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

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarter Ended March 31, 2019

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number: 814-00754

SOLAR CAPITAL LTD.
(Exact name of registrant as specified in its charter)

Maryland (State of Incorporation)	**26-1381340** (I.R.S. Employer Identification No.)
500 Park Avenue **New York, N.Y.** (Address of principal executive offices)	**10022** (Zip Code)

(212) 993-1670
(Registrant's telephone number, including area code)

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

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	SLRC	The NASDAQ Global Select Market

The number of shares of the registrant's Common Stock, $.01 par value, outstanding as of May 3, 2019 was 42,260,826.

SOLAR CAPITAL LTD.
FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2019
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PART I. FINANCIAL INFORMATION

In this Quarterly Report, “Solar Capital”, “Company”, “Fund”, “we”, “us”, and “our” refer to Solar Capital Ltd. unless the context states otherwise.

Item 1. Financial Statements

SOLAR CAPITAL LTD.
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except share amounts)

	March 31, 2019 (unaudited)	December 31, 2018
Assets		
Investments at fair value:		
Companies less than 5% owned (cost: $983,114 and $948,478, respectively)	$ 979,273	$ 944,597
Companies more than 25% owned (cost: $503,898 and $500,792, respectively)	521,451	511,483
Cash	9,242	7,570
Cash equivalents (cost: $249,523 and $199,646, respectively)	249,523	199,646
Dividends receivable	9,917	9,065
Interest receivable	8,421	7,619
Receivable for investments sold	27,663	2,073
Other receivable	823	593
Prepaid expenses and other assets	917	783
Total assets	$ 1,807,230	$ 1,683,429
Liabilities		
Debt ($595,785 and $476,185 face amounts, respectively, reported net of unamortized debt issuance costs of $2,514 and $2,647, respectively. See notes 6 and 7)	$ 593,271	$ 473,538
Payable for investments and cash equivalents purchased	249,523	251,391
Distributions payable	17,327	17,327
Management fee payable (see note 3)	6,562	6,504
Performance-based incentive fee payable (see note 3)	4,616	4,613
Interest payable (see note 7)	5,407	4,714
Administrative services expense payable (see note 3)	323	2,716
Other liabilities and accrued expenses	3,525	3,455
Total liabilities	$ 880,554	$ 764,258
Commitments and contingencies (see note 10)		
Net Assets		
Common stock, par value $0.01 per share, 200,000,000 and 200,000,000 common shares authorized, respectively, and 42,260,826 and 42,260,826 shares issued and outstanding, respectively	$ 423	$ 423
Paid-in capital in excess of par	992,438	992,438
Accumulated distributable net loss	(66,185)	(73,690)
Total net assets	$ 926,676	$ 919,171
Net Asset Value Per Share	$ 21.93	$ 21.75

See notes to consolidated financial statements.

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SOLAR CAPITAL LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)
(in thousands, except share amounts)

	Three months ended March 31, 2019	Three months ended March 31, 2018
INVESTMENT INCOME:		
Interest:		
Companies less than 5% owned	$ 28,143	$ 24,181
Companies more than 25% owned	1,063	285
Dividends:		
Companies less than 5% owned	3	6
Companies more than 25% owned	9,952	14,363
Other income:		
Companies less than 5% owned	93	62
Companies more than 25% owned	5	63
Total investment income	39,259	38,960
EXPENSES:		
Management fees (see note 3)	$ 6,562	$ 6,473
Performance-based incentive fees (see note 3)	4,616	4,714
Interest and other credit facility expenses (see note 7)	7,328	5,909
Administrative services expense (see note 3)	1,368	1,286
Other general and administrative expenses	921	1,721
Total expenses	20,795	20,103
Net investment income	$ 18,464	$ 18,857
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND CASH EQUIVALENTS:		
Net realized gain (loss) on investments and cash equivalents:		
Companies less than 5% owned	$ 29	$ 197
Companies 5% to 25% owned	—	175
Companies more than 25% owned	(563)	(5)
Net realized gain (loss) on investments and cash equivalents	(534)	367
Net change in unrealized gain (loss) on investments and cash equivalents:		
Companies less than 5% owned	39	2,648
Companies more than 25% owned	6,863	(1,824)
Net change in unrealized gain on investments and cash equivalents	6,902	824
Net realized and unrealized gain on investments and cash equivalents	6,368	1,191
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ 24,832	$ 20,048
EARNINGS PER SHARE (see note 5)	$ 0.59	$ 0.47

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (unaudited)
(in thousands, except share amounts)

	Three months ended March 31, 2019	Three months ended March 31, 2018
Increase in net assets resulting from operations:		
Net investment income	$ 18,464	$ 18,857
Net realized gain (loss)	(534)	367
Net change in unrealized gain	6,902	824
Net increase in net assets resulting from operations	24,832	20,048
Distributions to stockholders:		
From net investment income	(17,327)	(17,327)
Capital transactions (see note 12)**:**		
Reinvestment of distributions	—	—
Net increase in net assets resulting from capital transactions	—	—
Total increase in net assets	7,505	2,721
Net assets at beginning of period	919,171	921,605
Net assets at end of period	$ 926,676	$ 924,326
Capital stock activity (see note 12)**:**		
Common stock issued from reinvestment of distributions	—	—
Net increase from capital stock activity	—	—

See notes to consolidated financial statements.

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SOLAR CAPITAL LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(in thousands)

	Three months ended March 31, 2019	Three months ended March 31, 2018
Cash Flows from Operating Activities:		
Net increase in net assets resulting from operations	$ 24,832	$ 20,048
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments and cash equivalents	534	(367)
Net change in unrealized gain on investments and cash equivalents	(6,902)	(824)
(Increase) decrease in operating assets:		
Purchase of investments	(109,705)	(153,103)
Proceeds from disposition of investments	71,454	142,856
Capitalization of payment-in-kind interest	(230)	(49)
Collections of payment-in-kind interest	205	740
Receivable for investments sold	(25,590)	1,324
Interest receivable	(802)	666
Dividends receivable	(852)	704
Other receivable	(230)	—
Prepaid expenses and other assets	(134)	199
Increase (decrease) in operating liabilities:		
Payable for investments and cash equivalents purchased	(1,868)	(4,873)
Management fee payable	58	(900)
Performance-based incentive fee payable	3	54
Administrative services expense payable	(2,393)	(2,460)
Interest payable	693	2,026
Other liabilities and accrued expenses	70	782
Net Cash Provided by (Used in) Operating Activities	(50,857)	6,823
Cash Flows from Financing Activities:		
Cash distributions paid	(17,327)	(16,904)
Deferred financing costs	133	92
Proceeds from secured borrowings	296,400	130,700
Repayment of secured borrowings	(176,800)	(126,800)
Net Cash Provided by (Used in) Financing Activities	102,406	(12,912)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	51,549	(6,089)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	207,216	150,789
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 258,765	$ 144,700
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 6,635	$ 3,883

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (unaudited)
March 31, 2019
(in thousands, except share/unit amounts)

