to payment of the distribution cannot be established until the value per share at which additional shares will be issued has been determined and elections of our stockholders have been tabulated.

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The following table reflects the cash distributions, including dividends and returns of capital, if any, per unit/share that have been declared by the NMF Holding's board of directors from our IPO until May 8, 2014, and our board of directors thereafter:

Date Declared	Record Date	Payment Date	Amount	
August 4, 2015	September 16, 2015	September 30, 2015	$	0.34
May 5, 2015	June 16, 2015	June 30, 2015		0.34
February 23, 2015	March 17, 2015	March 31, 2015		0.34
			$	1.02
November 4, 2014	December 16, 2014	December 30, 2014	$	0.34
August 5, 2014	September 16, 2014	September 30, 2014		0.34
July 30, 2014	August 20, 2014	September 3, 2014		0.12(1)
May 6, 2014	June 16, 2014	June 30, 2014		0.34
March 4, 2014	March 17, 2014	March 31, 2014		0.34
			$	1.48
November 8, 2013	December 17, 2013	December 31, 2013	$	0.34
August 7, 2013	September 16, 2013	September 30, 2013		0.34
August 7, 2013	August 20, 2013	August 30, 2013		0.12(2)
May 6, 2013	June 14, 2013	June 28, 2013		0.34
March 6, 2013	March 15, 2013	March 28, 2013		0.34
			$	1.48
December 27, 2012	December 31, 2012	January 31, 2013	$	0.14(3)
November 6, 2012	December 14, 2012	December 28, 2012		0.34
August 8, 2012	September 14, 2012	September 28, 2012		0.34
May 8, 2012	June 15, 2012	June 29, 2012		0.34
May 8, 2012	May 21, 2012	May 31, 2012		0.23(4)
March 7, 2012	March 15, 2012	March 30, 2012		0.32
			$	1.71
November 8, 2011	December 15, 2011	December 30, 2011	$	0.30
August 10, 2011	September 15, 2011	September 30, 2011		0.29
August 10, 2011	August 22, 2011	August 31, 2011		0.27
			$	0.86
Total			$	6.55

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(1) Special dividend related to realized capital gains attributable to the Company's warrant investments in Learning Care Group (US), Inc.

(2) Special dividend related to a distribution received attributable to NMF Holdings' investment in YP Equity Investors LLC.

(3) Special dividend intended to minimize to the greatest extent possible NMFC's U.S. federal income or excise tax liability.

(4)

Special dividend related to estimated realized capital gains attributable to NMF Holdings' investments in Lawson Software, Inc. and Infor Lux Bond Company.

Tax characteristics of all dividends paid by NMFC are reported to stockholders on Form 1099 after the end of the calendar year. Our future quarterly dividends, if any, will be determined by our board of directors.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The information contained in this section should be read in conjunction with the Selected Financial and Other Data and our financial statements and notes thereto appearing elsewhere in this prospectus supplement and the accompanying prospectus. For the periods prior to and as of May 8, 2014 all financial information provided in this prospectus supplement and the accompanying prospectus reflects our organizational structure prior to the restructuring on May 8, 2014 described under "Description of Restructuring" in the accompanying prospectus, where NMF Holdings functioned as the operating company. In addition to historical information, the following discussion and other parts of this prospectus supplement and the accompanying prospectus contain forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated by such forward-looking information due to the factors discussed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" appearing elsewhere in this prospectus supplement and the accompanying prospectus.

Overview

NMFC is a Delaware corporation that was originally incorporated on June 29, 2010. NMFC is a closed-end, non-diversified management investment company that has elected to be regulated as a BDC under the 1940 Act. As such, NMFC is obligated to comply with certain regulatory requirements. NMFC has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a RIC under Subchapter M of the Code. NMFC is also registered as an investment adviser under the Advisers Act.

On May 19, 2011, NMFC priced its IPO of 7,272,727 shares of common stock at a public offering price of $13.75 per share. Concurrently with the closing of the IPO and at the public offering price of $13.75 per share, NMFC sold an additional 2,172,000 shares of its common stock to certain executives and employees of, and other individuals affiliated with, New Mountain Capital in the Concurrent Private Placement. Additionally, 1,252,964 shares were issued to the partners of New Mountain Guardian Partners, L.P. at that time for their ownership interest in the Predecessor Entities. In connection with NMFC's IPO and through a series of transactions, NMF Holdings acquired all of the operations of the Predecessor Entities, including all of the assets and liabilities related to such operations.

NMF Holdings is a Delaware limited liability company. Until May 8, 2014, NMF Holdings was externally managed and was regulated as a BDC under the 1940 Act. As such, NMF Holdings was obligated to comply with certain regulatory requirements. NMF Holdings was treated as a partnership for U.S. federal income tax purposes for so long as it had at least two members. With the completion of the underwritten secondary offering on February 3, 2014, NMF Holdings' existence as a partnership for U.S. federal income tax purposes terminated and NMF Holdings became an entity that is disregarded as a separate entity from its owner for U.S. federal tax purposes. For additional information on our organizational structure prior to May 8, 2014, see "Description of Restructuring" in the accompanying prospectus".

Until May 8, 2014, NMF Holdings was externally managed by the Investment Adviser. As of May 8, 2014, the Investment Adviser serves as the external investment adviser to NMFC. The Administrator provides the administrative services necessary for operations. The Investment Adviser and Administrator are wholly-owned subsidiaries of New Mountain Capital. New Mountain Capital is a firm with a track record of investing in the middle market and with assets under management totaling more than $15.0 billion(1), which includes total assets held by the Company. New Mountain

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(1) Includes amounts committed, not all of which have been drawn down and invested to-date, as of June 30, 2015, as well as amounts called and returned since inception.

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Capital focuses on investing in defensive growth companies across its private equity, public equity and credit investment vehicles. NMF Holdings, formerly known as New Mountain Guardian (Leveraged), L.L.C., was originally formed as a subsidiary of Guardian AIV by New Mountain Capital in October 2008. Guardian AIV was formed through an allocation of approximately $300.0 million of the $5.1 billion of commitments supporting New Mountain Partners III, L.P., a private equity fund managed by New Mountain Capital. In February 2009, New Mountain Capital formed a co-investment vehicle, New Mountain Guardian Partners, L.P., comprising $20.4 million of commitments. New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P., together with their respective direct and indirect wholly-owned subsidiaries, are defined as the "Predecessor Entities".

Prior to December 18, 2014, NMF SLF was a Delaware limited liability company. NMF SLF was a wholly-owned subsidiary of NMF Holdings and thus a wholly-owned indirect subsidiary of the Company. NMF SLF was bankruptcy-remote and non-recourse to NMFC. As part of an amendment to the Company's existing credit facilities with Wells Fargo Bank, National Association, NMF SLF merged with and into NMF Holdings on December 18, 2014. See "*Borrowings"* for additional information on the Company's credit facilities.

Since NMFC's IPO, and through June 30, 2015, NMFC raised approximately $374.6 million in net proceeds from additional offerings of common stock and issued shares of its common stock valued at approximately $288.4 million on behalf of AIV Holdings for exchanged units. NMFC acquired from NMF Holdings units of NMF Holdings equal to the number of shares of NMFC's common stock sold in additional offerings. With the completion of the final secondary offering on February 3, 2014, NMFC owned 100.0% of the units of NMF Holdings, which became a wholly-owned subsidiary of NMFC.

Current Organization

During the six months ended June 30, 2015, the Company established a wholly-owned subsidiary, NMF QID. The Company's wholly-owned subsidiaries, NMF Ancora, NMF QID and NMF YP, are structured as Delaware entities that serve as tax blocker corporations which hold equity or equity-like investments in portfolio companies organized as limited liability companies (or other forms of pass-through entities). The Company consolidates its tax blocker corporations for accounting purposes. The tax blocker corporations are not consolidated for income tax purposes and may incur income tax expense as a result of their ownership of the portfolio companies. Additionally, the Company has a wholly-owned subsidiary, NMF Servicing that serves as the administrative agent on certain investment transactions. SBIC LP, and its general partner, SBIC GP, were organized in Delaware as a limited partnership and limited liability company, respectively. SBIC LP and SBIC GP are consolidated wholly-owned direct and indirect subsidiaries of the Company. SBIC LP received a license from the SBA to operate as a SBIC under Section 301(c) of the 1958 Act.

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The diagram below depicts the Company's organizational structure as of June 30, 2015.

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* Includes partners of New Mountain Guardian Partners, L.P.

** NMFC is the sole limited partner of SBIC LP. NMFC, directly or indirectly through SBIC GP, wholly-owns SBIC LP. NMFC owns 100.0% of SBIC GP which owns 1.0% of SBIC LP. NMFC owns 99.0% of SBIC LP.

The Company's investment objective is to generate current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure, including first and second lien debt, notes, bonds and mezzanine securities. In some cases, the Company's investments may also include equity interests. The primary focus is in the debt of defensive growth companies, which are defined as generally exhibiting the following characteristics: (i) sustainable secular growth drivers, (ii) high barriers to competitive entry, (iii) high free cash flow after capital expenditure and working capital needs, (iv) high returns on assets and (v) niche market dominance. Similar to the Company, SBIC LP's investment objective is to generate current income and capital appreciation under the investment criteria used by the Company, however, SBIC LP's investments must be SBA eligible companies. The Company's portfolio may be concentrated in a limited number of industries. As of June 30, 2015, the Company's top five industry concentrations were software, business services, education, federal services and distribution & logistics.

The investments that we invest in are almost entirely rated below investment grade or may be unrated, which are often referred to as "leveraged loans," "high yield" or "junk" debt investments, and may be considered "high risk" or speculative compared to debt investments that are rated investment grade. Such issuers are considered more likely than investment grade issuers to default on their payments of interest and principal and such risk of default could reduce our net asset value and income distributions. Our investments are also primarily floating rate debt investments that contain interest reset provisions that may make it more difficult for borrowers to make debt repayments to us if interest rates rise. In addition, some of our debt investments will not fully amortize during their lifetime, which could result in a loss or a substantial amount of unpaid principal and interest due upon maturity. Our debt investments may also lose significant market value before a default occurs. Furthermore, an active trading market may not exist for these securities. This illiquidity may make it more difficult to value our investments.

As of June 30, 2015, the Company's net asset value was $808.3 million and its portfolio had a fair value of approximately $1,308.9 million in 65 portfolio companies, with a weighted average Yield to Maturity at Cost of approximately 10.8%.

Recent Developments

On August 4, 2015, the Company's board of directors declared a third quarter 2015 distribution of $0.34 per share payable on September 30, 2015 to holders of record as of September 16, 2015.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following items as critical accounting policies.

Basis of Accounting

The Company consolidates its wholly-owned direct and indirect subsidiaries: NMF Holdings, NMF Servicing, SBIC LP, SBIC GP, NMF Ancora, NMF QID and NMF YP. Previously, the Company consolidated its wholly-owned indirect subsidiary NMF SLF until it merged with and into NMF Holdings on December 18, 2014. See "*Borrowings*" for additional information on the Company's credit facilities. The Company is an investment company following accounting and reporting guidance as described in Accounting Standards Codification Topic 946, *Financial Services Investment Companies*, ("ASC 946"). Prior to the Restructuring, the Predecessor Operating Company consolidated its wholly-owned subsidiary, NMF SLF. NMFC did not consolidate the Predecessor Operating Company. Prior to the Restructuring, NMFC applied investment company master-feeder financial statement presentation, as described in ASC 946 to its interest in the Predecessor Operating Company. NMFC observed that it is also industry practice to follow the presentation prescribed for a master fund-feeder fund structure in ASC 946 in instances in which a master fund is owned by more than one feeder fund and that such presentation provided stockholders of NMFC with a clearer depiction of its investment in the master fund.

Valuation and Leveling of Portfolio Investments

At all times consistent with GAAP and the 1940 Act, the Company conducts a valuation of assets, which impacts its net asset value.

The Company values its assets on a quarterly basis, or more frequently if required under the 1940 Act. In all cases, the Company's board of directors is ultimately and solely responsible for determining the fair value of its portfolio investments on a quarterly basis in good faith, including investments that are not publicly traded, those whose market prices are not readily available and any other situation where its portfolio investments require a fair value determination. Security

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transactions are accounted for on a trade date basis. The Company's quarterly valuation procedures are set forth in more detail below:

(1) Investments for which market quotations are readily available on an exchange are valued at such market quotations based on the closing price indicated from independent pricing services.

(2) Investments for which indicative prices are obtained from various pricing services and/or brokers or dealers are valued through a multi-step valuation process, as described below, to determine whether the quote(s) obtained is representative of fair value in accordance with GAAP.

a. Bond quotes are obtained through independent pricing services. Internal reviews are performed by the investment professionals of the Investment Adviser to ensure that the quote obtained is representative of fair value in accordance with GAAP and if so, the quote is used. If the Investment Adviser is unable to sufficiently validate the quote(s) internally and if the investment's par value or its fair value exceeds the materiality threshold, the investment is valued similarly to those assets with no readily available quotes (see (3) below); and

b. For investments other than bonds, the Company looks at the number of quotes readily available and performs the following:

i. Investments for which two or more quotes are received from a pricing service are valued using the mean of the mean of the bid and ask of the quotes obtained;

ii. Investments for which one quote is received from a pricing service are validated internally. The investment professionals of the Investment Adviser analyze the market quotes obtained using an array of valuation methods (further described below) to validate the fair value. If the Investment Adviser is unable to sufficiently validate the quote internally and if the investment's par value or its fair value exceeds the materiality threshold, the investment is valued similarly to those assets with no readily available quotes (see (3) below).

(3) Investments for which quotations are not readily available through exchanges, pricing services, brokers, or dealers are valued through a multi-step valuation process:

a. Each portfolio company or investment is initially valued by the investment professionals of the Investment Adviser responsible for the credit monitoring;

b. Preliminary valuation conclusions will then be documented and discussed with the Company's senior management;

c. If an investment falls into (3) above for four consecutive quarters and if the investment's par value or its fair value exceeds the materiality threshold, then at least once each fiscal year, the valuation for each portfolio investment for which the Company does not have a readily available market quotation will be reviewed by an independent valuation firm engaged by the Company's board of directors; and

d. When deemed appropriate by the Company's management, an independent valuation firm may be engaged to review and value investment(s) of a portfolio company, without any preliminary valuation being performed by the Investment Adviser. The investment professionals of the Investment Adviser will review and validate the value provided.

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For investments in revolving credit facilities and delayed draw commitments, the cost basis of the funded investments purchased is offset by any costs/netbacks received for any unfunded portion on the total balance committed. The fair value is also adjusted for the price appreciation or depreciation on the unfunded portion. As a result, the purchase of commitments not completely funded may result in a negative fair value until it is called and funded.

The values assigned to investments are based upon available information and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot be reasonably determined until the individual positions are liquidated. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investments may fluctuate from period to period and the fluctuations could be material.

GAAP fair value measurement guidance classifies the inputs used in measuring fair value into three levels as follows:

Level I Quoted prices (unadjusted) are available in active markets for identical investments and the Company has the ability to access such quotes as of the reporting date. The type of investments which would generally be included in Level I include active exchange-traded equity securities and exchange-traded derivatives. As required by Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), the Company, to the extent that it holds such investments, does not adjust the quoted price for these investments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.

Level II Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Level II inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate and municipal bonds, which trade infrequently);
- Pricing models whose inputs are observable for substantially the full term of the asset or liability (examples include most over-the-counter derivatives, including foreign exchange forward contracts); and
- Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

Level III Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment.

The inputs used to measure fair value may fall into different levels. In all instances when the inputs fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level of input that is significant to the fair value measurement in its entirety. As such, a Level III fair value measurement may include inputs that are both observable (Levels I and II) and unobservable (Level III). Gains and losses for such assets categorized within the Level III table below may include changes in fair value that are attributable to both observable inputs (Levels II and III) and unobservable inputs (Level III).

The inputs into the determination of fair value require significant judgment or estimation by management and consideration of factors specific to each investment. A review of the fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation

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inputs may result in the transfer of certain investments within the fair value hierarchy from period to period. Reclassifications impacting the fair value hierarchy are reported as transfers in/out of the respective leveling categories as of the beginning of the quarter in which the reclassifications occur.

The following table summarizes the levels in the fair value hierarchy that the Company's portfolio investments fall into as of June 30, 2015:

(in thousands)	Total	Level I	Level II	Level III
First lien	$ 578,748	$	$ 379,283	$ 199,465
Second lien	536,409		468,542	67,867
Subordinated	92,516		37,224	55,292
Equity and other	101,199	281	235	100,683
Total investments	$ 1,308,872	$ 281	$ 885,284	$ 423,307

The Company generally uses the following framework when determining the fair value of investments where there are little, if any, market activity or observable pricing inputs. The Company typically determines the fair value of its performing debt investments utilizing an income approach. Additional consideration is given using a market based approach, as well as reviewing the overall underlying portfolio company's performance and associated financial risks. The following outlines additional details on the approaches considered:

Company Performance, Financial Review, and Analysis: Prior to investment, as part of its due diligence process, the Company evaluates the overall performance and financial stability of the portfolio company. Post investment, the Company analyzes each portfolio company's current operating performance and relevant financial trends versus prior year and budgeted results, including, but not limited to, factors affecting its revenue and earnings before interest, taxes, depreciation, and amortization ("EBITDA") growth, margin trends, liquidity position, covenant compliance and changes to its capital structure. The Company also attempts to identify and subsequently track any developments at the portfolio company, within its customer or vendor base or within the industry or the macroeconomic environment, generally, that may alter any material element of its original investment thesis. This analysis is specific to each portfolio company. The Company leverages the knowledge gained from its original due diligence process, augmented by this subsequent monitoring, to continually refine its outlook for each of its portfolio companies and ultimately form the valuation of its investment in each portfolio company. When an external event such as a purchase transaction, public offering or subsequent sale occurs, the Company will consider the pricing indicated by the external event to corroborate the private valuation.

Market Based Approach: The Company may estimate the total enterprise value of each portfolio company by utilizing market value cash flow (EBITDA) multiples of publicly traded comparable companies. The Company considers numerous factors when selecting the appropriate companies whose trading multiples are used to value its portfolio companies. These factors include, but are not limited to, the type of organization, similarity to the business being valued, relevant risk factors, as well as size, profitability and growth expectations. The Company may apply an average of various relevant comparable company EBITDA multiples to the portfolio company's latest twelve month ("LTM") EBITDA or projected EBITDA to calculate portfolio company enterprise value. Significant increases or decreases in the multiple will result in an increase or decrease in enterprise value, resulting in an increase or decrease in the fair value estimate of the investment. In applying the market based approach as of June 30, 2015, the Company used the relevant EBITDA multiple ranges set forth in the table below to determine the enterprise value of investments in 17 of its portfolio companies. The Company believes this was a reasonable range in light of current comparable company trading levels and the specific companies involved.

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Income Based Approach: The Company also may use a discounted cash flow analysis to estimate the fair value of the investment. Projected cash flows represent the relevant security's contractual interest, fee and principal payments plus the assumption of full principal recovery at the investment's expected maturity date. These cash flows are discounted at a rate established utilizing a yield calibration approach, which incorporates changes in the credit quality (as measured by relevant statistics) of the portfolio company, as compared to changes in the yield associated with comparable credit quality market indices, between the date of origination and the valuation date. Significant increases or decreases in the discount rate would result in a decrease or increase in the fair value measurement. In applying the income based approach as of June 30, 2015, the Company used the discount ranges set forth in the table below to value investments in 18 of its portfolio companies.

				Range		
(in thousands)						**Weighted**
Type	**Fair Value**	**Approach**	**Unobservable Input**	**Low**	**High**	**Average**
First lien	$ 199,465	Market approach	EBITDA multiple	5.0x	14.0x	9.0x
		Income approach	Discount rate	7.8%	14.4%	10.2%
Second lien	67,867	Market approach	EBITDA multiple	8.5x	13.5x	10.6x
		Income approach	Discount rate	11.0%	13.0%	11.7%
		Other	N/A(1)	N/A(1)	N/A(1)	N/A(1)
Subordinated	55,292	Market approach	EBITDA multiple	5.0x	12.5x	9.0x
		Income approach	Discount rate	8.5%	17.8%	14.5%
Equity and other	100,683	Market approach	EBITDA multiple	3.0x	12.0x	6.7x
		Income approach	Discount rate	8.0%	19.1%	13.7%
		Black Scholes analysis	Expected life in years	10.8	10.8	10.8
			Volatility	27.5%	27.5%	27.5%
			Discount rate	2.4%	2.4%	2.4%
	$ 423,307					

(1) Fair value was determined based on transaction pricing or recent acquisition or sale as the best measure of fair value with no material changes in operations of the related portfolio company since the transaction date.

NMFC Senior Loan Program I, LLC

NMFC Senior Loan Program I, LLC ("SLP I") was formed as a Delaware limited liability company on May 27, 2014 and commenced operations on June 10, 2014. SLP I is a portfolio company held by the Company. SLP I is structured as a private investment fund, in which all of the investors are qualified purchasers, as such term is defined under the 1940 Act. Transfer of interests in SLP I is subject to restrictions, and as a result, such interests are not readily marketable. SLP I operates under a limited liability company agreement (the "Agreement") and will continue in existence until June 10, 2019, subject to earlier termination pursuant to certain terms of the Agreement. The term may be extended for up to one year pursuant to certain terms of the Agreement. SLP I has a three year re-investment period.

SLP I is capitalized with $93.0 million of capital commitments, $275.0 million of debt from a revolving credit facility and is managed by the Company. The Company's capital commitment is $23.0 million, representing less than 25.0% ownership, with third party investors representing the remaining capital commitment. As of June 30, 2015, SLP I had total investments with an aggregate fair value of approximately $350.7 million, debt outstanding of $256.1 million and capital that had

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been called and funded of $93.0 million. The Company's investment in SLP I is disclosed on the Company's Consolidated Schedule of Investments as of June 30, 2015.

The Company, as an investment adviser registered under the Advisers Act, acts as the collateral manager to SLP I and is entitled to receive a management fee for its investment management services provided to SLP I. As a result, SLP I is classified as an affiliate of the Company. For the three and six months ended June 30, 2015, the Company earned approximately $0.3 million and $0.6 million, respectively, in management fees related to SLP I which is included in other income. For the three and six months ended June 30, 2014, the Company earned approximately $4 thousand and $4 thousand, respectively, in management fees related to SLP I which is included in other income. As of June 30, 2015 and December 31, 2014, approximately $0.3 million and $0.5 million, respectively, of management fees related to SLP I was included in receivable from affiliates. For the three and six months ended June 30, 2015, the Company earned approximately $0.9 million and $1.8 million, respectively, of dividend income related to SLP I, which is included in dividend income. The Company earned no dividend income related to SLP I during the three and six months ended June 30, 2014. As of June 30, 2015 and December 31, 2014, approximately $0.9 million and $0.8 million, respectively, of dividend income related to SLP I was included in interest and dividend receivable.

SLP I invests in senior secured loans issued by companies within the Company's core industry verticals. These investments are typically broadly syndicated first lien loans.

Collateralized agreements or repurchase financings

The Company follows the guidance in Accounting Standards Codification Topic 860, *Transfers and Servicing Secured Borrowing and Collateral*, ("ASC 860") when accounting for transactions involving the purchases of securities under collateralized agreements to resell (resale agreements). These transactions are treated as collateralized financing transactions and are recorded at their contracted resale or repurchase amounts, as specified in the respective agreements. Interest on collateralized agreements is accrued and recognized over the life of the transaction and included in interest income. As of June 30, 2015 and December 31, 2014, the Company held one collateralized agreement to resell with a carrying value of $30.0 million, collateralized by a second lien bond in Northstar GOM Holdings Group LLC with a fair value of $30.0 million and guaranteed by a private hedge fund with approximately $800.0 million of assets under management as of June 30. 2015. The private hedge fund has the option to repurchase the collateral from the Company at the par value of the collateralized agreement within a year. The collateralized agreement earned interest at a rate of 15.0% per annum as of June 30, 2015 and December 31, 2014.

Revenue Recognition

The Company's revenue recognition policies are as follows:

Sales and paydowns of investments: Realized gains and losses on investments are determined on the specific identification method.

Interest and dividend income: Interest income, including amortization of premium and discount using the effective interest method, is recorded on the accrual basis and periodically assessed for collectability. Interest income also includes interest earned from cash on hand. Upon the prepayment of a loan or debt security, any prepayment penalties are recorded as part of interest income. The Company has loans and certain preferred equity investments in the portfolio that contain a payment-in-kind ("PIK") interest or dividend provision. PIK interest and dividends are accrued and recorded as income at the contractual rates, if deemed collectible. The PIK interest and dividends are added to the principal or share balances on the capitalization dates and generally due at maturity or when redeemed by the issuer.

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Dividend income on common equity is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies. Dividend income on preferred securities is recorded as dividend income on an accrual basis to the extent that such amounts are deemed collectible.

Non-accrual income: Investments are placed on non-accrual status when principal or interest payments are past due 30 days or more and when there is reasonable doubt that principal or interest will be collected. Accrued cash and un-capitalized PIK interest or dividends are reversed when an investment is placed on non-accrual status. Previously capitalized PIK interest or dividends are not reversed when an investment is placed on non-accrual status. Interest or dividend payments received on non-accrual investments may be recognized as income or applied to principal depending upon management's judgment of the ultimate outcome. Non-accrual investments are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current.

Other income: Other income represents delayed compensation, consent or amendment fees, revolver fees, structuring fees, management fees from a non-controlled/affiliated investment and other miscellaneous fees received and are typically non-recurring in nature. Delayed compensation is income earned from counterparties on trades that do not settle within a set number of business days after trade date. Other income may also include fees from bridge loans. The Company may from time to time enter into bridge financing commitments, an obligation to provide interim financing to a counterparty until permanent credit can be obtained. These commitments are short-term in nature and may expire unfunded. A fee is received by the Company for providing such commitments. Structuring fees are recognized as income when earned, usually when paid at the closing of the investment and are non-refundable.

Prior to the Restructuring, NMFC's revenue recognition policies were as follows:

Revenue, expenses, and capital gains (losses): At each quarterly valuation date, the Predecessor Operating Company's investment income, expenses, net realized gains (losses), and net increase (decrease) in unrealized appreciation (depreciation) were allocated to NMFC based on its pro-rata interest in the net assets of the Predecessor Operating Company. This was recorded on NMFC's Statements of Operations. Realized gains and losses are recorded upon sales of NMFC's investments in the Predecessor Operating Company. Net change in unrealized appreciation (depreciation) of investment in New Mountain Finance Holdings, L.L.C. is the difference between the net asset value per share and the closing price per share for shares issued as part of the dividend reinvestment plan on the dividend payment date. This net change in unrealized appreciation (depreciation) of investment in New Mountain Finance Holdings, L.L.C. includes the unrealized appreciation (depreciation) from the IPO. NMFC used the proceeds from its IPO and Concurrent Private Placement to purchase units in the Predecessor Operating Company at $13.75 per unit (its IPO price per share). At the IPO date, $13.75 per unit represented a discount to the actual net asset value per unit of the Predecessor Operating Company. As a result, NMFC experienced immediate unrealized appreciation on its investment.

All expenses, including those of NMFC, were paid and recorded by the Predecessor Operating Company. Expenses were allocated to NMFC based on pro-rata ownership interest. In addition, the Predecessor Operating Company paid all of the offering costs related to the IPO and subsequent offerings. NMFC recorded its portion of the offering costs as a direct reduction to net assets and the cost of their investment in the Predecessor Operating Company.

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Monitoring of Portfolio Investments

The Company monitors the performance and financial trends of its portfolio companies on at least a quarterly basis. The Company attempts to identify any developments within the portfolio company, the industry or the macroeconomic environment that may alter any material element of its original investment strategy.

The Company uses an investment rating system to characterize and monitor the credit profile and expected level of returns on each investment in the portfolio. The Company uses a four-level numeric rating scale as follows:

Investment Rating 1 Investment is performing materially above expectations;

Investment Rating 2 Investment is performing materially in-line with expectations. All new loans are rated 2 at initial purchase;

Investment Rating 3 Investment is performing materially below expectations and risk has increased materially since the original investment; and

Investment Rating 4 Investment is performing substantially below expectations and risks have increased substantially since the original investment. Payments may be delinquent. There is meaningful possibility that the Company will not recoup its original cost basis in the investment and may realize a substantial loss upon exit.