Description	Industry	Spread Above Index(7)	LIBOR Floor	Interest Rate(1)	Acquisition Date	Maturity Date	Par Amount	Cost	Fair Value
Senior Secured Loans — 92.0%									
Bank Debt/Senior Secured Loans									
Aegis Toxicology Sciences Corporation (8)(14)	Health Care Providers & Services	L+550	1.00%	8.24%	5/7/2018	5/9/2025	$ 17,172	$ 16,901	$ 17,172
Alteon Health, LLC (8)(14)	Health Care Providers & Services	L+650	1.00%	9.00%	9/14/2018	9/1/2022	15,227	15,122	14,617
American Teleconferencing Services, Ltd. (PGI) (8)(14)	Communications Equipment	L+650	1.00%	9.24%	5/5/2016	12/8/2021	30,515	29,647	30,133
Amerilife Group, LLC (8)	Insurance	L+875	1.00%	11.25%	7/9/2015	1/10/2023	15,000	14,821	15,000
Associated Pathologists, LLC (8)(14)	Health Care Providers & Services	L+500	1.00%	7.80%	9/14/2018	8/1/2021	3,612	3,595	3,612
Atria Wealth Solutions, Inc. (8)(14)	Diversified Financial Services	L+600	1.00%	8.60%	9/14/2018	11/30/2022	3,349	3,320	3,333
AviatorCap SII, LLC (2)(8)	Aerospace & Defense	L+700	—	9.59%	12/27/2018	10/30/2020	2,933	2,933	2,933
AviatorCap SII, LLC (2)(8)	Aerospace & Defense	L+700	—	9.59%	3/19/2019	1/29/2021	2,975	2,975	2,975
BAM Capital, LLC (8)	Diversified Financial Services	L+900	—	11.49%	12/26/2018	1/23/2023	14,986	14,770	14,761
BAM Capital, LLC (8)	Diversified Financial Services	L+1200	—	14.49%	12/26/2018	1/23/2023	4,700	4,634	4,630
Bishop Lifting Products, Inc. (5)(8)	Trading Companies & Distributors	L+800	1.00%	10.50%	3/24/2014	3/27/2022	24,985	24,881	24,610
Falmouth Group Holdings Corp. (AMPAC) (8)(14)	Chemicals	L+675	1.00%	9.25%	12/7/2015	12/14/2021	40,887	40,675	40,887
Global Holdings LLC & Payment Concepts LLC (8)(14)	Consumer Finance	L+650	1.00%	9.13%	9/14/2018	5/5/2022	6,973	6,879	6,973
Greystone Select Holdings LLC & Greystone & Co., Inc. (8)	Thrifts & Mortgage Finance	L+800	1.00%	10.56%	3/29/2017	4/17/2024	19,850	19,695	19,850
iCIMS, Inc. (8)	Software	L+650	1.00%	8.99%	9/7/2018	9/12/2024	12,670	12,434	12,606
IHS Intermediate, Inc. (8)	Health Care Providers & Services	L+825	1.00%	11.02%	6/19/2015	7/20/2022	25,000	24,723	22,500
Kingsbridge Holdings, LLC (8)	Multi-Sector Holdings	L+700	1.00%	9.81%	12/21/2018	12/21/2024	28,973	28,553	28,683
KORE Wireless Group, Inc. (8)(14)	Wireless Telecommunication Services	L+550	—	8.10%	12/21/2018	12/21/2024	37,129	36,407	36,758
Logix Holding Company, LLC (8)(14)	Communications Equipment	L+575	1.00%	8.25%	9/14/2018	12/22/2024	7,159	7,098	7,159
On Location Events, LLC & PrimeSport Holdings Inc. (8)(14)	Media	L+550	1.00%	8.10%	12/7/2017	9/29/2021	24,261	24,060	24,261
Pet Holdings ULC & Pet Supermarket, Inc. (3)(8)(14)	Specialty Retail	L+550	1.00%	8.30%	9/14/2018	7/5/2022	29,270	28,999	28,977
PhyMed Management LLC (8)	Health Care Providers & Services	L+875	1.00%	11.38%	12/18/2015	5/18/2021	32,321	31,723	32,160
PhyNet Dermatology LLC (8)(14)	Health Care Providers & Services	L+550	1.00%	7.99%	9/5/2018	8/16/2024	10,572	10,479	10,467
PPT Management Holdings, LLC (8)	Health Care Providers & Services	L+750(16)	1.00%	9.99%	9/14/2018	12/16/2022	20,133	20,012	17,113
PSKW, LLC & PDR, LLC (8)(14)	Health Care Providers & Services	L+425	1.00%	6.85%	9/14/2018	11/25/2021	1,940	1,933	1,940
PSKW, LLC & PDR, LLC (8)(14)	Health Care Providers & Services	L+826	1.00%	10.87%	10/24/2017	11/25/2021	26,647	26,370	26,647

See notes to consolidated financial statements.

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SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (unaudited) (continued)
March 31, 2019
(in thousands, except share/unit amounts)

Description	Industry	Spread Above Index(7)	LIBOR Floor	Interest Rate(1)	Acquisition Date	Maturity Date	Par Amount	Cost	Fair Value
RS Energy Group U.S., Inc. (8)(14)	Software	L+475	—	7.35%	10/26/2018	10/6/2023	$ 15,800	$ 15,505	$ 15,484
Rug Doctor LLC (2)(8)	Diversified Consumer Services	L+975	1.50%	12.43%	12/23/2013	10/31/2019	9,111	9,069	9,111
Solara Medical Supplies, Inc. (8)(14)	Health Care Providers & Services	L+600	1.00%	8.50%	5/31/2018	2/27/2024	9,316	9,154	9,316
SOINT, LLC (2)(8)	Aerospace & Defense	L+900	—	11.70%	2/28/2019	4/30/2024	2,188	2,144	2,144
Southern Auto Finance Company (3)(8)	Consumer Finance	—	—	11.15%	10/19/2011	12/4/2019	25,000	24,941	25,000
The Octave Music Group, Inc. (fka TouchTunes) (8)	Media	L+825	1.00%	10.73%	5/28/2015	5/27/2022	14,000	13,888	14,000
Varilease Finance, Inc. (8)	Multi-Sector Holdings	L+775	1.00%	10.56%	8/22/2014	8/24/2020	33,000	32,822	33,000
Total Bank Debt/Senior Secured Loans								$561,162	$558,812
Life Science Senior Secured Loans									
Alimera Sciences, Inc. (8)	Pharmaceuticals	L+765	—	10.13%	1/5/2018	7/1/2022	$ 25,000	$ 25,118	$ 25,125
Apollo Endosurgery, Inc. (8)	Health Care Equipment & Supplies	L+750	—	10.00%	3/15/2019	9/1/2023	20,492	20,349	20,338
Ardelyx, Inc. (8)	Pharmaceuticals	L+745	—	9.93%	5/10/2018	11/1/2022	24,500	24,484	24,439
aTyr Pharma, Inc. (8)	Pharmaceuticals	P+410	—	9.60%	11/18/2016	11/18/2020	6,667	7,068	6,833
Axcella Health Inc. (8)	Pharmaceuticals	L+850	—	10.99%	1/9/2018	7/1/2022	26,000	26,328	26,260
BioElectron Technology Corporation (8)	Pharmaceuticals	L+750	—	9.98%	8/9/2018	8/10/2022	10,500	10,497	10,500
Breathe Technologies, Inc. (8)	Health Care Equipment & Supplies	L+850	—	10.99%	1/5/2018	1/5/2022	22,000	22,373	22,220
Cardiva Medical, Inc. (8)	Health Care Equipment & Supplies	L+795	0.63%	10.43%	9/24/2018	9/1/2022	12,000	12,129	12,060
Cerapedics, Inc. (8)	Health Care Equipment & Supplies	L+695	2.50%	9.45%	3/22/2019	3/1/2024	18,803	18,715	18,709
Corindus Vascular Robotics, Inc. (3)(8)	Health Care Equipment & Supplies	L+725	—	9.74%	3/9/2018	3/1/2022	8,337	8,249	8,399
Delphinus Medical Technologies, Inc. (8)	Health Care Equipment & Supplies	L+850	—	10.98%	8/18/2017	9/1/2021	5,444	5,444	5,444
GenMark Diagnostics, Inc. (3)(8)	Health Care Providers & Services	L+590	2.51%	8.41%	2/1/2019	2/1/2023	35,373	35,354	35,373
OmniGuide Holdings, Inc. (8)(13)	Health Care Equipment & Supplies	L+805	—	10.53%	7/30/2018	7/29/2023	10,500	10,537	10,500
PQ Bypass, Inc. (8)	Health Care Equipment & Supplies	L+795	1.00%	10.44%	12/20/2018	12/19/2022	5,200	5,141	5,200
Restoration Robotics, Inc. (8)	Health Care Equipment & Supplies	L+795	—	10.43%	5/10/2018	5/1/2022	9,000	8,934	9,270
Rubius Therapeutics, Inc. (3)(8)	Pharmaceuticals	L+550	—	7.98%	12/21/2018	12/21/2023	13,430	13,428	13,464
scPharmaceuticals, Inc. (8)	Pharmaceuticals	L+845	—	10.93%	5/23/2017	5/1/2021	5,000	5,034	5,025
SentreHeart, Inc. (8)	Health Care Equipment & Supplies	L+885	—	11.34%	11/15/2016	11/15/2020	10,000	10,245	10,450
Sunesis Pharmaceuticals, Inc. (8)	Pharmaceuticals	L+854	—	11.02%	3/31/2016	4/1/2020	3,047	3,152	3,138
Tetraphase Pharmaceuticals, Inc. (8)	Pharmaceuticals	L+725	—	9.73%	10/30/2018	5/2/2023	20,600	20,235	20,394
Total Life Science Senior Secured Loans								$292,814	$293,141
Total Senior Secured Loans								**$853,976**	**$851,953**

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (unaudited) (continued)
March 31, 2019
(in thousands, except share/unit amounts)