The following table shows the distribution of the Company's investments on the 1 to 4 investment rating scale at fair value as of June 30, 2015:

	As of June 30, 2015			
(in millions)				
Investment Rating	**Par Value(1)**	**Percent**	**Fair Value**	**Percent**
Investment Rating 1	$ 208.2	16.6%	$ 218.3	16.7%
Investment Rating 2	1,008.2	80.3%	1,063.9	81.3%
Investment Rating 3	37.6	3.0%	26.3	2.0%
Investment Rating 4	1.8	0.1%	0.4	%
	$ 1,255.8	100.0%	$ 1,308.9	100.0%

(1) Excludes shares and warrants.

As of June 30, 2015, all investments in the Company's portfolio had an Investment Rating of 1 or 2 with the exception of four portfolio company names; three portfolio companies with an Investment Rating of 3 and one portfolio company with an Investment Rating of 4.

During the first quarter of 2015, the Company placed a portion of its second lien position in Edmentum, Inc. ("Edmentum") on non-accrual status due to its ongoing restructuring. As of March 31, 2015, the Company's investment in Edmentum had an aggregate cost basis of $30.8 million, an aggregate fair value of $15.6 million and total unearned interest income of $0.4 million for the three months then ended. In June 2015, Edmentum completed a restructuring which resulted in a material modification of the original terms and an extinguishment of the Company's original investment in Edmentum. Prior to the extinguishment in June 2015, the Company's original investment in Edmentum had an aggregate cost of $31.6 million, an aggregate fair value of $16.4 million and total unearned interest income for the three and six months ended June 30, 2015 of $0.4 million and $0.8 million, respectively. The extinguishment resulted in a realized loss of $15.2 million. Post restructuring, the Company's investments in Edmentum have been restored to full accrual status. As of June 30, 2015, the Company's investments in Edmentum have an aggregate cost basis of $23.1 million and an aggregate fair value of $22.8 million.

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During the first quarter of 2015, the Company's first lien position in Education Management LLC ("EDMC") was non-income producing as a result of the portfolio company undergoing a restructuring. As of December 31, 2014, the Company's investment in EDMC had an aggregate cost basis of $3.0 million, an aggregate fair value of $1.4 million and no unearned interest income for the three months then ended. In January 2015, EDMC completed a restructuring which resulted in a material modification of the original terms and an extinguishment of the Company's original investment in EDMC. Prior to the extinguishment in January 2015, the Company's original investment in EDMC had an aggregate cost of $3.0 million, an aggregate fair value of $1.4 million and no unearned interest income for the period then ended. The extinguishment resulted in a realized loss of $1.6 million. Post restructuring, the Company's investments in EDMC are income producing. As of June 30, 2015, the Company's investments in EDMC have an aggregate cost basis of $1.4 million and an aggregate fair value of $1.2 million.

During the third quarter of 2014, the Company placed a portion of its first lien position in UniTek Global Services, Inc. ("UniTek") on non-accrual status in anticipation of a voluntary petition for a "Pre-Packaged" Chapter 11 Bankruptcy in the U.S. Bankruptcy Court for the District of Delaware which was filed on November 3, 2014. As of December 31, 2014, the Company's investments in UniTek had an aggregate cost of $47.4 million, an aggregate fair value of $35.2 million and total unearned interest income of $1.0 million for the year then ended. In January 2015, UniTek emerged from "Pre-Packaged" Chapter 11 Bankruptcy and completed its restructuring. The restructuring resulted in a material modification of the original terms and an extinguishment of the Company's original investments in UniTek. Prior to the extinguishment in January 2015, the Company's original investments in UniTek had an aggregate cost of $52.9 million, an aggregate fair value of $40.1 million and total unearned interest income of $0.1 million for the period then ended. The extinguishment resulted in a realized loss of $12.8 million. Post restructuring, the Company's investments in UniTek have been restored to full accrual status. As of June 30, 2015, the Company's investments in UniTek have an aggregate cost basis of $40.4 million and an aggregate fair value of $47.2 million.

As of June 30, 2015, the Company's two super priority first lien positions in ATI Acquisition Company and its related equity positions in Ancora Acquisition LLC had an Investment Rating of 4 due to the underlying business encountering significant regulatory constraints which have led to the portfolio company's underperformance. As of June 30, 2015, the Company's two super priority first lien positions in ATI Acquisition Company and its related preferred shares and warrants in Ancora Acquisition LLC remained on non-accrual status due to the inability of the portfolio company to service its interest payments for the quarter then ended and uncertainty about its ability to pay such amounts in the future. As of June 30, 2015, the Company's investment in ATI Acquisition Company and Ancora Acquisition LLC had an aggregate cost basis of $1.6 million, an aggregate fair value of $0.4 million and total unearned interest income of $0.1 million and $0.2 million for the three and six months then ended. For the three and six months ended June 30, 2014, total unearned interest income was $0.1 million and $0.2 million, respectively. As of December 31, 2014, the Company's investment had an aggregate cost basis of $1.6 million and an aggregate fair value of $0.4 million. As of June 30, 2015 and December 31, 2014, unrealized gains (losses) include a fee that the Company would receive upon maturity of the two super priority first lien debt investments.

Portfolio and Investment Activity

The fair value of the Company's investments was approximately $1,308.9 million in 65 portfolio companies at June 30, 2015 and approximately $1,424.7 million in 71 portfolio companies at December 31, 2014.

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The following table shows the Company's portfolio and investment activity for the six months ended June 30, 2015 and June 30, 2014:

	Six months ended	
(in millions)	**June 30, 2015**	**June 30, 2014(1)**
New investments in 14 and 23 portfolio companies, respectively	$ 190.0	$ 317.0
Debt repayments in existing portfolio companies	262.8	62.7
Sales of securities in 12 and 8 portfolio companies, respectively	52.4	75.8
Change in unrealized appreciation on 37 and 36 portfolio companies, respectively	48.6	17.3
Change in unrealized depreciation on 39 and 32 portfolio companies, respectively	(30.7)	(10.5)

(1) For the six months ended June 30, 2014, amounts represent the investment activity of the Predecessor Operating Company through and including May 7, 2014 and the investment activity of the Company from May 8, 2014 through June 30, 2014.

At June 30, 2015 and June 30, 2014, the Company's weighted average Yield to Maturity at Cost was approximately 10.8% and 10.7%, respectively.

Recent Accounting Standards Updates

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers Topic 606 Summary and Amendments that Create Revenue from Contracts with Customers and Other Assets and Deferred Costs* ("ASU 2014-09"). ASU 2014-09 establishes a comprehensive and converged standard on revenue recognition to enable financial statement users to better understand and consistently analyze an entity's revenue across industries, transactions and geographies. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The new guidance also specifies the accounting for certain costs to obtain or fulfill a contract with a customer. The new guidance requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. Qualitative and quantitative information is required to be disclosed about: (1) contracts with customers, (2) significant judgments and changes in judgments, and (3) assets recognized from costs to obtain or fulfill a contract. The new guidance will apply to all entities. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2016. Early application is not permitted. The Company is in the process of evaluating the impact that this guidance will have on its consolidated financial statements and disclosures.

In June 2014, the FASB issued Accounting Standards Update No. 2014-11, *Transfers and Servicing Topic 860 Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures* ("ASU 2014-11"). ASU 2014-11 changes the accounting for repurchase- and resale-to-maturity agreements by requiring that such agreements be recognized as financing arrangements, and requires that a transfer of a financial asset and a repurchase agreement entered into contemporaneously be accounted for separately. ASU 2014-11 requires additional disclosures about certain transferred financial assets accounted for as sales and certain securities financing transactions. The accounting changes and additional disclosures about certain transferred financial

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assets accounted for as sales are effective for the first interim and annual reporting periods beginning after December 15, 2014. The additional disclosures for securities financing transactions are required for annual reporting periods beginning after December 15, 2014 and for interim reporting periods beginning after March 15, 2015. The adoption of ASU 2014-11 does not have a material impact on the Company's consolidated financial statements and disclosures.

In August 2014, the FASB issued Accounting Standards Update No. 2014-15, *Presentation of Financial Statements Going Concern Subtopic 205-40 Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* ("ASU 2014-15"). ASU 2014-15 will explicitly require management to assess an entity's ability to continue as a going concern, and to provide related footnote disclosure in certain circumstances. The new standard will be effective for all entities in the first annual period ending after December 15, 2016. Earlier adoption is permitted. The adoption of ASU 2014-15 is not expected to have a material impact on the Company's consolidated financial statements and disclosures.

In April 2015, the FASB issued Accounting Standards Update No. 2015-03, *Interest Imputation of Interest Subtopic 835-30 Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03"), which changes the presentation of debt issuance costs in financial statements. Under ASU 2015-03, an entity presents such costs on the statement of assets and liabilities as a direct deduction from the related debt liability rather than as an asset. Amortization of the costs is reported as interest expense. The new standard will be effective for all public entities for interim and annual reporting periods beginning after December 15, 2015. Earlier adoption is permitted. The Company is in the process of evaluating the impact that this guidance will have on its consolidated financial statements and disclosures.

Results of Operations

Under GAAP, NMFC's IPO did not step-up the cost basis of the Predecessor Operating Company's existing investments to fair market value at the IPO date. Since the total value of the Predecessor Operating Company's investments at the time of the IPO was greater than the investments' cost basis, a larger amount of amortization of purchase or original issue discount, and different amounts in realized gain and unrealized appreciation, may be recognized under GAAP in each period than if the step-up had occurred. This will remain until such predecessor investments are sold, repaid or mature in the future. The Company tracks the transferred (or fair market) value of each of the Predecessor Operating Company's investments as of the time of the IPO and, for purposes of the incentive fee calculation, adjusts income as if each investment was purchased at the date of the IPO (or stepped up to fair market value). The respective "Adjusted Net Investment Income" (defined as net investment income adjusted to reflect income as if the cost basis of investments held at the IPO date had stepped-up to fair market value as of the IPO date) is used in calculating both the incentive fee and dividend payments.

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The following table for the Company for the three months ended June 30, 2015 is adjusted to reflect the step-up to fair market value and the allocation of the incentive fees related to hypothetical capital gains out of the adjusted post-incentive fee net investment income.

(in thousands)	Three Months Ended June 30, 2015	Stepped-up Cost Basis Adjustments	Incentive Fee Adjustments(1)	Adjusted Three Months Ended June 30, 2015
Investment income				
Interest income	$ 35,470	$ (33)	$	$ 35,437
Dividend income	1,795			1,795
Other income	640			640
Total investment income(2)	37,905	(33)		37,872
Total expenses pre-incentive fee(3)	12,586			12,586
Pre-Incentive Fee Net Investment Income	25,319	(33)		25,286
Incentive fee	5,066		(9)	5,057
Post-Incentive Fee Net Investment Income	20,253	(33)	9	20,229
Net realized losses on investments(4)	(13,338)	(47)		(13,385)
Net change in unrealized appreciation (depreciation) of investments(4)	13,484	80		13,564
Provision for taxes	(135)			(135)
Capital gains incentive fees			(9)	(9)
Net increase in net assets resulting from operations	$ 20,264			$ 20,264

(1) For the three months ended June 30, 2015, the Company incurred total incentive fees of $5.1 million, of which $9 thousand related to capital gains incentive fees on a hypothetical liquidation basis.

(2) Includes income from non-controlled/non-affiliated investments, non-controlled/affiliated investments and controlled investments.

(3) Includes management fee waivers of $1.2 million. No expense waivers and reimbursements were noted for the three months ended June 30, 2015.

(4) Includes net realized gains and losses on investments and net change in unrealized appreciation (depreciation) of investments from non-controlled/non-affiliated investments, non-controlled/affiliated investments and controlled investments.

For the three months ended June 30, 2015, the Company had a $33 thousand adjustment to interest income for amortization, an increase of $47 thousand to net realized losses and an increase of approximately $0.1 million to net change in unrealized appreciation to adjust for the stepped-up cost basis of the transferred investments as discussed above. For the three months ended June 30, 2015, total adjusted investment income of $37.9 million consisted of approximately $30.7 million in cash interest from investments, approximately $1.5 million in PIK interest from investments, approximately $2.8 million in prepayment fees, net amortization of purchase premiums and

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discounts of approximately $0.5 million, approximately $1.1 million in cash dividends from investments, $0.7 million in PIK dividends from investments and approximately $0.6 million in other income. The Company's Adjusted Net Investment Income was $20.2 million for the three months ended June 30, 2015.

In accordance with GAAP, for the three months ended June 30, 2015, the Company accrued $9 thousand of hypothetical capital gains incentive fee based upon the cumulative net Adjusted Realized Capital Gains and Adjusted Realized Capital Losses and the cumulative net Adjusted Unrealized Capital Appreciation and Adjusted Unrealized Capital Depreciation on investments held at the end of each period. Actual amounts paid to the Investment Adviser are consistent with the Investment Management Agreement and are based only on actual Adjusted Realized Capital Gains computed net of all Adjusted Realized Capital Losses and Adjusted Unrealized Capital Depreciation on a cumulative basis from inception through the end of each calendar year as if the entire portfolio was sold at fair value. As of June 30, 2015, no actual capital gains incentive fee was owed under the Investment Management Agreement by the Company, as cumulative net Adjusted Realized Gains did not exceed cumulative Adjusted Unrealized Depreciation.

The following table for the Company for the six months ended June 30, 2015 is adjusted to reflect the step-up to fair market value and the allocation of the incentive fees related to hypothetical capital gains out of the adjusted post-incentive fee net investment income.

(in thousands)	Six Months Ended June 30, 2015	Stepped-up Cost Basis Adjustments	Incentive Fee Adjustments(1)	Adjusted Six Months Ended June 30, 2015
Investment income				
Interest income	$ 68,817	$ (66)	$	$ 68,751
Dividend income	3,102			3,102
Other income	2,522			2,522
Total investment income(2)	74,441	(66)		74,375
Total expenses pre-incentive fee(3)	24,701			24,701
Pre-Incentive Fee Net Investment Income	49,740	(66)		49,674
Incentive fee	10,425		(490)	9,935
Post-Incentive Fee Net Investment Income	39,315	(66)	490	39,739
Net realized losses on investments(4)	(13,471)	(47)		(13,518)
Net change in unrealized appreciation (depreciation) of investments(4)	17,970	113		18,083
Provision for taxes	(636)			(636)
Capital gains incentive fees			(490)	(490)
Net increase in net assets resulting from operations	$ 43,178			$ 43,178

(1) For the six months ended June 30, 2015, the Company incurred total incentive fees of $10.4 million, of which $0.5 million related to capital gains incentive fees on a hypothetical liquidation basis.