Description	Industry	Interest Rate(1)	Acquisition Date	Maturity Date	Par Amount	Cost	Fair Value
Equipment Financing — 34.7%							
Althoff Crane Service, Inc. (8)(15)	Commercial Services & Supplies	10.55%	7/31/2017	6/8/2022	$ 1,318	$ 1,318	$ 1,315
AmeraMex International, Inc. (8)(10)	Commercial Services & Supplies	10.00%	3/29/2019	3/28/2022	5,548	5,368	5,548
B&W Resources, Inc. (8)(10)	Oil, Gas & Consumable Fuels	21.63%	8/17/2018	3/27/2020	244	239	250
BB578, LLC (8)(10)	Media	10.00%	7/31/2017	11/1/2021	634	634	624
Beverly Hills Limo and Corporate Coach, Inc. (8)(15)	Road & Rail	10.57%	3/19/2018	9/9/2019	243	249	241
Blackhawk Mining, LLC (8)(15)	Oil, Gas & Consumable Fuels	10.99-11.17%	2/16/2018	3/1/2022-11/1/2022	5,894	5,554	5,894
C5 Transport, LLC (8)(10)	Road & Rail	17.71%	1/9/2019	2/1/2024	1,764	1,852	1,764
C&H Paving, Inc. (8)(15)	Construction & Engineering	9.94-10.57%	12/26/2018	1/1/2024-2/1/2024	3,421	3,472	3,421
Capital City Jet Center, Inc. (8)(10)	Airlines	10.00%	4/4/2018	10/4/2023	2,086	2,086	2,059
Central Freight Lines, Inc. (8)(10)	Road & Rail	7.16%	7/31/2017	1/14/2024	1,640	1,640	1,615
Cfactor Leasing Corp. & CZM USA, Corp. (8)(15)	Machinery	12.00-14.11%	7/31/2017	5/27/2020-8/3/2022	2,568	2,554	2,591
Champion Air, LLC (8)(10)	Airlines	10.00%	3/19/2018	1/1/2023	3,125	3,110	3,075
Delicate Productions, Inc. (8)(10)	Commercial Services & Supplies	13.30%	5/3/2018	5/15/2022	2,155	2,149	2,174
Easton Sales and Rentals, LLC (8)(10)	Commercial Services & Supplies	10.00%	9/18/2018	10/1/2021	1,820	1,779	1,820
Equipment Operating Leases, LLC (2)(8)(12)	Multi-Sector Holdings	7.53-8.37%	4/27/2018	8/1/22-4/27/2025	32,119	32,119	32,119
Falcon Transport Company (8)(10)	Road & Rail	10.96%	10/24/2018	7/1/2024	12,170	12,005	12,170
Family First Freight, LLC (8)(10)	Road & Rail	9.29-11.52%	7/31/2017	7/2/2019-1/22/2022	790	788	776
Garda CL Technical Services, Inc. (8)(15)	Commercial Services & Supplies	8.31-8.77%	3/22/2018	7/13/2023-10/5/2023	2,719	2,719	2,719
Georgia Jet, Inc. (8)(10)	Airlines	8.00%	12/4/2017	12/4/2021	2,229	2,229	2,229
Globecomm Systems Inc. (8)(15)	Wireless Telecommunication Services	13.18%	5/10/2018	7/1/2021	1,477	1,477	1,508
GMT Corporation (8)(10)	Machinery	12.46%	10/23/2018	10/23/2023	7,291	7,221	7,291
Great Plains Gas Compression Holdings, LLC (8)(10)	Oil, Gas & Consumable Fuels	9.37-9.93%	3/19/2018	8/1/2019-9/7/19	8,298	8,286	8,350
Haljoe Coaches USA, LLC (8)(15)	Road & Rail	8.15-9.90%	7/31/2017	7/1/2022-11/17/2022	5,042	5,042	4,999
Hawkeye Contracting Company, LLC (8)(10)(11)	Oil, Gas & Consumable Fuels	10.00%	11/15/2017	11/15/2020	3,210	3,210	3,181
HTI Logistics Corporation (8)(10)	Commercial Services & Supplies	9.69-9.80%	11/15/2018	12/1/2023-4/1/2024	330	330	330
Interstate NDT, Inc. (8)(15)	Road & Rail	11.32-13.94%	6/11/2018	7/1/2023-10/1/2023	2,331	2,331	2,362
JP Motorsports, Inc. (8)(15)	Road & Rail	13.96%	8/17/2018	1/25/2022	370	367	375
Knight Transfer Services, Inc. & Dumpstr Xpress, Inc. (8)(15)	Commercial Services & Supplies	12.05-12.76%	7/31/2017	4/11/2020-4/30/2020	427	427	426
Kool Pak, LLC (8)(15)	Road & Rail	8.58%	2/5/2018	3/1/2024	700	700	700
Lineal Industries, Inc. (8)(10)	Construction & Engineering	8.00%	12/21/2018	12/21/2021	101	101	101
Marcal Manufacturing, LLC dba Soundview Paper Company, LLC (8)(15)	Paper & Forest Products	12.91-12.98%	7/31/2017	7/30/2022-10/25/2022	1,292	1,292	1,331
Meridian Consulting I Corp, Inc. (8)(10)	Hotels, Restaurants & Leisure	10.72%	7/31/2017	12/4/2021	2,108	2,108	2,152
Mountain Air Helicopters, Inc. (8)(10)	Commercial Services & Supplies	10.00%	7/31/2017	4/30/2022	1,601	1,601	1,587
Mulholland Energy Services Equipment Leasing, LLC (8)(15).	Commercial Services & Supplies	8.89%	8/17/2018	10/30/2019	545	544	543
OKK Equipment, LLC (8)(10)	Commercial Services & Supplies	10.15%	7/31/2017	8/27/2023	586	586	591

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (unaudited) (continued)
March 31, 2019
(in thousands, except share/unit amounts)

Description	Industry	Interest Rate(1)	Acquisition Date	Maturity Date	Par Amount	Cost	Fair Value
Reston Limousine & Travel Service, Inc. (8)(15)	Road & Rail	11.82%	9/13/2017	10/1/2021	$ 1,329	$ 1,343	$ 1,340
Rossco Crane & Rigging, Inc. (8)(15)	Commercial Services & Supplies	11.13-11.53%	8/25/2017	4/1/2021-9/1/2022	745	745	741
Royal Express Inc. (8)(10)	Road & Rail	9.64%	1/17/2019	2/1/2024	1,206	1,229	1,206
RVR Air Charter, LLC & RVR Aviation, LLC (8)(10)	Airlines	12.00%	7/31/2017	8/1/2020-1/1/2022	2,463	2,463	2,506
Santek Environmental, LLC (8)(15)	Commercial Services & Supplies	10.00%	7/31/2017	3/1/2021	89	89	90
Santek Environmental of Alabama, LLC (8)(15)	Commercial Services & Supplies	8.95-10.00%	7/31/2017	12/18/2020-11/29/2021	159	159	157
Sidelines Tree Service LLC (8)(15)	Diversified Consumer Services	10.31-10.52%	7/31/2017	8/1/2022-10/1/2022	406	407	410
South Texas Oilfield Solutions, LLC (8)(15)	Energy Equipment & Services	12.52-13.76%	3/29/2018	9/1/2022-7/1/2023	3,256	3,256	3,280
Southern Nevada Oral & Maxillofacial Surgery, LLC (8)(10)	Health Care Providers & Services	12.00%	7/31/2017	3/1/2024	1,373	1,373	1,407
Southwest Traders, Inc. (8)(15)	Road & Rail	9.13%	11/21/2017	11/1/2020	122	122	120
Spartan Education, LLC (8)(10)	Diversified Consumer Services	10.26%	3/28/2019	6/1/2022-6/28/2022	3,224	3,287	3,224
ST Coaches, LLC (8)(15)	Road & Rail	8.21-8.59%	7/31/2017	10/1/2022-10/1/2023	4,287	4,287	4,280
Star Coaches Inc. (8)(15)	Road & Rail	8.42%	3/9/2018	4/1/2025	3,669	3,669	3,669
Sturgeon Services International Inc. (8)(10)	Energy Equipment & Services	17.88%	7/31/2017	2/28/2022	1,658	1,658	1,683
Sun-Tech Leasing of Texas, L.P. (8)(15)	Road & Rail	8.68-9.44%	7/31/2017	6/25/2020-7/25/2021	358	358	351
Superior Transportation, Inc. (8)(15)	Road & Rail	9.31-10.26%	7/31/2017	4/23/2022-4/1/2024	6,475	6,451	6,411
The Smedley Company & Smedley Services, Inc. (8)(10)	Commercial Services & Supplies	9.92-14.75%	7/31/2017	10/29/2023-2/10/2024	5,940	5,973	6,011
Tornado Bus Company (8)(15)	Road & Rail	10.78%	7/31/2017	9/1/2021	1,997	1,997	1,988
Trinity Equipment Rentals, Inc. (8)(10)	Commercial Services & Supplies	11.02%	9/13/2018	10/1/2022	884	884	884
Trolleys, Inc. (8)(15)	Road & Rail	9.81%	7/18/2018	8/1/2022	2,860	2,860	2,860
Up Trucking Services, LLC (8)(15)	Road & Rail	11.91%	3/23/2018	4/1/2022	1,870	1,897	1,898
Waste Services of Alabama, LLC (8)(15)	Commercial Services & Supplies	10.24%	8/17/2018	11/27/2020	1,411	1,414	1,408
Waste Services of Tennessee, LLC (8)(15)	Commercial Services & Supplies	8.95-10.15%	7/31/2017	2/7/2021-11/29/2021	678	678	671
Waste Services of Texas, LLC (8)(15)	Commercial Services & Supplies	8.95%	7/31/2017	12/6/2021	136	136	133
WJV658, LLC (8)(10)	Airlines	8.50%	7/31/2017	7/1/2022	7,734	7,734	7,734
W.P.M., Inc., WPM-Southern, LLC, WPM Construction Services, Inc. (8)(10)	Construction & Engineering	7.50%	7/31/2017	10/1/2022	2,377	2,377	2,330
					Shares/Units		
NEF Holdings, LLC Equity Interests (2)(8)(9)	Multi-Sector Holdings		7/31/2017		200	145,000	146,500
Total Equipment Financing						**$319,333**	**$321,523**
Preferred Equity — 1.6%							
SOAGG LLC (2)(3)(4)(8)	Aerospace & Defense	8.00%	12/14/2010	6/30/2020	2,130	$ 2,130	$ 9,313
SOINT, LLC (2)(3)(4)(8)	Aerospace & Defense	15.00%	6/8/2012	6/30/2020	55,109	5,511	5,806
Total Preferred Equity						**$ 7,641**	**$ 15,119**

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (unaudited) (continued)
March 31, 2019
(in thousands, except share/unit amounts)

Description	Industry	Acquisition Date	Shares/ Units	Cost	Fair Value
Common Equity/Equity Interests/Warrants — 33.7%					
aTyr Pharma, Inc. Warrants (8)*	Pharmaceuticals	11/18/2016	88,792	$ 106	$ —
B Riley Financial Inc. (3)	Research & Consulting Services	3/16/2007	38,015	2,684	634
CardioFocus, Inc. Warrants (8)*	Health Care Equipment & Supplies	3/31/2017	440,816	50	54
CAS Medical Systems, Inc. Warrants (8)*	Health Care Equipment & Supplies	6/30/2016	48,491	38	29
Conventus Orthopaedics, Inc. Warrants (8)*	Health Care Equipment & Supplies	6/15/2016	157,500	65	25
Corindus Vascular Robotics, Inc. Warrants (3)(8)*	Health Care Equipment & Supplies	3/9/2018	249,420	166	205
Crystal Financial LLC (2)(3)(8)	Diversified Financial Services	12/28/2012	280,303	280,737	298,000
Delphinus Medical Technologies, Inc. Warrants (8)*	Health Care Equipment & Supplies	8/18/2017	380,904	74	78
Essence Group Holdings Corporation (Lumeris) Warrants (8)*	Health Care Technology	3/22/2017	208,000	63	315
PQ Bypass, Inc. Warrants (8)*	Health Care Equipment & Supplies	12/20/2018	156,000	70	59
RD Holdco Inc. (Rug Doctor) (2)(8)*	Diversified Consumer Services	12/23/2013	231,177	15,683	7,334
RD Holdco Inc. (Rug Doctor) Class B (2)(8)*	Diversified Consumer Services	12/23/2013	522	5,216	5,216
RD Holdco Inc. (Rug Doctor) Warrants (2)(8)*	Diversified Consumer Services	12/23/2013	30,370	381	—
Restoration Robotics, Inc. Warrants (8)*	Health Care Equipment & Supplies	5/10/2018	72,776	111	3
Scynexis, Inc. Warrants (8)*	Pharmaceuticals	9/30/2016	122,435	105	—
SentreHeart, Inc. Warrants (8)*	Health Care Equipment & Supplies	11/15/2016	261,825	126	99
Sunesis Pharmaceuticals, Inc. Warrants (8)*	Pharmaceuticals	3/31/2016	104,001	118	—
Tetraphase Pharmaceuticals, Inc. Warrants (8)*	Pharmaceuticals	10/30/2018	284,530	269	78
Total Common Equity/Equity Interests/Warrants				**$ 306,062**	**$ 312,129**
Total Investments (6) — 162.0%				**$1,487,012**	**$1,500,724**

Description	Industry	Acquisition Date	Maturity Date	Par Amount		
Cash Equivalents — 26.9%						
U.S. Treasury Bill	Government	3/29/2019	4/30/2019	$ 250,000	$ 249,523	$ 249,523
Total Investments & Cash Equivalents — 188.9%					**$1,736,535**	**$1,750,247**
Liabilities in Excess of Other Assets — (88.9%)						(823,571)
Net Assets — 100.0%						**$ 926,676**

(1) Floating rate debt investments typically bear interest at a rate determined by reference to the London Interbank Offered Rate ("LIBOR"), and which typically reset monthly, quarterly or semi-annually. For each debt investment we have provided the current rate of interest, or in the case of leases the current implied yield, in effect as of March 31, 2019.

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (unaudited) (continued)
March 31, 2019
(in thousands)

(2) Denotes investments in which we are deemed to exercise a controlling influence over the management or policies of a company, as defined in the Investment Company Act of 1940 ("1940 Act"), due to beneficially owning, either directly or through one or more controlled companies, more than 25% of the outstanding voting securities of the investment. Transactions during the three months ended March 31, 2019 in these controlled investments are as follows:

Name of Issuer	Fair Value at December 31, 2018	Gross Additions	Gross Reductions	Realized Gain (Loss)	Change in Unrealized Gain (Loss)	Interest/Dividend /Other Income	Fair Value at March 31, 2019
Ark Real Estate Partners LP	$ 39	$ —	$ —	$ (526)	$ 487	$ —	$ —
Ark Real Estate Partners II LP	1	—	—	(37)†	11	—	—
AviatorCap SII, LLC	2,975	—	42	—	—	71	2,933
AviatorCap SII, LLC	—	2,975	—	—	—	10	2,975
Crystal Financial LLC	293,000	—	—	—	5,000	7,500	298,000
Equipment Operating Leases, LLC	32,882	—	763	—	—	660	32,119
NEF Holdings, LLC	145,000	—	—	—	1,500	1,200	146,500
RD Holdco Inc. (Rug Doctor, common equity)	7,732	—	—	—	(398)	—	7,334
RD Holdco Inc. (Rug Doctor, class B)	5,216	—	—	—	—	—	5,216
RD Holdco Inc. (Rug Doctor, warrants)	—	—	—	—	—	—	—
Rug Doctor LLC	9,111	—	—	—	(18)	304	9,111
SOAGG LLC	9,113	—	363	—	563	1,045	9,313
SOINT, LLC	—	2,144	—	—	—	23	2,144
SOINT, LLC (preferred equity)	6,414	—	326	—	(282)	207	5,806
	$ 511,483	$ 5,119	$ 1,494	$ (563)	$ 6,863	$ 11,020	$ 521,451

(3) Indicates assets that the Company believes may not represent "qualifying assets" under Section 55(a) of the Investment Company Act of 1940 ("1940 Act"), as amended. If we fail to invest a sufficient portion of our assets in qualifying assets, we could be prevented from making follow-on investments in existing portfolio companies or could be required to dispose of investments at inappropriate times in order to comply with the 1940 Act. As of March 31, 2019, on a fair value basis, non-qualifying assets in the portfolio represented 23.4% of the total assets of the Company.
(4) Solar Capital Ltd.'s investments in SOAGG, LLC and SOINT, LLC include a two and one dollar investment in common shares, respectively.
(5) Bishop Lifting Products, Inc., SEI Holding I Corporation, Singer Equities, Inc. & Hampton Rubber Company are co-borrowers.
(6) Aggregate net unrealized appreciation for U.S. federal income tax purposes is $8,271; aggregate gross unrealized appreciation and depreciation for federal tax purposes is $29,052 and $20,781, respectively, based on a tax cost of $1,492,453. Unless otherwise noted, all of the Company's investments are pledged as collateral against the borrowings outstanding on the senior secured credit facility. The Company generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). These investments are generally subject to certain limitations on resale, and may be deemed to be "restricted securities" under the Securities Act.
(7) Floating rate instruments accrue interest at a predetermined spread relative to an index, typically the LIBOR or PRIME rate. These instruments are often subject to a LIBOR or PRIME rate floor.
(8) Level 3 investment valued using significant unobservable inputs.
(9) NEF Holdings, LLC is held through NEFCORP LLC, a wholly-owned consolidated taxable subsidiary and NEFPASS LLC, a wholly-owned consolidated subsidiary.
(10) Indicates an investment that is wholly held by Solar Capital Ltd. through NEFPASS LLC.
(11) Hawkeye Contracting Company, LLC, Eagle Creek Mining, LLC & Falcon Ridge Leasing, LLC are co-borrowers.
(12) Equipment Operating Leases, LLC is a subsidiary of NEF Holdings, LLC.
(13) OmniGuide Holdings, Inc., Domain Surgical, Inc. and OmniGuide, Inc. are co-borrowers.
(14) Indicates an investment that is wholly or partially held by the Company through its wholly-owned consolidated financing subsidiary SSLP 2016-1, LLC (the "SSLP SPV"). Such investments are pledged as collateral under the SSLP 2016-1, LLC Revolving Credit Facility (see Note 7 to the consolidated financial statements) and are not generally available to creditors, if any, of the Company.
(15) Indicates an investment that is held by the Company through its wholly-owned consolidated financing subsidiary NEFPASS SPV, LLC (the "NEFPASS SPV"). Such investments are pledged as collateral under the NEFPASS SPV, LLC Revolving Credit Facility (see Note 7 to the consolidated financial statements) and are not generally available to creditors, if any, of the Company.
(16) Spread is 1.00% Cash / 6.50% PIK.
* Non-income producing security.
† Represents estimated change in receivable balance.