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(2) Includes income from non-controlled/non-affiliated investments, non-controlled/affiliated investments and controlled investments.

(3) Includes expense waivers and reimbursements of $0.4 million and management fee waivers of $2.6 million.

(4) Includes net realized gains and losses on investments and net change in unrealized appreciation (depreciation) of investments from non-controlled/non-affiliated investments, non-controlled/affiliated investments and controlled investments.

For the six months ended June 30, 2015, the Company had a $66 thousand adjustment to interest income for amortization, an increase of $47 thousand to net realized losses and an increase of approximately $0.1 million to net change in unrealized appreciation to adjust for the stepped-up cost basis of the transferred investments as discussed above. For the six months ended June 30, 2015, total adjusted investment income of $74.4 million consisted of approximately $62.3 million in cash interest from investments, approximately $2.2 million in PIK interest from investments, approximately $3.2 million in prepayment fees, net amortization of purchase premiums and discounts of approximately $1.1 million, approximately $1.9 million in cash dividends from investments, $1.2 million in PIK dividends from investments and approximately $2.5 million in other income. The Company's Adjusted Net Investment Income was $39.7 million for the six months ended June 30, 2015.

In accordance with GAAP, for the six months ended June 30, 2015, the Company accrued $0.5 million of hypothetical capital gains incentive fee based upon the cumulative net Adjusted Realized Capital Gains and Adjusted Realized Capital Losses and the cumulative net Adjusted Unrealized Capital Appreciation and Adjusted Unrealized Capital Depreciation on investments held at the end of each period. Actual amounts paid to the Investment Adviser are consistent with the Investment Management Agreement and are based only on actual Adjusted Realized Capital Gains computed net of all Adjusted Realized Capital Losses and Adjusted Unrealized Capital Depreciation on a cumulative basis from inception through the end of each calendar year as if the entire portfolio was sold at fair value. As of June 30, 2015, no actual capital gains incentive fee was owed under the Investment Management Agreement by the Company, as cumulative net Adjusted Realized Gains did not exceed cumulative Adjusted Unrealized Depreciation.

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Results of Operations for the Company for the Three Months Ended June 30, 2015 and June 30, 2014

Revenue

(in thousands)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Percentage Change
Interest income	$ 35,470	$ 18,788	
Interest income allocated from the Predecessor Operating Company		12,847	
Total interest income	35,470	31,635	12%
Dividend income	1,795	972	
Dividend income allocated from the Predecessor Operating Company		279	
Total dividend income	1,795	1,251	43%
Other income	640	709	
Other income allocated from the Predecessor Operating Company		113	
Total other income	640	822	(22)%
Total investment income	$ 37,905	$ 33,708	12%

The Company's total investment income increased by approximately $4.2 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. The 12% increase in total investment income primarily results from an increase in interest income of approximately $3.8 million from the three months ended June 30, 2014 to the three months ended June 30, 2015 which is attributable to larger invested balances, driven by the proceeds from the October 2014 primary offering of the Company's common stock, the Company's use of leverage from its revolving credit facilities and the deployment of the June 2014 proceeds from the issuance of $115.0 million of convertible notes to originate new investments and prepayment fees received associated with the early repayments or partial repayments of five different portfolio companies held by the Company as of March 31, 2015. In addition, the increase in dividend income during the three months ended June 30, 2015 as compared to the three months ended June 30, 2014 was primarily attributable to distributions from the Company's investment in SLP I and PIK dividend income from an equity position. The decrease in other income during the three months ended June 30, 2015 as compared to the three months ended June 30, 2014, which represents fees that are generally non-recurring in nature, was primarily attributable to lower structuring, amendment and consent fees received from portfolio companies during the three months ended June 30, 2015.

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Operating Expenses

	Three Months Ended		
(in thousands)	**June 30, 2015**	**June 30, 2014**	**Percentage Change**
Management fee	$ 6,198	$ 2,742	
Management fee allocated from the Predecessor Operating Company		1,879	
Less: management fee waiver	(1,247)		
Total management fee	4,951	4,621	7%
Incentive fee	5,057	2,747	
Incentive fee allocated from the Predecessor Operating Company		1,882	
Total incentive fee	5,057	4,629	9%
Capital gains incentive fee(1)	9	763	
Capital gains incentive fee(1) allocated from the Predecessor Operating Company		523	
Total capital gains incentive fee(1)	9	1,286	NM*
Interest and other financing expenses	5,598	2,559	
Interest and other financing expenses allocated from the Predecessor Operating Company		1,408	
Total interest and other financing expenses	5,598	3,967	41%
Professional fees	909	640	
Professional fees allocated from the Predecessor Operating Company		393	
Total professional fees	909	1,033	(12)%
Administrative expenses	522	360	
Administrative expenses allocated from the Predecessor Operating Company		176	
Total administrative expenses	522	536	(3)%
Other general and administrative expenses	453	239	
Other general and administrative expenses allocated from the Predecessor Operating Company		166	
Total other general and administrative expenses	453	405	12%
Total expenses	17,499	16,477	6%
Less: expenses waived and reimbursed		(58)	NM*
Net expenses before income taxes	17,499	16,419	7%
Income tax expense	153		NM*
Net expenses after income taxes	$ 17,652	$ 16,419	8%

*
Not meaningful.

(1)
Capital gains incentive fee accrual assumes a hypothetical liquidation basis.

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The Company's total net operating expenses increased by approximately $1.2 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. The Company's management fee increased by approximately $0.3 million, net of a management fee waiver, and incentive fees increased by approximately $0.4 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014. The increase in management fee and incentive fee from the three months ended June 30, 2014 to the three months ended June 30, 2015 was attributable to larger invested balances, driven by the proceeds from the October 2014 primary offering of NMFC's common stock and the Company's use of leverage from its revolving credit facilities and the deployment of the June 2014 proceeds from the issuance of $115.0 million of convertible notes to originate new investments. The Company's capital gains incentive fees decreased by approximately $1.3 million for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014, which was attributable to lower net Adjusted Realized Capital Gains (Losses) and Adjusted Unrealized Capital Appreciation (Depreciation) of investments during the period due to steady marks on the broader portfolio resulting in a minimal increase to the capital gains incentive fee for the three months ended 2015. As of June 30, 2015, no actual capital gains incentive fee would be owed under the Investment Management Agreement by the Company if the Company had ceased operations as of June 30, 2015, as cumulative net Adjusted Realized Gains did not exceed cumulative Adjusted Unrealized Depreciation.

Interest and other financing expenses increased by approximately $1.6 million during the three months ended June 30, 2015, primarily due to the Company's issuance of $115.0 million of convertible notes and the closing of the NMFC Credit Facility (as defined below) during the second quarter of 2014 and the drawing on SBA-guaranteed debentures beginning during the fourth quarter of 2014. The Company's total professional fees, total administrative expenses and total other general and administrative expenses remained relatively flat for the three months ended June 30, 2015 as compared to the three months ended June 30, 2014.

Net Realized Gains (Losses) and Net Change in Unrealized Appreciation (Depreciation)

	Three Months Ended		
(in thousands)	**June 30, 2015**	**June 30, 2014**	**Percentage Change**
Net realized losses on investments	$ (13,338)	$ (1,067)	
Net realized gains on investments allocated from Predecessor Operating Company		5,860	
Total realized (losses) gains on investments	(13,338)	4,793	NM*
Net change in unrealized appreciation (depreciation) of investments	13,484	5,708	
Net change in unrealized appreciation (depreciation) of investments allocated from Predecessor Operating Company		(3,742)	
Total change in unrealized appreciation (depreciation) of investments	13,484	1,966	NM*
Provision for taxes	(135)	(386)	(65)%
Total net realized gains (losses) and net change in unrealized appreciation (depreciation) of investments	$ 11	$ 6,373	NM*

* Not meaningful.

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The Company's net realized losses and unrealized gains resulted in a minimal net gain for the three months ended June 30, 2015 compared to the net realized and unrealized gains resulting in a net gain of approximately $6.4 million for the same period in 2014. We look at net realized and unrealized gains or losses together as movement in unrealized appreciation or depreciation can be the result of realizations. The minimal gain for the three months ended June 30, 2015 was primarily driven by the overall decrease in the market prices of the Company's investments during the period which were offset by sales or repayments of investments with fair values in excess of March 31, 2015 valuations, resulting in net realized gains being greater than the reversal of the cumulative net unrealized gains for those investments. In addition, one portfolio company had a modification of terms that was accounted for as an extinguishment during the quarter ended June 30, 2015, the net realized loss of approximately $15.2 million was offset by the reversal of the cumulative net unrealized losses for this investment. The net gain for the three months ended June 30, 2014 was primarily driven by the overall increase in the market prices of the Company's investments during the period and driven by sales or repayments of investments with fair values in excess of March 31, 2014 valuations, resulting in net realized gains being greater than the reversal of the cumulative net unrealized gains for those investments. In addition, net realized gains were primarily attributable to a gain of $5.6 million from the sale of the Company's warrant investments in one portfolio company which was offset by a trading loss of approximately $0.8 million. The provision for income taxes was attributable to three equity investments that are held as of June 30, 2015 in three of the Company's corporate subsidiaries.

Results of Operations for the Company for the Six Months Ended June 30, 2015 and June 30, 2014

Revenue

(in thousands)	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	Percentage Change
Interest income	$ 68,817	$ 18,788	
Interest income allocated from the Predecessor Operating Company		40,515	
Total interest income	68,817	59,303	16%
Dividend income	3,102	972	
Dividend income allocated from the Predecessor Operating Company		2,368	
Total dividend income	3,102	3,340	(7)%
Other income	2,522	709	
Other income allocated from the Predecessor Operating Company		795	
Total other income	2,522	1,504	68%
Total investment income	$ 74,441	$ 64,147	16%

The Company's total investment income increased by approximately $10.3 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. The 16% increase in total investment income primarily results from an increase in interest income of approximately $9.5 million from the six months ended June 30, 2014 to the six months ended June 30, 2015 which is attributable to larger invested balances, driven by the proceeds from the

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October 2014 primary offering of the Company's common stock, the Company's use of leverage from its revolving credit facilities and the deployment of the June 2014 proceeds from the issuance of $115.0 million of convertible notes to originate new investments and prepayment fees received associated with the early repayments or partial repayments of seven different portfolio companies held by the Company as of December 31, 2014. The increase in other income of approximately $1.0 million during the six months ended June 30, 2015 as compared to the six months ended June 30, 2014, which represents fees that are generally non-recurring in nature, was primarily attributable to structuring, amendment and consent fees received from ten different portfolio companies and management fees from a non-controlled affiliated portfolio company. The decrease in dividend income during the six months ended June 30, 2015 as compared to the six months ended June 30, 2014 was primarily attributable to a large non-recurring distribution from one of the Predecessor Operating Company's warrant investments during the three months ended March 31, 2014.

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Operating Expenses

(in thousands)	Six Months Ended June 30, 2015	June 30, 2014	Percentage Change
Management fee	$ 12,666	$ 2,742	
Management fee allocated from the Predecessor Operating Company		5,983	
Less: management fee waiver	(2,629)		
Total management fee	10,037	8,725	15%
Incentive fee	9,935	2,747	
Incentive fee allocated from the Predecessor Operating Company		6,248	
Total incentive fee	9,935	8,995	10%
Capital gains incentive fee(1)	490	763	
Capital gains incentive fee(1) allocated from the Predecessor Operating Company		2,024	
Total capital gains incentive fee(1)	490	2,787	(82)%
Interest and other financing expenses	11,075	2,559	
Interest and other financing expenses allocated from the Predecessor Operating Company		4,764	
Total interest and other financing expenses	11,075	7,323	51%
Professional fees	1,648	640	
Professional fees allocated from the Predecessor Operating Company		1,238	
Total professional fees	1,648	1,878	(12)%
Administrative expenses	1,157	360	
Administrative expenses allocated from the Predecessor Operating Company		761	
Total administrative expenses	1,157	1,121	3%
Other general and administrative expenses	882	239	
Other general and administrative expenses allocated from the Predecessor Operating Company		555	
Total other general and administrative expenses	882	794	11%
Total expenses	35,224	31,623	11%
Less: expenses waived and reimbursed	(400)	(823)	(51)%
Net expenses before income taxes	34,824	30,800	13%
Income tax expense	302		NM*
Net expenses after income taxes	$ 35,126	$ 30,800	14%

*
Not meaningful.

(1)
Capital gains incentive fee accrual assumes a hypothetical liquidation basis.

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The Company's total net operating expenses increased by approximately $4.3 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. The Company's management fee increased by approximately $1.3 million, net of a management fee waiver, and incentive fees increased by approximately $0.9 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. The increase in management fee and incentive fee from the six months ended June 30, 2014 to the six months ended June 30, 2015 was attributable to larger invested balances, driven by the proceeds from the October 2014 primary offering of NMFC's common stock and the Company's use of leverage from its revolving credit facilities and the deployment of the June 2014 proceeds from the issuance of $115.0 million of convertible notes to originate new investments. The Company's capital gains incentive fees decreased by approximately $2.3 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014, which was attributable to lower net Adjusted Realized Capital Gains (Losses) and Adjusted Unrealized Capital Appreciation (Depreciation) of investments during the period due to lower marks on the broader portfolio. As of June 30, 2015, no actual capital gains incentive fee would be owed under the Investment Management Agreement by the Company if the Company had ceased operations as of June 30, 2015, as cumulative net Adjusted Realized Gains did not exceed cumulative Adjusted Unrealized Depreciation.

Interest and other financing expenses increased by approximately $3.8 million during the six months ended June 30, 2015, primarily due to the Company's issuance of $115.0 million of convertible notes and the closing of the NMFC Credit Facility (as defined below) during the second quarter of 2014 and the drawing on SBA-guaranteed debentures beginning during the fourth quarter of 2014. The Company's total professional fees, total administrative expenses and total other general and administrative expenses remained relatively flat for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014. During the six months ended June 30, 2014, the Company incurred $10.9 thousand in other expenses that were not subject to the expense cap pursuant to the administration agreement, as amended and restated (the "Administration Agreement"), with the Administrator, and further restricted by the Company. The Company's expenses waived and reimbursed decreased by approximately $0.4 million for the six months ended June 30, 2015 as compared to the six months ended June 30, 2014 due to the expiration of the expense cap on March 31, 2014.