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (unaudited) (continued)
March 31, 2019
(in thousands)

Industry Classification	Percentage of Total Investments (at fair value) as of March 31, 2019
Diversified Financial Services (Crystal Financial LLC)	21.4%
Multi-Sector Holdings (includes NEF Holdings, LLC and Equipment Operating Leases, LLC)	16.0%
Health Care Providers & Services	12.8%
Pharmaceuticals	9.0%
Health Care Equipment & Supplies	8.2%
Road & Rail	3.3%
Chemicals	2.7%
Media	2.6%
Wireless Telecommunication Services	2.6%
Communications Equipment	2.5%
Consumer Finance.	2.1%
Specialty Retail	1.9%
Software	1.9%
Commercial Services & Supplies	1.8%
Diversified Consumer Services	1.7%
Trading Companies & Distributors	1.6%
Aerospace & Defense	1.6%
Thrifts & Mortgage Finance	1.3%
Oil, Gas & Consumable Fuels	1.2%
Airlines	1.2%
Insurance	1.0%
Machinery	0.7%
Construction & Engineering	0.4%
Energy Equipment & Services.	0.3%
Hotels, Restaurants & Leisure.	0.1%
Paper & Forest Products	0.1%
Research & Consulting Services	0.0%
Health Care Technology	0.0%
Total Investments	100.0%

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2018
(in thousands, except share/unit amounts)

Description	Industry	Spread Above Index(9)	LIBOR Floor	Interest Rate(1)	Acquisition Date	Maturity Date	Par Amount	Cost	Fair Value
Senior Secured Loans — 89.1%									
Bank Debt/Senior Secured Loans									
Aegis Toxicology Sciences Corporation (10)	Health Care Providers & Services	L+550	1.00%	8.10%	5/7/2018	5/9/2025	$ 17,215	$ 16,935	$ 17,215
Alteon Health, LLC (10)(16)	Health Care Providers & Services	L+650	1.00%	9.02%	9/14/2018	9/1/2022	15,271	15,159	14,507
American Teleconferencing Services, Ltd. (PGI) (10)(16)	Communications Equipment	L+650	1.00%	9.09%	5/5/2016	12/8/2021	30,965	30,001	30,578
Amerilife Group, LLC (10)	Insurance	L+875	1.00%	11.27%	7/9/2015	1/10/2023	15,000	14,811	14,963
Associated Pathologists, LLC (10)(16)	Health Care Providers & Services	L+500	1.00%	7.38%	9/14/2018	8/1/2021	3,718	3,699	3,718
Atria Wealth Solutions, Inc. (10)(16)	Diversified Financial Services	L+600	1.00%	8.61%	9/14/2018	11/30/2022	3,358	3,326	3,324
AviatorCap SII, LLC (3)(10)	Aerospace & Defense	L+700	—	9.80%	12/27/2018	10/30/2020	2,975	2,975	2,975
BAM Capital, LLC (10)	Diversified Financial Services	L+800	—	11.52%	12/26/2018	1/23/2023	15,500	15,268	15,268
Bishop Lifting Products, Inc. (7)(10)	Trading Companies & Distributors	L+800	1.00%	10.52%	3/24/2014	3/27/2022	24,985	24,873	24,235
Datto, Inc. (10)	IT Services	L+800	1.00%	10.46%	12/6/2017	12/7/2022	25,000	24,587	25,000
Falmouth Group Holdings Corp. (AMPAC) (10)(16)	Chemicals	L+675	1.00%	9.27%	12/7/2015	12/14/2021	40,887	40,658	40,887
Global Holdings LLC & Payment Concepts LLC (10)(16)	Consumer Finance	L+750	1.00%	10.24%	9/14/2018	5/5/2022	7,066	6,964	7,066
Greystone Select Holdings LLC & Greystone & Co., Inc. (10)	Thrifts & Mortgage Finance	L+800	1.00%	10.51%	3/29/2017	4/17/2024	19,900	19,739	19,850
iCIMS, Inc. (10)	Software	L+650	1.00%	8.94%	9/7/2018	9/12/2024	12,670	12,426	12,480
IHS Intermediate, Inc. (10)	Health Care Providers & Services	L+825	1.00%	10.74%	6/19/2015	7/20/2022	25,000	24,705	24,000
Kingsbridge Holdings, LLC (10)	Multi-Sector Holdings	L+700	1.00%	9.82%	12/21/2018	12/21/2024	28,973	28,540	28,538
KORE Wireless Group, Inc. (10)	Wireless Telecommunication Services	L+550	1.00%	8.29%	12/21/2018	12/21/2024	37,222	36,478	36,850
Logix Holding Company, LLC (10)(16)	Communications Equipment	L+575	1.00%	8.27%	9/14/2018	12/22/2024	7,178	7,115	7,178
On Location Events, LLC & PrimeSport Holdings Inc. (10)(16)	Media	L+550	1.00%	7.90%	12/7/2017	9/29/2021	24,506	24,284	24,322
Pet Holdings ULC & Pet Supermarket, Inc. (5)(10)(16)	Specialty Retail	L+550	1.00%	7.90%	9/14/2018	7/5/2022	29,344	29,054	29,197
PhyMed Management LLC (10)	Health Care Providers & Services	L+875	1.00%	11.46%	12/18/2015	5/18/2021	32,321	31,662	32,160
PhyNet Dermatology LLC (10)	Health Care Providers & Services	L+550	1.00%	8.02%	9/5/2018	8/16/2024	9,644	9,551	9,547
PPT Management Holdings, LLC (10)	Health Care Providers & Services	L+750 PIK	1.00%	9.85%	9/14/2018	12/16/2022	19,969	19,841	16,973
PSKW, LLC & PDR, LLC (10)(16)	Health Care Providers & Services	L+425	1.00%	7.05%	9/14/2018	11/25/2021	2,024	2,016	2,024
PSKW, LLC & PDR, LLC (10)(16)	Health Care Providers & Services	L+825	1.00%	11.05%	10/24/2017	11/25/2021	26,647	26,348	26,647

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
December 31, 2018
(in thousands, except share/unit amounts)

Description	Industry	Spread Above Index(9)	LIBOR Floor	Interest Rate(1)	Acquisition Date	Maturity Date	Par Amount	Cost	Fair Value
RS Energy Group U.S., Inc. (10)	Software	L+475	1.00%	7.55%	10/26/2018	10/6/2023	$ 15,249	$ 14,951	$ 14,944
Rug Doctor LLC (3)(10)	Diversified Consumer Services	L+975	1.50%	12.33%	12/23/2013	10/31/2019	9,111	9,050	9,111
Solara Medical Supplies, Inc. (10)(16)	Health Care Providers & Services	L+600	1.00%	8.52%	5/31/2018	5/31/2023	3,418	3,371	3,418
Southern Auto Finance Company (5)(10)	Consumer Finance	—	—	11.15%	10/19/2011	12/4/2019	25,000	24,920	25,000
The Octave Music Group, Inc. (fka TouchTunes) (10)	Media	L+825	1.00%	10.63%	5/28/2015	5/27/2022	14,000	13,880	13,930
Varilease Finance, Inc. (10)	Multi-Sector Holdings	L+825	1.00%	10.65%	8/22/2014	8/24/2020	33,000	32,793	33,000
Total Bank Debt/Senior Secured Loans								$569,980	$568,905
Life Science Senior Secured Loans									
Alimera Sciences, Inc. (10)	Pharmaceuticals	L+765	—	10.03%	1/5/2018	7/1/2022	$ 25,000	$ 25,044	$ 25,125
Ardelyx, Inc. (5)(10)	Pharmaceuticals	L+745	—	9.83%	5/10/2018	11/1/2022	24,500	24,400	24,377
aTyr Pharma, Inc. (10)	Pharmaceuticals	P+410	—	9.35%	11/18/2016	11/18/2020	7,667	7,985	7,782
Axcella Health Inc. (10)	Pharmaceuticals	L+850	—	10.84%	1/9/2018	7/1/2022	26,000	26,247	26,000
BioElectron Technology Corporation (10)	Pharmaceuticals	L+750	—	9.88%	8/9/2018	8/10/2022	10,500	10,458	10,447
Breathe Technologies, Inc. (10)	Health Care Equipment & Supplies	L+850	—	10.84%	1/5/2018	1/5/2022	22,000	22,298	22,000
Cardiva Medical, Inc. (10)	Health Care Equipment & Supplies	L+795	0.63%	10.33%	9/24/2018	9/1/2022	12,000	12,067	12,030
Corindus Vascular Robotics, Inc. (5)(10)	Health Care Equipment & Supplies	L+725	—	9.60%	3/9/2018	3/1/2022	6,783	6,787	6,817
Delphinus Medical Technologies, Inc. (10)	Health Care Equipment & Supplies	L+850	—	10.88%	8/18/2017	9/1/2021	5,625	5,594	5,513
GenMark Diagnostics, Inc. (5)(10)	Health Care Providers & Services	—	—	6.90%	11/8/2018	1/1/2021	17,473	17,531	17,531
OmniGuide Holdings, Inc. (10)(15)	Health Care Equipment & Supplies	L+805	—	10.43%	7/30/2018	7/29/2023	10,500	10,504	10,474
PQ Bypass, Inc. (10)	Health Care Equipment & Supplies	L+795	1.00%	10.42%	12/20/2018	12/20/2022	5,200	5,119	5,117
Restoration Robotics, Inc. (10)	Health Care Equipment & Supplies	L+795	—	10.33%	5/10/2018	5/1/2022	9,000	8,887	8,977
Rubius Therapeutics, Inc. (5)(10)	Pharmaceuticals	L+550	—	7.97%	12/21/2018	12/21/2023	13,430	13,400	13,397
scPharmaceuticals, Inc. (10)	Pharmaceuticals	L+845	—	10.83%	5/23/2017	5/1/2021	5,000	5,019	5,025
Scynexis, Inc. (10)	Pharmaceuticals	L+849	—	10.87%	9/30/2016	9/30/2020	15,000	15,379	15,300
SentreHeart, Inc. (10)	Health Care Equipment & Supplies	L+885	—	11.19%	11/15/2016	11/15/2020	10,000	10,193	10,150
Sunesis Pharmaceuticals, Inc. (10)	Pharmaceuticals	L+854	—	10.92%	3/31/2016	4/1/2020	3,750	3,833	3,769
Tetraphase Pharmaceuticals, Inc. (10)	Pharmaceuticals	L+725	—	9.63%	10/30/2018	5/2/2023	20,600	20,169	20,125
Total Life Science Senior Secured Loans								$250,914	$249,956
Total Senior Secured Loans								**$820,894**	**$818,861**

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
December 31, 2018
(in thousands, except share/unit amounts)

Description	Industry	Interest Rate(1)	Acquisition Date	Maturity Date	Par Amount	Cost	Fair Value
Equipment Financing — 34.2%							
Althoff Crane Service, Inc. (10)(17)	Commercial Services & Supplies	10.55%	7/31/2017	6/8/2022	$ 1,362	$ 1,362	$ 1,357
B&W Resources, Inc. (10)(12)	Oil, Gas & Consumable Fuels	21.57%	8/17/2018	3/27/2020	297	291	305
BB578, LLC (10)(12)	Media	10.00%	7/31/2017	11/1/2021	669	669	667
Beverly Hills Limo and Corporate Coach, Inc. (10)(17)	Road & Rail	10.57%	3/19/2018	9/9/2019	366	379	363
Blackhawk Mining, LLC (10)(17)	Oil, Gas & Consumable Fuels	10.99-11.17%	2/16/2018	3/1/2022-11/1/2022	6,270	5,890	6,270
Brightwater R&B Acquisition, LLC (10)(17)	Machinery	12.24%	8/17/2018	4/20/2019	76	76	76
C&H Paving, Inc. (10)(12)	Construction & Engineering	9.94%	12/26/2018	1/1/2024	3,393	3,444	3,393
Capital City Jet Center, Inc. (10)(12)	Airlines	10.00%	4/4/2018	10/4/2023	2,174	2,174	2,184
Central Freight Lines, Inc. (10)(12)	Road & Rail	7.16%	7/31/2017	1/14/2024	1,710	1,710	1,710
Cfactor Leasing Corp. & CZM USA, Corp. (10)(17)	Machinery	12.00-14.11%	7/31/2017	5/27/2020-8/3/2022	3,162	3,143	3,173
Champion Air, LLC (10)(12)	Airlines	10.00%	3/19/2018	1/1/2023	3,200	3,181	3,200
Delicate Productions, Inc. (10)(12)	Commercial Services & Supplies	13.30%	5/3/2018	5/15/2022	2,023	2,010	2,023
Easton Sales and Rentals, LLC (10)(12)	Commercial Services & Supplies	10.00%	9/18/2018	10/1/2021	2,034	1,981	2,034
Equipment Operating Leases, LLC (3)(10)(14)	Multi-Sector Holdings	7.53-8.37%	4/27/2018	8/1/22-4/27/2025	32,882	32,882	32,882
Falcon Transport Company (10)(12)	Road & Rail	10.96%	10/24/2018	7/1/2024	12,443	12,271	12,443
Family First Freight, LLC (10)(12)	Road & Rail	9.29-11.52%	7/31/2017	7/2/2019-1/22/2022	881	879	870
Garda CL Technical Services, Inc. (10)(17)	Commercial Services & Supplies	8.31-8.77%	3/22/2018	7/13/2023-10/5/2023	2,847	2,847	2,847
Georgia Jet, Inc. (10)(12)	Airlines	8.00%	12/4/2017	12/4/2021	2,373	2,373	2,373
Globecomm Systems Inc. (10)(17)	Wireless Telecommunication Services	13.18%	5/10/2018	7/1/2021	1,610	1,610	1,610
GMT Corporation (10)(12)	Machinery	12.46%	10/23/2018	10/23/2023	7,582	7,506	7,582
Great Plains Gas Compression Holdings, LLC (10)(12)	Oil, Gas & Consumable Fuels	9.37-9.93%	3/19/2018	8/1/2019-9/7/19	8,775	8,754	8,792
Haljoe Coaches USA, LLC (10)(17)	Road & Rail	8.15-9.90%	7/31/2017	7/1/2022-11/17/2022	5,180	5,180	5,137
Hawkeye Contracting Company, LLC (10)(12)(13)	Oil, Gas & Consumable Fuels	10.00%	11/15/2017	11/15/2020	3,648	3,648	3,620
HTI Logistics Corporation (10)(12)	Commercial Services & Supplies	9.80%	11/15/2018	12/1/2023	274	274	274
Interstate NDT, Inc. (10)(17)	Road & Rail	11.32-13.94%	6/11/2018	7/1/2023-10/1/2023	2,429	2,429	2,429
JP Motorsports, Inc. (10)(17)	Road & Rail	13.96%	8/17/2018	1/25/2022	397	394	405
Knight Transfer Services, Inc. & Dumpstr Xpress, Inc. (10)(17)	Commercial Services & Supplies	12.05-12.76%	7/31/2017	4/11/2020-4/30/2020	518	518	519
Kool Pak, LLC (10)(17)	Road & Rail	8.58%	2/5/2018	3/1/2024	729	729	722
Lineal Industries, Inc. (10)(12)	Construction & Engineering	8.00%	12/21/2018	12/21/2021	107	107	107
Marcal Manufacturing, LLC dba Soundview Paper Company, LLC (10)(17)	Paper & Forest Products	12.91-12.98%	7/31/2017	7/30/2022-10/25/2022	1,365	1,365	1,386
Meridian Consulting I Corp, Inc. (10)(12)	Hotels, Restaurants & Leisure	10.72%	7/31/2017	12/4/2021	2,145	2,145	2,156
Mountain Air Helicopters, Inc. (10)(12)	Commercial Services & Supplies	10.00%	7/31/2017	4/30/2022	1,668	1,668	1,651
Mulholland Energy Services Equipment Leasing, LLC (10)(17).	Commercial Services & Supplies	8.89%	8/17/2018	10/30/2019	809	807	804
OKK Equipment, LLC (10)(12)	Commercial Services & Supplies	10.15%	7/31/2017	8/27/2023	612	612	601

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
December 31, 2018
(in thousands, except share/unit amounts)

Description	Industry	Interest Rate(1)	Acquisition Date	Maturity Date	Par Amount	Cost	Fair Value
Reston Limousine & Travel Service, Inc. (10)(17)	Road & Rail	11.82%	9/13/2017	10/1/2021	$ 1,454	$ 1,471	$ 1,460
Rossco Crane & Rigging, Inc. (10)(17)	Commercial Services & Supplies	11.13-11.53%	8/25/2017	4/1/2021-9/1/2022	797	797	798
RVR Air Charter, LLC & RVR Aviation, LLC (10)(12)	Airlines	12.00%	7/31/2017	8/1/2020-1/1/2022	2,692	2,692	2,727
Santek Environmental, LLC (10)(17)	Commercial Services & Supplies	10.00%	7/31/2017	3/1/2021	98	98	99
Santek Environmental of Alabama, LLC (10)(17)	Commercial Services & Supplies	8.95-10.00%	7/31/2017	12/18/2020-11/29/2021	179	179	176
Sidelines Tree Service LLC (10)(17)	Diversified Consumer Services	10.31-10.52%	7/31/2017	8/1/2022-10/1/2022	431	432	427
South Texas Oilfield Solutions, LLC (10)(17)	Energy Equipment & Services	12.52-13.76%	3/29/2018	9/1/2022-7/1/2023	3,413	3,413	3,413
Southern Nevada Oral & Maxillofacial Surgery, LLC (10)(12)	Health Care Providers & Services	12.00%	7/31/2017	3/1/2024	1,404	1,404	1,425
Southwest Traders, Inc. (10)(17)	Road & Rail	9.13%	11/21/2017	11/1/2020	139	139	138
ST Coaches, LLC (10)(17)	Road & Rail	8.21-8.59%	7/31/2017	10/1/2022-10/1/2023	4,396	4,396	4,396
Star Coaches Inc. (10)(17)	Road & Rail	8.42%	3/9/2018	4/1/2025	3,785	3,785	3,785
Sturgeon Services International Inc. (10)(12)	Energy Equipment & Services	17.88%	7/31/2017	2/28/2022	1,763	1,763	1,789
Sun-Tech Leasing of Texas, L.P. (10)(17)	Road & Rail	8.68-8.83%	7/31/2017	6/25/2020-7/25/2021	424	424	416
Superior Transportation, Inc. (10)(17)	Road & Rail	9.77-10.26%	7/31/2017	4/23/2022-12/1/2023	4,500	4,499	4,460
The Smedley Company & Smedley Services, Inc. (10)(12)	Commercial Services & Supplies	9.92-14.68%	7/31/2017	10/29/2023-2/10/2024	6,273	6,315	6,361
Tornado Bus Company (10)(17)	Road & Rail	10.78%	7/31/2017	9/1/2021	2,151	2,151	2,141
Trinity Equipment Rentals, Inc. (10)(12)	Commercial Services & Supplies	11.02%	9/13/2018	10/1/2022	935	935	935
Trolleys, Inc. (10)(17)	Road & Rail	9.81%	7/18/2018	8/1/2022	3,039	3,039	3,039
Up Trucking Services, LLC (10)(17)	Road & Rail	11.91%	3/23/2018	4/1/2022	2,226	2,261	2,263
Waste Services of Alabama, LLC (10)(17)	Commercial Services & Supplies	10.24%	8/17/2018	11/27/2020	1,692	1,696	1,687
Waste Services of Tennessee, LLC (10)(17)	Commercial Services & Supplies	8.95-10.15%	7/31/2017	2/7/2021-11/29/2021	742	742	727
Waste Services of Texas, LLC (10)(17)	Commercial Services & Supplies	8.95%	7/31/2017	12/6/2021	147	147	145
WJV658, LLC (10)(12)	Airlines	8.50%	7/31/2017	7/1/2022	7,884	7,884	7,879
W.P.M., Inc., WPM-Southern, LLC, WPM Construction Services, Inc.(10)(12)	Construction & Engineering	7.50%	7/31/2017	10/1/2022	2,601	2,601	2,575
					Shares/Units		
NEF Holdings, LLC Equity Interests (3)(10)(11)	Multi-Sector Holdings		7/31/2017		200	145,000	145,000
Total Equipment Financing						**$313,571**	**$314,226**
Preferred Equity — 1.7%							
SOAGG LLC (3)(5)(6)(10)	Aerospace & Defense	8.00%	12/14/2010	6/30/2020	2,493	$ 2,493	$ 9,113
SOINT, LLC (3)(5)(6)(10)	Aerospace & Defense	15.00%	6/8/2012	6/30/2020	58,361	5,836	6,414
Total Preferred Equity						**$ 8,329**	**$ 15,527**