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Net Realized Gains (Losses) and Net Change in Unrealized Appreciation (Depreciation)

	Six Months Ended		
(in thousands)	**June 30, 2015**	**June 30, 2014**	**Percentage Change**
Net realized losses on investments	$ (13,471)	$ (1,067)	
Net realized gains on investments allocated from Predecessor Operating Company		8,568	
Total realized (losses) gains on investments	(13,471)	7,501	NM*
Net change in unrealized appreciation (depreciation) of investments	17,970	5,708	
Net change in unrealized appreciation (depreciation) of investments allocated from Predecessor Operating Company		940	
Total change in unrealized appreciation (depreciation) of investments	17,970	6,648	NM*
Provision for taxes	(636)	(386)	65%
Total net realized gains (losses) and net change in unrealized appreciation (depreciation) of investments	$ 3,863	$ 13,763	(72)%

* Not meaningful.

The Company's net realized losses and unrealized gains resulted in a net gain of approximately $3.9 million for the six months ended June 30, 2015 compared to the net realized and unrealized gains resulting in a net gain of approximately $13.8 million for the same period in 2014. We look at net realized and unrealized gains or losses together as movement in unrealized appreciation or depreciation can be the result of realizations. The net gain for the six months ended June 30, 2015 was primarily driven by the sales or repayments of investments with fair values in excess of December 31, 2014 valuations, resulting in net realized gains being greater than the reversal of the cumulative net unrealized gains for those investments which included the sale of two portfolio companies resulting in realized gains of approximately $14.2 million. These gains were offset by $29.7 million of realized losses on investments resulting from the modification of terms on three portfolio companies that were accounted for as extinguishments. The net gain for the six months ended June 30, 2014 was primarily driven by the overall increase in the market prices of the Company's investments during the period, a $5.6 million gain from the sale of the Company's warrant investments in one portfolio company and driven by sales or repayments of investments with fair values in excess of December 31, 2013 valuations, resulting in net realized gains being greater than the reversal of the cumulative net unrealized gains for those investments. The provision for income taxes was attributable to three equity investments that are held as of June 30, 2015 in three of the Company's corporate subsidiaries.

Liquidity and Capital Resources

The primary use of existing funds and any funds raised in the future is expected to be for the Company's repayment of indebtedness, the Company's investments in portfolio companies, cash distributions to the Company's stockholders or for other general corporate purposes.

Since NMFC's IPO, and through June 30, 2015, NMFC raised approximately $374.6 million in net proceeds from additional offerings of common stock and issued shares valued at approximately $288.4 million on behalf of AIV Holdings for exchanged units. NMFC acquired from the Predecessor

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Operating Company units of the Predecessor Operating Company equal to the number of shares of NMFC's common stock sold in the additional offerings.

The Company's liquidity is generated and generally available through advances from the revolving credit facilities, from cash flows from operations, and, we expect, through periodic follow-on equity offerings. In addition, we may from time to time enter into additional debt facilities, increase the size of existing facilities or issue additional debt securities, including unsecured debt and/or debt securities convertible into common stock. Any such incurrence or issuance would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, calculated pursuant to the 1940 Act, is at least 200.0% after such borrowing.

At June 30, 2015 and December 31, 2014, the Company had cash and cash equivalents of approximately $24.2 million and $23.4 million, respectively. Cash provided by operating activities for the Company during the six months ended June 30, 2015 was approximately $142.3 million and cash used in operating activities for the Company for the six months ended June 30, 2014 was approximately $(154.6) million, which includes the activity allocated from NMF Holdings. We expect that all current liquidity needs by the Company will be met with cash flows from operations and other activities.

Borrowings

Holdings Credit Facility On December 18, 2014 the Company entered into the Second Amended and Restated Loan and Security Agreement (the "Holdings Credit Facility"), among the Company, as the Collateral Manager, NMF Holdings as the Borrower, Wells Fargo Securities, LLC as the Administrative Agent and Wells Fargo Bank, National Association, as the Lender and Collateral Custodian, which is structured as a revolving credit facility and matures on December 18, 2019.

Immediately prior to amending the Holdings Credit Facility, NMF SPV merged with and into NMF Holdings. The Holdings Credit Facility effectively amended and restated the Predecessor Holdings Credit Facility (as defined below), merged with the SLF Credit Facility (as defined below), and combined the amount of borrowings previously available.

The maximum amount of revolving borrowings available under the Holdings Credit Facility is $495.0 million, which is the aggregate of the $280.0 million previously available under the Predecessor Holdings Credit Facility (as defined below) and the $215.0 million previously available under the SLF Credit Facility (as defined below). Under the Holdings Credit Facility, NMF Holdings is permitted to borrow up to 25.0%, 45.0% or 70.0% of the purchase price of pledged assets, subject to approval by the Wells Fargo Securities, LLC. The Holdings Credit Facility is non-recourse to the Company and is collateralized by all of the investments of NMF Holdings on an investment by investment basis. All fees associated with the origination or upsizing of the Holdings Credit Facility are capitalized on the Company's Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the Holdings Credit Facility. The Holdings Credit Facility contains certain customary affirmative and negative covenants and events of default. In addition, the Holdings Credit Facility requires the Company to maintain a minimum asset coverage ratio. The covenants are generally not tied to mark to market fluctuations in the prices of NMF Holdings investments, but rather to the performance of the underlying portfolio companies.

The Holdings Credit Facility bears interest at a rate of the LIBOR plus 2.00% per annum for Broadly Syndicated Loans (as defined in the Loan and Security Agreement) and LIBOR plus 2.75% per annum for all other investments. The Holdings Credit Facility also charges a non-usage fee,

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based on the unused facility amount multiplied by the Non-Usage Fee Rate (as defined in the Loan and Security Agreement).

Prior to December 18, 2014, the Loan and Security Agreement, as amended and restated, dated May 19, 2011 (the "Predecessor Holdings Credit Facility") among NMF Holdings as the Borrower and Collateral Administrator, Wells Fargo Securities, LLC as the Administrative Agent, and Wells Fargo Bank, National Association, as the Collateral Custodian, was structured as a revolving credit facility and would mature on October 27, 2016.

The maximum amount of revolving borrowings available under the Predecessor Holdings Credit Facility was $280.0 million. Until December 18, 2014, NMF Holdings was permitted to borrow up to 45.0% or 25.0% of the purchase price of pledged first lien or non-first lien debt securities, and up to 70.0% and 45.0% of the purchase price of specified first lien debt securities and specified non-first lien debt securities, respectively, subject to approval by Wells Fargo Bank, National Association. The Predecessor Holdings Credit Facility was amended and restated on May 6, 2014 and as a result, it was non-recourse to the Company and was collateralized by all of the investments of NMF Holdings on an investment by investment basis. All fees associated with the origination or upsizing of the Predecessor Holdings Credit Facility were capitalized on the Company's Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the Predecessor Holdings Credit Facility. The Predecessor Holdings Credit Facility contained certain customary affirmative and negative covenants and events of default, including the occurrence of a change in control. In addition, the Predecessor Holdings Credit Facility required the Company to maintain a minimum asset coverage ratio. However, the covenants were generally not tied to mark to market fluctuations in the prices of NMF Holdings' investments, but rather to the performance of the underlying portfolio companies.

The Predecessor Holdings Credit Facility bore interest at a rate of the LIBOR plus 2.75% per annum and charged a non-usage fee, based on the unused facility amount multiplied by the Non-Usage Fee Rate (as defined in the Loan and Security Agreement).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the Holdings Credit Facility for the three and six months ended June 30, 2015 and the Predecessor Holdings Credit Facility for the three and six months ended June 30, 2014.

	Three months ended		**Six months ended**	
(in million)	**June 30, 2015**	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Interest expense	$ 2.5	$ 1.6	$ 5.4	$ 3.3
Non-usage fee	$ 0.1	$ 0.1	$ 0.2	$ 0.2
Amortization of financing costs	$ 0.4	$ 0.2	$ 0.8	$ 0.4
Weighted average interest rate	2.6%	2.9%	2.6%	2.9%
Effective interest rate	3.2%	3.5%	3.1%	3.4%
Average debt outstanding	$ 374.2	$ 224.7	$ 411.6	$ 228.7

As of June 30, 2015 and December 31, 2014, the outstanding balance on the Holdings Credit Facility was $359.9 million and $468.1 million, respectively, and NMF Holdings was in compliance with the applicable covenants in the Holdings Credit Facility on such dates.

SLF Credit Facility NMF SLF's Loan and Security Agreement, as amended and restated, dated October 27, 2010 (the "SLF Credit Facility") among NMF SLF as the Borrower, NMF Holdings as the Collateral Administrator, Wells Fargo Securities, LLC as the Administrative Agent, and Wells Fargo Bank, National Association, as the Collateral Custodian, was structured as a revolving credit

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facility and was set to mature on October 27, 2016. The maximum amount of revolving borrowings available under the SLF Credit Facility was $215.0 million. The SLF Credit Facility was non-recourse to the Company and secured by all assets of NMF SLF on an investment by investment basis. All fees associated with the origination or upsizing of the SLF Credit Facility were capitalized on the Company's Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the SLF Credit Facility. The SLF Credit Facility contained certain customary affirmative and negative covenants and events of default, including the occurrence of a change in control. The covenants were generally not tied to mark to market fluctuations in the prices of the NMF SLF's investments, but rather to the performance of the underlying portfolio companies. NMF SLF was not restricted from the purchase or sale of loans with an affiliate. Therefore, specified first lien loans could be moved as collateral between the Holdings Credit Facility and the SLF Credit Facility. The SLF Credit Facility merged with the Holdings Credit Facility on December 18, 2014.

Until December 18, 2014, the SLF Credit Facility permitted borrowings of up to 70.0% of the purchase price of pledged first lien debt securities and up to 25.0% of the purchase price of specified second lien loans, of which, up to 25.0% of the aggregate outstanding loan balance of all pledged debt securities in the SLF Credit Facility was allowed to be derived from second lien loans, subject to approval by Wells Fargo Bank, National Association.

The SLF Credit Facility bore interest at a rate of LIBOR plus 2.00% per annum for first lien loans and LIBOR plus 2.75% per annum for second lien loans, respectively, as amended on March 11, 2013. A non-usage fee was paid, based on the unused facility amount multiplied by the Non-Usage Fee Rate (as defined in the Loan and Security Agreement).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the SLF Credit Facility for the three and six months ended June 30, 2015 and June 30, 2014.

(in millions)	Three months ended June 30, 2015(1)	Three months ended June 30, 2014	Six months ended June 30, 2015(1)	Six months ended June 30, 2014
Interest expense	$	$ 1.2	$	$ 2.4
Non-usage fee	$	$ (2)	$	$ (2)
Amortization of financing costs	$	$ 0.2	$	$ 0.4
Weighted average interest rate	%	2.2%	%	2.2%
Effective interest rate	%	2.7%	%	2.7%
Average debt outstanding	$	$ 215.0	$	$ 215.0

(1) Not applicable, as the SLF Credit Facility merged with and into the Holdings Credit Facility on December 18, 2014.

(2) For the three and six months ended June 30, 2014, the total non-usage fee was less than $50 thousand.

As of December 31, 2014, the SLF Credit Facility had merged with the Holdings Credit Facility.

NMFC Credit Facility The Senior Secured Revolving Credit Agreement, as amended, dated June 4, 2014 (together with the related guarantee and security agreement, the "NMFC Credit Facility"), among the Company as the Borrower and Goldman Sachs Bank USA as the Administrative Agent and Collateral Agent, and Goldman Sachs Bank USA, Morgan Stanley, N.A. and Stifel Bank & Trust as Lenders, is structured as a senior secured revolving credit facility and matures on June 4, 2019. The NMFC Credit Facility is guaranteed by certain domestic subsidiaries

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of the Company and proceeds from the NMFC Credit Facility may be used for general corporate purposes, including the funding of portfolio investments.

The maximum amount of revolving borrowings available under the NMFC Credit Facility is $95.0 million, as amended on June 26, 2015. The Company is permitted to borrow at various advance rates depending on the type of portfolio investment as outlined in the Senior Secured Revolving Credit Agreement. All fees associated with the origination of the NMFC Credit Facility are capitalized on the Company's Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the NMFC Credit Facility. The NMFC Credit Facility contains certain customary affirmative and negative covenants and events of default, including certain financial covenants related to asset coverage and liquidity and other maintenance covenants.

The NMFC Credit Facility generally bears interest at a rate of LIBOR plus 2.50% per annum or the prime rate plus 1.50% per annum, and charges a commitment fee, based on the unused facility amount multiplied by 0.375% (as defined in the Senior Secured Revolving Credit Agreement).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the NMFC Credit Facility for the three and six months ended June 30, 2015 and June 30, 2014.

	Three months ended		**Six months ended**	
(in millions)	**June 30, 2015**	**June 30, 2014**	**June 30, 2015**	**June 30, 2014**
Interest expense	$ 0.5	$	$ 0.7	$
Non-usage fee	$ (1)	$ (2)	$ 0.1	$ (2)
Amortization of financing costs	$ 0.1	$ (2)	$ 0.2	$ (2)
Weighted average interest rate	2.7%	%	2.7%	%
Effective interest rate	3.5%	%	3.7%	%
Average debt outstanding	$ 67.1	$	$ 49.5	$

(1) For the three months ended June 30, 2015, the total non-usage fee was less than $50 thousand.

(2) For the three and six months ended June 30, 2014, the total non-usage fee and amortization of financing costs were less than $50 thousand.

As of June 30, 2015 and December 31, 2014, the outstanding balance on the NMFC Credit Facility was $38.0 million and $50.0 million, respectively, and NMFC was in compliance with the applicable covenants in the NMFC Credit Facility on such dates.

Convertible Notes On June 3, 2014, the Company closed a private offering of $115.0 million aggregate principal amount of senior unsecured convertible notes (the "Convertible Notes"), pursuant to an indenture, dated June 3, 2014 (the "Indenture"). The Convertible Notes were issued in a private placement only to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933. As of the first anniversary, June 3, 2015, of the Convertible Notes, the restrictions under Rule 144A under the Securities Act of 1933 were removed, allowing the Convertible Notes to be eligible and freely tradable without restrictions for resale pursuant to Rule 144(b)(1) under the Securities Act of 1933. The Convertible Notes bear interest at an annual rate of 5.0%, payable semi-annually in arrears on June 15 and December 15 of each year, which commenced on December 15, 2014. The Convertible Notes will mature on June 15, 2019 unless earlier converted or repurchased at the holder's option.

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The following table summarizes certain key terms related to the convertible features of the Company's Convertible Notes as of June 30, 2015.

	June 30, 2015
Initial conversion premium	12.5%
Initial conversion rate(1)	62.7746
Initial conversion price	$15.93
Conversion premium at June 30, 2015	11.7%
Conversion rate at June 30, 2015(1)(2)	63.2794
Conversion price at June 30, 2015(2)(3)	$15.80
Last conversion price calculation date	June 3, 2015

(1) Conversion rates denominated in shares of common stock per $1.0 thousand principal amount of the Convertible Notes converted.

(2) Represents conversion rate and conversion price, as applicable, taking into account certain de minimis adjustments that will be made on the conversion date.

(3) The conversion price in effect at June 30, 2015 was calculated on the last anniversary of the issuance and will be adjusted again on the next anniversary, unless the exercise price shall have changed by more than 1.0% before the anniversary.

The conversion rate will be subject to adjustment upon certain events, such as stock splits and combinations, mergers, spin-offs, increases in dividends in excess of $0.34 per share per quarter and certain changes in control. Certain of these adjustments, including adjustments for increases in dividends, are subject to a conversion price floor of $14.16 per share. In no event will the total number of shares of common stock issuable upon conversion exceed 70.6214 per $1.0 thousand principal amount of the Convertible Notes. The Company has determined that the embedded conversion option in the Convertible Notes is not required to be separately accounted for as a derivative under GAAP.

The Convertible Notes are senior unsecured obligations and rank senior in right of payment to our existing and future indebtedness that is expressly subordinated in right of payment to the Convertible Notes; equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness (including existing unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries and financing vehicles. The issuance is considered part of the if-converted method for calculation of diluted earnings per share.

The Company may not redeem the Convertible Notes prior to maturity. No sinking fund is provided for the Convertible Notes. In addition, if certain corporate events occur in respect of the Company, holders of the Convertible Notes may require the Company to repurchase for cash all or part of their Convertible Notes at a repurchase price equal to 100.0% of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the repurchase date.

The Indenture contains certain covenants, including covenants requiring the Company to provide financial information to the holders of the Convertible Note and the Trustee if the Company ceases to be subject to the reporting requirements of the Exchange Act. These covenants are subject to limitations and exceptions that are described in the Indenture.

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The following table summarizes the interest expense and amortization of financing costs incurred on the Convertible Notes for the three and six months ended June 30, 2015 and June 30, 2014.

	Three months ended		Six months ended	
(in millions)	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Interest expense	$ 1.5	$ 0.4	$ 2.9	$ 0.4
Amortization of financing costs	$ 0.2	$ 0.1	$ 0.4	$ 0.1
Effective interest rate	5.7%	5.7%	5.7%	5.7%

As of June 30, 2015 and December 31, 2014, the outstanding balance on the Convertible Notes was $115.0 million and $115.0 million, respectively, and NMFC was in compliance with the terms of the Indenture.

SBA-guaranteed debentures On August 1, 2014, SBIC LP received an SBIC license from the SBA.

The SBIC license allows SBIC LP to obtain leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment by the SBA and other customary procedures. SBA-guaranteed debentures are non-recourse to the Company, interest only debentures with interest payable semi-annually and have a ten year maturity. The principal amount of SBA-guaranteed debentures is not required to be paid prior to maturity but may be prepaid at any time without penalty. The interest rate of SBA-guaranteed debentures is fixed on a semi-annual basis at a market-driven spread over U.S. Treasury Notes with ten year maturities. The SBA, as a creditor, will have a superior claim to the assets of SBIC LP over the Company's stockholders in the event SBIC LP is liquidated or the SBA exercises remedies upon an event of default.

The maximum amount of borrowings available under current SBA regulations is $150.0 million as long as the licensee has at least $75.0 million in regulatory capital, receives a capital commitment from the SBA and has been through an examination by the SBA subsequent to licensing.

As of June 30, 2015 and December 31, 2014, SBIC LP had regulatory capital of $55.4 million and $42.2 million, respectively, and SBA-guaranteed debentures outstanding of $55.0 million and $37.5 million, respectively. The SBA-guaranteed debentures incur upfront fees of 3.425%, which consists of a 1.00% commitment fee and a 2.425% issuance discount, which are amortized over the life of the SBA-guaranteed debentures. The following table summarizes the Company's fixed-rate SBA-guaranteed debentures as of June 30, 2015.

(in millions) Issuance Date	Maturity Date	Debenture Amount	Interest Rate	SBA Annual Charge
Fixed SBA-guaranteed debentures				
March 25, 2015	March 1, 2025	$ 37.5	2.517%	0.355%
Interim SBA-guaranteed debentures	September 2025(1)	17.5	0.639%	0.355%
Total SBA-guaranteed debentures		**$ 55.0**		

(1) Estimated maturity date as interim SBA-guaranteed debentures are expected to pool in September 2015.

Prior to pooling, the SBA-guaranteed debentures bear interest at an interim floating rate of LIBOR plus 0.30%. Once pooled, which occurs in March and September each year, the

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SBA-guaranteed debentures bear interest at a fixed rate that is set to the current 10-year treasury rate plus a spread at each pooling date.

The following table summarizes the interest expense and amortization of financing costs incurred on the SBA-guaranteed debentures for the three and six months ended June 30, 2015 and June 30, 2014.

	Three months ended		Six months ended	
	June 30, 2015	**June 30, 2014(1)**	**June 30, 2015**	**June 30, 2014(1)**
Interest expense	$ 0.3	$	$ 0.4	$
Amortization of financing costs	$ (2)	$	$ 0.1	$
Weighted average interest rate	2.5%	%	1.9%	%
Effective interest rate	2.8%	%	2.2%	%
Average debt outstanding	$ 47.1	$	$ 42.3	$

(1) Not applicable, as SBIC LP did not have any outstanding SBA-guaranteed debentures for the three and six months ended June 30, 2014.

(2) For the three months ended June 30, 2015, the total amortization of financing costs was less than $50 thousand.

The SBIC program is designed to stimulate the flow of private investor capital into eligible small businesses, as defined by the SBA. Under SBA regulations, SBIC LP is subject to regulatory requirements, including making investments in SBA-eligible businesses, investing at least 25.0% of its investment capital in eligible smaller businesses, as defined under the 1958 Act, placing certain limitations on the financing terms of investments, regulating the types of financing, prohibiting investments in small businesses with certain characteristics or in certain industries and requiring capitalization thresholds that limit distributions to the Company. SBIC LP is subject to an annual periodic examination by an SBA examiner to determine SBIC LP's compliance with the relevant SBA regulations and an annual financial audit of its financial statements that are prepared on a basis of accounting other than GAAP (such as ASC 820) by an independent auditor. As of June 30, 2015, SBIC LP was in compliance with SBA regulatory requirements.

Off-Balance Sheet Arrangements

The Company may become a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of its portfolio companies. These instruments may include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. As of June 30, 2015 and December 31, 2014, the Company had outstanding commitments to third parties to fund investments totaling $16.5 million and $27.4 million, respectively, under various undrawn revolving credit facilities, delayed draw commitments or other future funding commitments.

The Company may from time to time enter into financing commitment letters or bridge financing commitments, which could require funding in the future. As of June 30, 2015 and December 31, 2014, the Company had commitment letters to purchase debt investments in an aggregate par amount of $13.0 million and $0, respectively. As of June 30, 2015 and December 31, 2014, the Company had bridge financing commitments in an aggregate par amount of $20.0 million and $0, respectively, which could require funding in the future.

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Contractual Obligations

A summary of the Company's significant contractual payment obligations as of June 30, 2015 is as follows:

	Contractual Obligations Payments Due by Period (in millions)				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Holdings Credit Facility(1)	$ 359.9	$	$	$ 359.9	$
Convertible Notes(2)	115.0			115.0	
SBA-guaranteed debentures(3)	55.0				55.0
NMFC Credit Facility(4)	38.0			38.0	
Total Contractual Obligations	$ 567.9	$	$	$ 512.9	$ 55.0

(1) Under the terms of the $495.0 million Holdings Credit Facility, all outstanding borrowings under that facility ($359.9 million as of June 30, 2015) must be repaid on or before December 18, 2019. As of June 30, 2015, there was approximately $135.1 million of possible capacity remaining under the Holdings Credit Facility.

(2) The $115.0 million Convertible Notes will mature on June 15, 2019 unless earlier converted or repurchased at the holder's option.

(3) $37.5 million of the Company's SBA-guaranteed debentures will mature on March 1, 2025 and $17.5 million of the Company's SBA-guaranteed debentures are estimated to mature in September 2025.

(4) Under the terms of the $95.0 million NMFC Credit Facility, all outstanding borrowings under that facility ($38.0 million as of June 30, 2015) must be repaid on or before June 4, 2019. As of June 30, 2015, there was approximately $57.0 million of possible capacity remaining under the NMFC Credit Facility.

The Company has certain contracts under which it has material future commitments. The Company has $16.5 million of undrawn funding commitments as of June 30, 2015 related to its participation as a lender in revolving credit facilities, delayed draw commitments or other future funding commitments of the Company's portfolio companies. As of June 30, 2015, the Company had bridge financing commitments and commitment letters to purchase debt investments in an aggregate par amount of $20.0 million and $13.0 million, which could require funding in the future.

We have entered into the Investment Management Agreement with the Investment Adviser in accordance with the 1940 Act. Under the Investment Management Agreement, the Investment Adviser has agreed to provide the Company with investment advisory and management services. We have agreed to pay for these services (1) a management fee and (2) an incentive fee based on its performance.

We have also entered into an Administration Agreement with the Administrator. Under the Administration Agreement, the Administrator has agreed to arrange office space for us and provide office equipment and clerical, bookkeeping and record keeping services and other administrative services necessary to conduct our respective day-to-day operations. The Administrator has also agreed to perform, or oversee the performance of, our financial records, our reports to stockholders and reports filed with the SEC.

If any of the contractual obligations discussed above are terminated, our costs under any new agreements that are entered into may increase. In addition, we would likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under the Investment Management Agreement and the Administration Agreement.

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Distributions and Dividends

Dividends declared and paid to stockholders of the Company for the six months ended June 30, 2015 totaled $39.5 million.

The following table reflects the cash distributions, including dividends and returns of capital, if any, per unit/share that have been declared by the NMF Holdings' board of directors from our IPO until May 8, 2014 and our board of directors thereafter:

Fiscal Year Ended	Date Declared	Record Date	Payment Date	Per Share Amount
December 31, 2015				
Second Quarter	May 5, 2015	June 16, 2015	June 30, 2015	$ 0.34
First Quarter	February 23, 2015	March 17, 2015	March 31, 2015	0.34
				$ 0.68
December 31, 2014				
Fourth Quarter	November 4, 2014	December 16, 2014	December 30, 2014	$ 0.34
Third Quarter	August 5, 2014	September 16, 2014	September 30, 2014	0.34
Third Quarter	July 30, 2014	August 20, 2014	September 3, 2014	0.12(1)
Second Quarter	May 6, 2014	June 16, 2014	June 30, 2014	0.34
First Quarter	March 4, 2014	March 17, 2014	March 31, 2014	0.34
				$ 1.48
December 31, 2013				
Fourth Quarter	November 8, 2013	December 17, 2013	December 31, 2013	$ 0.34
Third Quarter	August 7, 2013	September 16, 2013	September 30, 2013	0.34
Third Quarter	August 7, 2013	August 20, 2013	August 30, 2013	0.12(2)
Second Quarter	May 6, 2013	June 14, 2013	June 28, 2013	0.34
First Quarter	March 6, 2013	March 15, 2013	March 28, 2013	0.34
				$ 1.48
December 31, 2012				
Fourth Quarter	December 27, 2012	December 31, 2012	January 31, 2013	$ 0.14(3)
Fourth Quarter	November 6, 2012	December 14, 2012	December 28, 2012	0.34
Third Quarter	August 8, 2012	September 14, 2012	September 28, 2012	0.34
Second Quarter	May 8, 2012	June 15, 2012	June 29, 2012	0.34
Second Quarter	May 8, 2012	May 21, 2012	May 31, 2012	0.23(4)
First Quarter	March 7, 2012	March 15, 2012	March 30, 2012	0.32
				$ 1.71
December 31, 2011				
Fourth Quarter	November 8, 2011	December 15, 2011	December 30, 2011	$ 0.30
Third Quarter	August 10, 2011	September 15, 2011	September 30, 2011	0.29
Second Quarter	August 10, 2011	August 22, 2011	August 31, 2011	0.27
				$ 0.86
Total				$ 6.21

(1) Special dividend related to realized capital gains attributable to the Company's warrant investments in Learning Care Group (US), Inc.

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(2) Special dividend related to a distribution received attributable to NMF Holdings' investment in YP Equity Investors LLC.

(3) Special dividend intended to minimize to the greatest extent possible NMFC's U.S. federal income or excise tax liability.

(4) Special dividend related to estimated realized capital gains attributable to NMF Holdings' investments in Lawson Software, Inc. and Infor Lux Bond Company.

Tax characteristics of all dividends paid by the Company were reported to stockholders on Form 1099 after the end of the calendar year. Future quarterly dividends, if any, for the Company will be determined by the board of directors.

The Company intends to pay quarterly distributions to its stockholders and to maintain its status as a RIC. The Company intends to distribute approximately its entire portion of Adjusted Net Investment Income on a quarterly basis and substantially its entire taxable income on an annual basis, except that it may retain certain net capital gains for reinvestment.

The Company maintains an "opt out" dividend reinvestment plan for its common stockholders. As a result, the Company's stockholders' cash dividends will be automatically reinvested in additional shares of common stock, unless the stockholder elects to receive cash. Cash dividends reinvested in additional shares of the Company's common stock will be automatically reinvested by the Company into additional shares of the Company's common stock.

Related Parties

The Company has entered into a number of business relationships with affiliated or related parties, including the following:

- The Company has entered into the Investment Management Agreement with the Investment Adviser, a wholly-owned subsidiary of New Mountain Capital. Therefore, New Mountain Capital is entitled to any profits earned by the Investment Adviser, which includes any fees payable to the Investment Adviser under the terms of the Investment Management Agreement, less expenses incurred by the Investment Adviser in performing its services under the Investment Management Agreement.