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
December 31, 2018
(in thousands, except share/unit amounts)

Description	Industry	Acquisition Date	Shares/Units	Cost	Fair Value
Common Equity/Equity Interests/Warrants — 33.4%					
Ark Real Estate Partners LP (2)(3)(10)*	Diversified Real Estate Activities	3/12/2007	—	$ 527	$ 39
Ark Real Estate Partners II LP (2)(3)(10)*	Diversified Real Estate Activities	10/23/2012	—	12	1
aTyr Pharma, Inc. Warrants (10)*	Pharmaceuticals	11/18/2016	88,792	106	—
B Riley Financial Inc. (5)	Research & Consulting Services	3/16/2007	38,015	2,684	540
CardioFocus, Inc. Warrants (10)*	Health Care Equipment & Supplies	3/31/2017	440,816	51	69
CAS Medical Systems, Inc. Warrants (10)*	Health Care Equipment & Supplies	6/30/2016	48,491	38	28
Conventus Orthopaedics, Inc. Warrants (10)*	Health Care Equipment & Supplies	6/15/2016	157,500	65	68
Corindus Vascular Robotics, Inc. Warrants (5)(10)*	Health Care Equipment & Supplies	3/9/2018	79,855	40	22
Crystal Financial LLC (3)(5)(10)	Diversified Financial Services	12/28/2012	280,303	280,737	293,000
Delphinus Medical Technologies, Inc. Warrants (10)*	Health Care Equipment & Supplies	8/18/2017	380,904	74	99
Essence Group Holdings Corporation (Lumeris) Warrants (10)*	Health Care Technology	3/22/2017	208,000	63	358
PQ Bypass, Inc. Warrants (10)*	Health Care Equipment & Supplies	12/20/2018	156,000	70	75
RD Holdco Inc. (Rug Doctor) (3)(10)*	Diversified Consumer Services	12/23/2013	231,177	15,683	7,732
RD Holdco Inc. (Rug Doctor) Class B (3)(10)*	Diversified Consumer Services	12/23/2013	522	5,216	5,216
RD Holdco Inc. (Rug Doctor) Warrants (3)(10)*	Diversified Consumer Services	12/23/2013	30,370	381	—
Restoration Robotics, Inc. Warrants (10)*	Health Care Equipment & Supplies	5/10/2018	72,776	111	3
Scynexis, Inc. Warrants (10)*	Pharmaceuticals	9/30/2016	122,435	105	—
SentreHeart, Inc. Warrants (10)*	Health Care Equipment & Supplies	11/15/2016	261,825	126	127
Sunesis Pharmaceuticals, Inc. Warrants (10)*	Pharmaceuticals	3/31/2016	104,001	118	—
Tetraphase Pharmaceuticals, Inc. Warrants (10)*	Pharmaceuticals	10/30/2018	284,530	269	89
Total Common Equity/Equity Interests/Warrants				**$ 306,476**	**$ 307,466**
Total Investments (8) — 158.4%				**$1,449,270**	**$1,456,080**

Description	Industry	Acquisition Date	Maturity Date	Par Amount		
Cash Equivalents — 21.7%						
U.S. Treasury Bill	Government	12/31/2018	1/29/2019	$ 200,000	$ 199,646	$ 199,646
Total Investments & Cash Equivalents —180.1%					**$1,648,916**	**$1,655,726**
Liabilities in Excess of Other Assets — (80.1%)						(736,555)
Net Assets — 100.0%						**$ 919,171**

(1) Floating rate debt investments typically bear interest at a rate determined by reference to the London Interbank Offered Rate ("LIBOR"), and which typically reset monthly, quarterly or semi-annually. For each debt investment we have provided the current rate of interest, or in the case of leases the current implied yield, in effect as of December 31, 2018.

(2) Ark Real Estate Partners is held through SLRC ADI Corp., a wholly-owned taxable subsidiary.

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
December 31, 2018
(in thousands, except share/unit amounts)

(3) Denotes investments in which we are deemed to exercise a controlling influence over the management or policies of a company, as defined in the Investment Company Act of 1940 ("1940 Act"), due to beneficially owning, either directly or through one or more controlled companies, more than 25% of the outstanding voting securities of the investment. Transactions during the year ended December 31, 2018 in these controlled investments are as follows:

Name of Issuer	Fair Value at December 31, 2017	Gross Additions	Gross Reductions	Realized Gain (Loss)	Change in Unrealized Gain (Loss)	Interest/ Dividend/ Other Income	Fair Value at December 31, 2018
Ark Real Estate Partners LP	$ 263	$ —	$ —	$ 376†	$ (224)	$ —	$ 39
Ark Real Estate Partners II LP	6	—	—	—	(5)	—	1
AviatorCap SII, LLC I	10	—	10	—	—	—	—
AviatorCap SII, LLC	—	2,975	—	—	—	4	2,975
Crystal Financial LLC	303,200	—	—	—	(10,200)	30,220	293,000
Equipment Operating Leases, LLC	—	34,511	1,629	—	—	1,677	32,882
NEF Holdings, LLC	145,500	—	—	—	(500)	8,332	145,000
RD Holdco Inc. (Rug Doctor, common equity)	10,102	—	—	—	(2,369)	—	7,732
RD Holdco Inc. (Rug Doctor, class B)..	5,216	—	—	—	—	—	5,216
RD Holdco Inc. (Rug Doctor, warrants)..	35	—	—	—	(35)	—	—
Rug Doctor LLC	9,111	—	—	—	(32)	1,164	9,111
SSLP(18)	88,736	25,322	115,038	(354)	626	6,289	—
SSLP II(18)	51,744	21,781	72,858	(47)	(758)	4,628	—
SOAGG LLC	4,537	—	1,654	—	6,230	663	9,113
SOINT, LLC (preferred equity)	8,300	—	1,865	—	(21)	982	6,414
	$ 626,760	$ 84,589	$ 193,054	$ (25)	$ (7,288)	$ 53,959	$ 511,483

(4) Denotes investments in which we are an "Affiliated Person" but not exercising a controlling influence, as defined in the 1940 Act, due to beneficially owning, either directly or through one or more controlled companies, more than 5% but less than 25% of the outstanding voting securities of the investment. Transactions during the year ended December 31, 2018 in these affiliated investments are as follows:

Name of Issuer	Fair Value at December 31, 2017	Gross Additions	Gross Reductions	Realized Gain (Loss)	Change in Unrealized Gain (Loss)	Interest/ Dividend Income	Fair Value at December 31, 2018
DSW Group Holdings LLC	$ —	$ —	$ —	$ 246†	$ —	$ —	$ —

(5) Indicates assets that the Company believes may not represent "qualifying assets" under Section 55(a) of the Investment Company Act of 1940 ("1940 Act"), as amended. If we fail to invest a sufficient portion of our assets in qualifying assets, we could be prevented from making follow-on investments in existing portfolio companies or could be required to dispose of investments at inappropriate times in order to comply with the 1940 Act. As of December 31, 2018, on a fair value basis, non-qualifying assets in the portfolio represented 23.3% of the total assets of the Company.
(6) Solar Capital Ltd.'s investments in SOAGG, LLC and SOINT, LLC include a two and one dollar investment in common shares, respectively.
(7) Bishop Lifting Products, Inc., SEI Holding I Corporation, Singer Equities, Inc. & Hampton Rubber Company are co-borrowers.
(8) Aggregate net unrealized appreciation for U.S. federal income tax purposes is $853; aggregate gross unrealized appreciation and depreciation for federal tax purposes is $21,655 and $20,802, respectively, based on a tax cost of $1,455,227. All of the Company's investments are pledged as collateral against the borrowings outstanding on the revolving credit facility. The Company generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). These investments are generally subject to certain limitations on resale, and may be deemed to be "restricted securities" under the Securities Act.
(9) Floating rate instruments accrue interest at a predetermined spread relative to an index, typically the LIBOR or PRIME rate. These instruments are typically subject to a LIBOR or PRIME rate floor.
(10) Level 3 investment valued using significant unobservable inputs.
(11) NEF Holdings, LLC is held through NEFCORP LLC, a wholly-owned consolidated taxable subsidiary and NEFPASS LLC, a wholly-owned consolidated subsidiary.
(12) Indicates an investment that is wholly held by Solar Capital Ltd. through NEFPASS LLC.