- The Company has entered into an Administration Agreement with the Administrator, a wholly-owned subsidiary of New Mountain Capital. The Administrator arranges office space for the Company and provides office equipment and administrative services necessary to conduct their respective day-to-day operations pursuant to the Administration Agreement. The Company reimburses the Administrator for the allocable portion of overhead and other expenses incurred by it in performing its obligations to the Company under the Administration Agreement, which includes the fees and expenses associated with performing administrative, finance, and compliance functions, and the compensation of the Company's chief financial officer and chief compliance officer and their respective staffs. Pursuant to the Administration Agreement and further restricted by the Company, expenses payable to the Administrator by the Company as well as other direct and indirect expenses (excluding interest, other financing expense, trading expenses and management and incentive fees) had been capped at $4.25 million for the time period from April 1, 2013 to March 31, 2014. The expense cap expired on March 31, 2014. Thereafter, the Administrator may, in its own discretion, submit to the Company for reimbursement some or all of the expenses that the Administrator has incurred on behalf of the Company during any quarterly period. As a result, the amount of expenses for which the Company will have to reimburse the Administrator may fluctuate in future quarterly periods and there can be no assurance given as to when, or if, the Administrator may determine to limit the expenses that the

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Administrator submits to the Company for reimbursement in the future. However, it is expected that the Administrator will continue to support part of the expense burden of the Company in the near future and may decide to not calculate and charge through certain overhead related amounts as well as continue to cover some of the indirect costs. The Administrator cannot recoup any expenses that the Administrator has previously waived. For the three and six months ended June 30, 2015, approximately $0.3 million and $0.7 million, respectively, of indirect administrative expenses were included in administrative expenses, of which $0 and $0.4 million, respectively, were waived by the Administrator. For the three and six months ended June 30, 2014, approximately $0.4 million and $0.7 million, respectively, of indirect administrative expenses were included in administrative expenses, of which $0.1 and $0.4 million, respectively, were waived by the Administrator. As of June 30, 2015 and December 31, 2014, approximately $0.3 million and $0.3 million, respectively, of indirect administrative expenses were included in payable to affiliates as the expenses were payable to the Administrator.

The Company, the Investment Adviser and the Administrator have entered into a royalty-free Trademark License Agreement, as amended, with New Mountain Capital, pursuant to which New Mountain Capital has agreed to grant the Company, the Investment Adviser and the Administrator, a non-exclusive, royalty-free license to use the name "New Mountain" and "New Mountain Finance".

In addition, the Company has adopted a formal code of ethics that governs the conduct of their respective officers and directors. These officers and directors also remain subject to the duties imposed by the 1940 Act, the Delaware General Corporation Law and the Delaware Limited Liability Company Act.

The Investment Adviser and its affiliates may also manage other funds in the future that may have investment mandates that are similar, in whole and in part, with the Company's investment mandates. The Investment Adviser and its affiliates may determine that an investment is appropriate for the Company and for one or more of those other funds. In such event, depending on the availability of such investment and other appropriate factors, the Investment Adviser or its affiliates may determine that we should invest side-by-side with one or more other funds. Any such investments will be made only to the extent permitted by applicable law and interpretive positions of the SEC and its staff, and consistent with the Investment Adviser's allocation procedures.

Concurrently with the IPO, NMFC sold an additional 2,172,000 shares of its common stock to certain executives and employees of, and other individuals affiliated with, New Mountain Capital in the Concurrent Private Placement.

Quantitative and Qualitative Disclosures About Market Risk

The Company is subject to certain financial market risks, such as interest rate fluctuations. During the six months ended June 30, 2015, certain of the loans held in the Company's portfolio had floating interest rates. As of June 30, 2015, approximately 84.2% of investments at fair value (excluding investments on non-accrual, revolvers, delayed draws and non-interest bearing equity investments) represent floating-rate investments with a LIBOR floor (includes investments bearing prime interest rate contracts) and approximately 15.8% of investments at fair value represent fixed-rate investments. Additionally, the Company's senior secured revolving credit facilities are also subject to floating interest rates and are currently paid based on one-month floating LIBOR rates.

The following table estimates the potential changes in net cash flow generated from interest income and expenses, should interest rates increase by 100, 200 or 300 basis points, or decrease by 25 basis points. Interest income is calculated as revenue from interest generated from the Company's portfolio of investments held on June 30, 2015. Interest expense is calculated based on

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the terms of the Company's outstanding revolving credit facilities and convertible notes. For the Company's floating rate credit facilities, the Company uses the outstanding balance as of June 30, 2015. Interest expense on the Company's floating rate credit facilities are calculated using the interest rate as of June 30, 2015, adjusted for the hypothetical changes in rates, as shown below. The base interest rate case assumes the rates on the Company's portfolio investments remain unchanged from the actual effective interest rates as of June 30, 2015. These hypothetical calculations are based on a model of the investments in our portfolio, held as of June 30, 2015, and are only adjusted for assumed changes in the underlying base interest rates.

Actual results could differ significantly from those estimated in the table.

Change in Interest Rates	**Estimated Percentage Change in Interest Income Net of Interest Expense (unaudited)**
25 Basis Points	0.73%(1)
Base Interest Rate	%
+100 Basis Points	(2.38)%
+200 Basis Points	3.58%
+300 Basis Points	10.16%

(1) Limited to the lesser of the June 30, 2015 LIBOR rates or a decrease of 25 basis points.

The Company was not exposed to any foreign currency exchange risks as of June 30, 2015.

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UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Wells Fargo Securities, LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. LLC are the representatives of the underwriters.

Underwriter	Number of Shares
Wells Fargo Securities, LLC	
Goldman, Sachs & Co.	
Morgan Stanley & Co. LLC	
Keefe, Bruyette & Woods, Inc	
Robert W. Baird & Co. Incorporated	
Janney Montgomery Scott LLC	
Oppenheimer & Co. Inc.	
Total	5,000,000

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional 750,000 shares from us. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

Our Chairman of the board of directors, Steven B. Klinsky, expects to purchase an aggregate of approximately 500,000 shares of our common stock in this offering. As per an arrangement with the underwriters, we will not pay and the underwriters will not receive the sales load on the shares that Mr. Klinsky expects to receive in this offering.

The following table shows the per share and total underwriting discounts and commissions (sales load) to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 750,000 additional shares. In addition, the Investment Adviser has agreed to bear $, or $ per share, of the underwriting discounts and commissions (sales load) in this offering, which is also reflected in the following table and will not be subject to reimbursement by us.

	Sales Load by Us(1)		Sales Load by Investment Adviser	
	No Exercise	Full Exercise	No Exercise	Full Exercise
Per Share	$	$	$	$
Total	$	$	$	$

(1) As per an arrangement between the underwriters and Steven B. Klinsky, our Chairman of the board of directors, the underwriters will not receive sales load on the 500,000 shares Mr. Klinsky expects to buy in this offering which will decrease the total sales load received by the underwriters by approximately $.

Because the Financial Industry Regulatory Authority, or FINRA, views the common stock offered hereby as interests in a direct participation program, the offering is being made in

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compliance with the requirements of FINRA Rule 2310. Investor suitability with respect to the common stock should be judged similarly to suitability with respect to other securities that are listed for trading on a national securities exchange.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the issuer. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Shares sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover of this prospectus supplement. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the public offering price. If all the shares are not sold at the initial offering price, the representatives may change the public offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We, each of our officers and directors and each of the members of the Investment Adviser's investment committee have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of our common stock during the period from the date of this prospectus supplement continuing through the date 60 days (90 days in the case of Mr. Klinsky) after the date of this prospectus supplement, except with the prior written consent of Wells Fargo Securities, LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. LLC.

Our common stock is listed on the New York Stock Exchange under the symbol "NMFC".

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from us in the offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option granted to them. "Naked" short sales are any sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

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Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own account, may have the effect of preventing or retarding a decline in the market price of the company's stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

We estimate that the offering expenses that will be borne by us in connection with the sale of shares of our common stock offered by us in this offering will be approximately $339,730. The Investment Adviser has agreed to bear $ per share, or approximately % of the underwriting discounts and commissions (sales load) in connection with this offering, which will not be subject to reimbursement by us.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates may, from time to time, perform various financial advisory and investment banking services for us, for which they will receive customary fees and expenses. In addition, an affiliate of Wells Fargo Securities, LLC is a lender under the Holdings Credit Facility and affiliates of Goldman, Sachs & Co., Morgan Stanley & Co. LLC and Keefe, Bruyette & Woods, Inc. are lenders under the NMFC Credit Facility. Certain directly or indirectly held registered broker dealers, investment advisors, and bank subsidiaries of Wells Fargo & Company, an affiliate of Wells Fargo Securities, LLC an underwriter in this offering, hold approximately 10.7% of our common stock.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

We intend to use the net proceeds from the sale of shares of our common stock sold in this offering primarily for new investments in portfolio companies in accordance with our investment objective and strategies described in this prospectus supplement and the accompanying prospectus. We may also use a portion of the net proceeds from the sale of shares of our common stock sold in this offering for other general corporate purposes, including to temporarily repay indebtedness (which will be subject to reborrowing), and other working capital needs. Affiliates of Wells Fargo Securities, LLC are lenders under the Holdings Credit Facility and affiliates of Goldman, Sachs & Co., Morgan Stanley & Co. LLC and Keefe, Bruyette & Woods, Inc. are lenders under the NMFC Credit Facility. Accordingly, affiliates of Wells Fargo Securities, LLC, Goldman, Sachs & Co., Morgan Stanley & Co. LLC and Keefe, Bruyette & Woods, Inc. may receive more than 5.0% of the net proceeds of this offering to the extent such proceeds are used to temporarily repay outstanding indebtedness under the Holdings Credit Facility or the NMFC Credit Facility.

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The principal business address of Wells Fargo Securities, LLC is 550 South Tryon Street, Charlotte, North Carolina 28202, the principal business address of Goldman, Sachs & Co. is 200 West Street, New York, New York 10282, and the principal business address of Morgan Stanley & Co. LLC is 1585 Broadway, New York, New York 10036.

Each of the underwriters may arrange to sell common shares offered hereby in certain jurisdictions outside the United States, either directly or through affiliates, where they are permitted to do so. In that regard, Wells Fargo Securities, LLC may arrange to sell shares in certain jurisdictions through an affiliate, Wells Fargo Securities International Limited, or WFSIL. WFSIL is a wholly-owned indirect subsidiary of Wells Fargo & Company and an affiliate of Wells Fargo Securities, LLC. WFSIL is a United Kingdom incorporated investment firm regulated by the Financial Conduct Authority. Wells Fargo Securities is the trade name for certain corporate and investment banking services of Wells Fargo & Company and its affiliates, including Wells Fargo Securities, LLC and WFSIL.

LEGAL MATTERS

Certain legal matters regarding the shares of common stock offered hereby will be passed upon for us by Sutherland Asbill & Brennan LLP, Washington, District of Columbia. Certain legal matters in connection with the shares of common stock offered hereby will be passed upon for the underwriters by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York. Fried, Frank, Harris, Shriver & Jacobson LLP represents New Mountain Capital, L.L.C. and its portfolio companies from time to time in the ordinary course of business.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

With respect to the unaudited interim financial information of New Mountain Finance Corporation as of June 30, 2015 and for the three and six month periods ended June 30, 2015 and 2014, which is included in this prospectus supplement, Deloitte & Touche LLP, an independent registered public accounting firm, has applied limited procedures in accordance with the standards of the Public Company Accounting Oversight Board (United States) for a review of such information. However, as stated in their report included in the accompanying prospectus, they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Deloitte & Touche LLP are not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their reports on the unaudited interim financial information because those reports are not "reports" or a "part" of the Registration Statement prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

The consolidated financial statements of the Company and the related information of the Company and New Mountain Finance Holdings, L.L.C. included in the Senior Securities table and the effectiveness of the Company's internal control over financial reporting, included in the accompanying prospectus, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports appearing herein and elsewhere in the Registration Statement. Such financial statements and information included in the Senior Securities table have been so included in reliance upon the reports of such firm, given their authority as experts in accounting and auditing.

The principal business address of Deloitte & Touche LLP is 30 Rockefeller Center Plaza, New York, New York 10112.

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AVAILABLE INFORMATION

We have filed with the SEC a registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to the shares of common stock offered by this prospectus supplement and the accompanying prospectus. The registration statement contains additional information about us and the shares of common stock being offered by this prospectus supplement and the accompanying prospectus.

We are required to file with or submit to the SEC annual, quarterly and current reports, proxy statements and other information meeting the informational requirements of the Exchange Act. You may inspect and copy these reports, proxy statements and other information, as well as the registration statement and related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, District of Columbia 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC, which are available on the SEC's website at *http://www.sec.gov*. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, District of Columbia 20549. This information will also be available free of charge by contacting us at 787 Seventh Avenue, 48th Floor, New York, New York 10019, by telephone at (212) 720-0300, or on our website at *http://www.newmountainfinance.com*. Information contained on our website or on the SEC's web site about us is not incorporated into this prospectus supplement and the accompanying prospectus and you should not consider information contained on our website or on the SEC's website to be part of this prospectus supplement and the accompanying prospectus.

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New Mountain Finance Corporation

Consolidated Statements of Assets and Liabilities

(in thousands, except shares and per share data)

(unaudited)

	June 30, 2015	December 31, 2014
Assets		
Investments at fair value		
Non-controlled/non-affiliated investments (cost of $1,181,684 and $1,422,891, respectively)	$ 1,172,100	$ 1,402,210
Non-controlled/affiliated investments (cost $90,001 and $23,000, respectively)	89,601	22,461
Controlled investments (cost $40,437 and $0, respectively)	47,171	
Total investments at fair value (cost $1,312,122 and $1,445,891, respectively)	1,308,872	1,424,671
Securities purchased under collateralized agreements to resell	30,000	30,000
Cash and cash equivalents	24,226	23,445
Deferred financing costs (net of accumulated amortization of $7,286 and $5,867, respectively)	13,994	14,052
Interest and dividend receivable	11,456	11,744
Receivable from affiliates	362	490
Receivable from unsettled securities sold		8,912
Other assets	3,191	1,606
Total assets	$ 1,392,101	$ 1,514,920
Liabilities		
Holdings Credit Facility	$ 359,858	$ 468,108
Convertible Notes	115,000	115,000
SBA-guaranteed debentures	55,000	37,500
NMFC Credit Facility	38,000	50,000
Incentive fee payable	5,057	4,803
Management fee payable	4,951	5,144
Interest payable	1,360	1,352
Deferred tax liability	1,129	493
Capital gains incentive fee payable	490	
Payable to affiliates	460	822
Payable for unsettled securities purchased		26,460
Other liabilities	2,470	3,068
Total liabilities	583,775	712,750
Commitments and contingencies (see Note 9)		
Net assets		
Preferred stock, par value $0.01 per share, 2,000,000 shares authorized, none issued		
Common stock, par value $0.01 per share, 100,000,000 shares authorized, and 58,161,821 and 57,997,890 shares issued and outstanding, respectively	582	580
Paid in capital in excess of par	819,570	817,129
Accumulated undistributed net investment income	2,380	2,530
Accumulated undistributed net realized gains on investments	660	14,131
Net unrealized (depreciation) appreciation of investments (net of provision for taxes of $1,129 and $493, respectively)	(14,866)	(32,200)

Total net assets	$	808,326	$	802,170
Total liabilities and net assets	$	1,392,101	$	1,514,920
Number of shares outstanding		58,161,821		57,997,890
Net asset value per share	$	13.90	$	13.83

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

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New Mountain Finance Corporation

Consolidated Statements of Operations

(in thousands, except shares and per share data)

(unaudited)

	Three months ended June 30, 2015	June 30, 2014	Six months ended June 30, 2015	June 30, 2014
Investment income(1)				
From non-controlled/non-affiliated investments:				
Interest income	$ 33,767	$ 18,788	$ 65,621	$ 18,788
Dividend income	201	972	102	972
Other income	320	705	1,877	705
From non-controlled/affiliated investments:				
Interest income	1,183		2,226	
Dividend income	951		1,809	
Other income	308	4	622	4
From controlled investments:				
Interest income	520		970	
Dividend income	643		1,191	
Other income	12		23	
Investment income allocated from New Mountain Finance Holdings, L.L.C.(2)				
Interest income		12,847		40,515
Dividend income		279		2,368
Other income		113		795
Total investment income	37,905	33,708	74,441	64,147
Expenses				
Incentive fee(1)	5,057	2,747	9,935	2,747
Capital gains incentive fee(1)	9	763	490	763
Total incentive fees(1)	5,066	3,510	10,425	3,510
Management fee(1)	6,198	2,742	12,666	2,742
Interest and other financing expenses(1)	5,598	2,559	11,075	2,559
Professional fees(1)	909	640	1,648	640
Administrative expenses(1)	522	360	1,157	360
Other general and administrative expenses(1)	453	239	882	239
Net expenses allocated from New Mountain Finance Holdings, L.L.C.(2)		6,427		20,808
Total expenses	18,746	16,477	37,853	30,858
Less: management fee waived (see Note 5)(1)	(1,247)		(2,629)	
		(58)	(400)	(58)

Less: expenses waived and reimbursed (see Note 5)(1)				
Net expenses	17,499	16,419	34,824	30,800
Net investment income before income taxes	20,406	17,289	39,617	33,347
Income tax expense(1)	153		302	
Net investment income	20,253	17,289	39,315	33,347
Net realized (losses) gains:				
Non-controlled/non-affiliated investments(1)	(13,338)	(1,067)	(13,471)	(1,067)
Investments allocated from New Mountain Finance Holdings, L.L.C.(2)		5,860		8,568
Net change in unrealized appreciation (depreciation):				
Non-controlled/non-affiliated investments(1)	11,970	5,708	10,508	5,708
Non-controlled/affiliated investments(1)	1,600		728	
Controlled investments(1)	(86)		6,734	
Investments allocated from New Mountain Finance Holdings, L.L.C.(2)		(3,742)		940
Provision for taxes(1)	(135)	(386)	(636)	(386)
Net increase in net assets resulting from operations	20,264	23,662	43,178	47,110
Basic earnings per share	$ 0.35	$ 0.46	$ 0.74	$ 0.95
Weighted average shares of common stock outstanding basic (see Note 11)	58,076,552	51,595,684	58,037,868	49,343,462
Diluted earnings per share	$ 0.33	$ 0.44	$ 0.70	$ 0.94
Weighted average shares of common stock outstanding diluted (see Note 11)	65,313,497	54,292,924	65,265,931	50,699,533
Dividends declared and paid per share	$ 0.34	$ 0.34	$ 0.68	$ 0.68

(1) For the three and six months ended June 30, 2014, the amounts reported relate to the period from May 8, 2014 to June 30, 2014.

(2) For the three and six months ended June 30, 2014, the amounts reported relate to the period from April 1, 2014 to May 7, 2014 and January 1, 2014 to May 7, 2014, respectively.

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

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New Mountain Finance Corporation

Consolidated Statements of Changes in Net Assets

(in thousands)

(unaudited)

	Six months ended June 30, 2015	Six months ended June 30, 2014
Increase (decrease) in net assets resulting from operations:		
Net investment income(1)	$ 39,315	$ 10,477
Net investment income allocated from New Mountain Finance Holdings, L.L.C.(2)		22,870
Net realized losses on investments(1)	(13,471)	(1,067)
Net realized gains on investments allocated from New Mountain Finance Holdings, L.L.C.(2)		8,568
Net change in unrealized appreciation (depreciation) of investments(1)	17,970	5,708
Net change in unrealized appreciation (depreciation) of investments allocated from New Mountain Finance Holdings, L.L.C.(2)		940
Provision for taxes(1)	(636)	(386)
Net increase in net assets resulting from operations	43,178	47,110
Capital transactions		
Net proceeds from shares sold		58,644
Deferred offering costs(1)	59	
Deferred offering costs allocated from New Mountain Finance Holdings, L.L.C.(2)		(250)
Value of shares issued for exchanged units		38,840
Dividends declared to stockholders from net investment income	(39,465)	(33,347)
Dividends declared to stockholders from net realized gains		(615)
Reinvestment of dividends	2,384	2,066
Total net (decrease) increase in net assets resulting from capital transactions	(37,022)	65,338
Net increase in net assets	6,156	112,448
Net assets at the beginning of the period	802,170	650,107
Net assets at the end of the period	$ 808,326	$ 762,555

(1) For the six months ended June 30, 2014, the amounts reported relate to the period from May 8, 2014 to June 30, 2014.

(2) For the six months ended June 30, 2014, the amounts reported relate to the period from January 1, 2014 to May 7, 2014.

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

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New Mountain Finance Corporation

Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	Six months ended June 30, 2015	June 30, 2014
Cash flows from operating activities		
Net increase in net assets resulting from operations	$ 43,178	$ 47,110
Adjustments to reconcile net (increase) decrease in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net investment income allocated from New Mountain Finance Holdings, L.L.C.(2)		(22,870)
Net realized losses on investments(1)	13,471	1,067
Net realized gains on investments allocated from New Mountain Finance Holdings, L.L.C.(2)		(8,568)
Net change in unrealized (appreciation) depreciation of investments(1)	(17,970)	(5,708)
Net change in unrealized (appreciation) depreciation of investments allocated from New Mountain Finance Holdings, L.L.C.(2)		(940)
Amortization of purchase discount(1)	(1,176)	(405)
Amortization of deferred financing costs(1)	1,419	336
Non-cash investment income(1)	(3,209)	(261)
(Increase) decrease in operating assets:		
Cash and cash equivalents from New Mountain Finance Holdings, L.L.C.(3)		957
Purchase of investments and delayed draw facilities(1)	(187,045)	(128,598)
Proceeds from sales and paydowns of investments(1)	315,219	15,698
Cash received for purchase of undrawn portion of revolving credit or delayed draw facilities(1)	54	
Cash paid for purchase of drawn portion of revolving credit facilities(1)	(3,050)	
Cash paid on drawn revolvers(1)	(970)	
Cash repayments on drawn revolvers(1)	475	380
Interest and dividend receivable(1)	288	(1,381)
Receivable from affiliates(1)	128	378
Receivable from unsettled securities sold(1)	8,912	
Other assets(1)	(1,162)	(1,112)
Purchase of investment in New Mountain Finance Holdings, L.L.C.(2)		(58,644)
Distributions from New Mountain Finance Holdings, L.L.C.(2)		15,247
Increase (decrease) in operating liabilities:		
Incentive fee payable(1)	254	(1,695)
Management fee payable(1)	(193)	(1,434)
Interest payable(1)	8	1,195
Deferred tax liability(1)	636	386
Capital gains incentive fee payable(1)	490	763
Payable to affiliates(1)	(362)	269
Payable for unsettled securities purchased(1)	(26,460)	(6,428)

Other liabilities(1)	(658)	(306)
Net cash flows provided by (used in) operating activities	142,277	(154,564)
Cash flows from financing activities		
Net proceeds from shares sold		58,644
Dividends paid	(37,081)	(31,896)
Offering costs paid(1)	(56)	(166)
Proceeds from Holdings Credit Facility(1)	138,750	108,469
Repayment of Holdings Credit Facility(1)	(247,000)	(69,600)
Proceeds from NMFC Credit Facility(1)	51,300	
Repayment of NMFC Credit Facility(1)	(63,300)	
Proceeds from Convertible Notes(1)		115,000
Proceeds from SBA-guaranteed debentures(1)	17,500	
Deferred financing costs paid(1)	(1,609)	(4,222)
Net cash flows (used in) provided by financing activities	(141,496)	176,229
Net increase (decrease) in cash and cash equivalents	781	21,665
Cash and cash equivalents at the beginning of the period	23,445	
Cash and cash equivalents at the end of the period	$ 24,226	$ 21,665

Supplemental disclosure of cash flow information		
Cash interest paid	$ 9,303	$ 965
Income taxes paid	143	
Non-cash operating activities:		
Non-cash activity on investments	$ 60,652	$
Non-cash financing activities:		
New Mountain Finance AIV Holdings Corporation exchange of New Mountain Finance Holdings, L.L.C. units for shares	$	$ 38,840
Value of shares issued in connection with dividend reinvestment plan	2,384	2,066
Accrual for offering costs(1)	824	1,293
Accrual for deferred financing costs(1)	127	776
Deferred offering costs allocated from New Mountain Finance Holdings, L.L.C.(2)		(250)

(1) For the six months ended June 30, 2014, the amounts reported relate to the period from May 8, 2014 to June 30, 2014.

(2) For the six months ended June 30, 2014, the amounts reported relate to the period from January 1, 2014 to May 7, 2014.

(3) Represents the cash and cash equivalent balance of New Mountain Finance Holdings, L.L.C.'s at the date of restructuring. See Note 1, *Formation and Business Purpose*.

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

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New Mountain Finance Corporation

Consolidated Schedule of Investments

June 30, 2015

(in thousands, except shares)

(unaudited)

Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Non-Controlled/Non-Affiliated Investments							
Funded Debt Investments Australia							
Project Sunshine IV Pty Ltd**							
Media	First lien(2)	8.00% (Base Rate + 7.00%)	9/23/2019	$ 13,244	$ 13,180	$ 13,360	1.65%
Total Funded Debt Investments Australia				**$ 13,244**	**$ 13,180**	**$ 13,360**	**1.65%**
Funded Debt Investments Luxembourg							
Pinnacle Holdco S.à.r.l. / Pinnacle (US) Acquisition Co Limited**							
Software	Second lien(2)	10.50% (Base Rate + 9.25%)	7/30/2020	$ 24,630	$ 24,329	$ 22,659	
	Second lien(3)	10.50% (Base Rate + 9.25%)	7/30/2020	8,204	8,321	7,547	
				32,834	32,650	30,206	3.74%
Total Funded Debt Investments Luxembourg				**$ 32,834**	**$ 32,650**	**$ 30,206**	**3.74%**
Funded Debt Investments Netherlands							
Eiger Acquisition B.V. (Eiger Co-Borrower, LLC)**							
Software	Second lien(3)	10.13% (Base Rate + 9.13%)	2/17/2023	$ 10,000	$ 9,271	$ 9,050	1.12%

Total Funded Debt Investments Netherlands				**$ 10,000**	**$ 9,271**	**$ 9,050**	**1.12%**
Funded Debt Investments United Kingdom							
Air Newco LLC**							
Software	Second lien(3)	10.50% (Base Rate + 9.50%)	1/31/2023	$ 30,000	$ 29,266	$ 28,650	3.54%
Total Funded Debt Investments United Kingdom				**$ 30,000**	**$ 29,266**	**$ 28,650**	**3.54%**
Funded Debt Investments United States							
TIBCO Software Inc.							
Software	First lien(2)	6.50% (Base Rate + 5.50%)	12/4/2020	$ 29,925	$ 28,543	$ 29,939	
	Subordinated(3)	11.38%	12/1/2021	15,000	14,589	14,963	
				44,925	43,132	44,902	5.56%
Deltek, Inc.							
Software	Second lien(3)	9.50% (Base Rate + 8.50%)	6/26/2023	21,000	20,962	21,210	
	Second lien(2)	9.50% (Base Rate + 8.50%)	6/26/2023	20,000	19,610	20,200	
				41,000	40,572	41,410	5.12%
Ascend Learning, LLC							
Education	First lien(2)	5.50% (Base Rate + 4.50%)	7/31/2019	10,795	10,753	10,822	
	Second lien(3)	9.50% (Base Rate + 8.50%)	11/30/2020	29,000	28,888	28,946	
				39,795	39,641	39,768	4.92%
Kronos Incorporated							
Software	Second lien(2)	9.75% (Base Rate + 8.50%)	4/30/2020	32,641	32,424	33,641	
	Second lien(3)	9.75% (Base Rate + 8.50%)	4/30/2020	5,000	4,958	5,152	
				37,641	37,382	38,793	4.80%
Tolt Solutions, Inc.(15)							
Business Services	First lien(2)	7.00% (Base Rate + 6.00%)	3/7/2019	18,349	18,349	17,866	
	First lien(2)	12.00% (Base Rate + 11.00%)	3/7/2019	18,800	18,800	18,297	

37,149	37,149	36,163	4.47%

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

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New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)

June 30, 2015

(in thousands, except shares)

(unaudited)

Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Net Assets
Hill International, Inc.							
Business Services	First lien(2)	7.75% (Base Rate + 6.75%)	9/26/2020	$ 34,738	$ 34,425	$ 34,520	4.27%
TASC, Inc.							
Federal Services	First lien(2)	7.00% (Base Rate + 6.00%)	5/22/2020				