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
December 31, 2018
(in thousands)

(13) Hawkeye Contracting Company, LLC, Eagle Creek Mining, LLC & Falcon Ridge Leasing, LLC are co-borrowers.
(14) Equipment Operating Leases, LLC is a subsidiary of NEF Holdings, LLC.
(15) OmniGuide Holdings, Inc., Domain Surgical, Inc. and OmniGuide, Inc. are co-borrowers.
(16) Indicates an investment that is wholly or partially held by the Company through its wholly-owned consolidated financing subsidiary SSLP 2016-1, LLC (the "SSLP SPV"). Such investments are pledged as collateral under the SSLP 2016-1, LLC Revolving Credit Facility (see Note 7 to the consolidated financial statements) and are not generally available to creditors, if any, of the Company.
(17) Indicates an investment that is held by the Company through its wholly-owned consolidated financing subsidiary NEFPASS SPV, LLC (the "NEFPASS SPV"). Such investments are pledged as collateral under the NEFPASS SPV, LLC Revolving Credit Facility (see Note 7 to the consolidated financial statements) and are not generally available to creditors, if any, of the Company.
(18) On September 14, 2018 and September 18, 2018, the Company acquired 100% of the equity of SSLP II and SSLP, respectively, and as such consolidated these investments as of this date. On December 19, 2018, SSLP and SSLP II were merged into the Company.
* Non-income producing security.
† Represents estimated change in receivable balance.

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
CONSOLIDATED SCHEDULE OF INVESTMENTS (continued)
December 31, 2018
(in thousands)

Industry Classification	Percentage of Total Investments (at fair value) as of December 31, 2018
Diversified Financial Services (Crystal Financial LLC)	21.4%
Multi-Sector Holdings (includes NEF Holdings, LLC and Equipment Operating Leases, LLC)	16.4%
Health Care Providers & Services	11.6%
Pharmaceuticals	10.4%
Health Care Equipment & Supplies	5.6%
Road & Rail	3.2%
Chemicals	2.8%
Media	2.7%
Wireless Telecommunication Services	2.6%
Communications Equipment	2.6%
Consumer Finance	2.2%
Specialty Retail	2.0%
Software	1.9%
IT Services	1.7%
Trading Companies & Distributors	1.7%
Diversified Consumer Services	1.6%
Commercial Services & Supplies	1.5%
Thrifts & Mortgage Finance	1.4%
Oil, Gas & Consumable Fuels	1.3%
Aerospace & Defense	1.3%
Airlines	1.3%
Insurance	1.0%
Machinery	0.7%
Energy Equipment & Services	0.4%
Construction & Engineering	0.4%
Hotels, Restaurants & Leisure	0.2%
Paper & Forest Products	0.1%
Research & Consulting Services	0.0%
Health Care Technology	0.0%
Diversified Real Estate Activities	0.0%
Total Investments	100.0%

See notes to consolidated financial statements.

SOLAR CAPITAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
March 31, 2019
(in thousands, except share amounts)

Note 1. Organization

Solar Capital LLC, a Maryland limited liability company, was formed in February 2007 and commenced operations on March 13, 2007 with initial capital of $1,200,000 of which 47.04% was funded by affiliated parties.

Immediately prior to our initial public offering, through a series of transactions, Solar Capital Ltd. merged with Solar Capital LLC, leaving Solar Capital Ltd. as the surviving entity (the "Merger"). Solar Capital Ltd. issued an aggregate of approximately 26.65 million shares of common stock and $125,000 in senior unsecured notes to the existing Solar Capital LLC unit holders in connection with the Merger. Solar Capital Ltd. had no assets or operations prior to completion of the Merger and as a result, the historical books and records of Solar Capital LLC have become the books and records of the surviving entity. The number of shares used to calculate weighted average shares for use in computations on a per share basis have been decreased retroactively by a factor of approximately 0.4022 for all periods prior to February 9, 2010. This factor represents the effective impact of the reduction in shares resulting from the Merger.

Solar Capital Ltd. ("Solar Capital", the "Company", "we", "us" or "our"), a Maryland corporation formed in November 2007, is a closed-end, externally managed, 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"). Furthermore, as the Company is an investment company, it continues to apply the guidance in FASB Accounting Standards Codification ("ASC") Topic 946. In addition, for tax purposes, the Company has elected to be treated, and intend to qualify annually, as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code").

On February 9, 2010, Solar Capital priced its initial public offering, selling 5.68 million shares, including the underwriters' over-allotment, at a price of $18.50 per share. Concurrent with this offering, the Company's senior management purchased an additional 600,000 shares through a private placement, also at $18.50 per share.

The Company's investment objective is to maximize both current income and capital appreciation through debt and equity investments. The Company directly and indirectly invests primarily in leveraged middle market companies in the form of senior secured loans, stretch-senior loans, unitranche loans, leases and to a lesser extent, unsecured loans and equity securities. From time to time, we may also invest in public companies that are thinly traded.

Note 2. Significant Accounting Policies

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles ("GAAP"), and include the accounts of the Company and certain wholly-owned subsidiaries. The consolidated financial statements reflect all adjustments and reclassifications which, in the opinion of management, are necessary for the fair presentation of the results of the operations and financial condition for the periods presented. All significant intercompany balances and transactions have been eliminated. Certain prior period amounts may have been reclassified to conform to the current period presentation.

Interim consolidated financial statements are prepared in accordance with GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Regulation S-X, as appropriate. Accordingly, they may not include all of the information and notes required by GAAP for annual consolidated financial statements. GAAP requires management to make estimates and assumptions that affect the reported

SOLAR CAPITAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)(continued)
March 31, 2019
(in thousands, except share amounts)

amount of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported periods. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially. The current period's results of operations will not necessarily be indicative of results that ultimately may be achieved for the fiscal year ending on December 31, 2019.

In the opinion of management, all adjustments, which are of a normal recurring nature, considered necessary for the fair presentation of financial statements, have been included.

The significant accounting policies consistently followed by the Company are:

(a) Investment transactions are accounted for on the trade date;

(b) Under procedures established by our board of directors (the "Board"), we value investments, including certain senior secured debt, subordinated debt and other debt securities with maturities greater than 60 days, for which market quotations are readily available, at such market quotations (unless they are deemed not to represent fair value). We attempt to obtain market quotations from at least two brokers or dealers (if available, otherwise from a principal market maker or a primary market dealer or other independent pricing service). We utilize mid-market pricing as a practical expedient for fair value unless a different point within the range is more representative. If and when market quotations are deemed not to represent fair value, we may utilize independent third-party valuation firms to assist us in determining the fair value of material assets. Accordingly, such investments go through our multi-step valuation process as described below. In each such case, independent valuation firms consider observable market inputs together with significant unobservable inputs in arriving at their valuation recommendations. Debt investments with maturities of 60 days or less shall each be valued at cost plus accreted discount, or minus amortized premium, which is expected to approximate fair value, unless such valuation, in the judgment of Solar Capital Partners, LLC (the "Investment Adviser"), does not represent fair value, in which case such investments shall be valued at fair value as determined in good faith by or under the direction of our Board. Investments that are not publicly traded or whose market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of our Board. Such determination of fair values involves subjective judgments and estimates.

With respect to investments for which market quotations are not readily available or when such market quotations are deemed not to represent fair value, our Board has approved a multi-step valuation process each quarter, as described below:

(1) our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of the Investment Adviser responsible for the portfolio investment;

(2) preliminary valuation conclusions are then documented and discussed with senior management of the Investment Adviser;

(3) independent valuation firms engaged by our Board conduct independent appraisals and review the Investment Adviser's preliminary valuations and make their own independent assessment for all material assets;

(4) the audit committee of the Board reviews the preliminary valuation of the Investment Adviser and that of the independent valuation firm and responds to the valuation recommendation of the independent valuation firm, if any, to reflect any comments; and

SOLAR CAPITAL LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)(continued)
March 31, 2019
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(5) the Board discusses valuations and determines the fair value of each investment in our portfolio in good faith based on the input of the Investment Adviser, the respective independent valuation firm, if any, and the audit committee.

Investments in all asset classes are valued utilizing a market approach, an income approach, or both approaches, as appropriate. However, in accordance with ASC 820-10, certain investments that qualify as investment companies in accordance with ASC 946, may be valued using net asset value as a practical expedient for fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation approaches to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in fair value pricing our investments include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, our principal market (as the reporting entity) and enterprise values, among other factors. When available, broker quotations and/or quotations provided by pricing services are considered as an input in the valuation process. For the three months ended March 31, 2019, there has been no change to the Company's valuation approaches or techniques and the nature of the related inputs considered in the valuation process.

ASC Topic 820 classifies the inputs used to measure these fair values into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities, accessible by the Company at the measurement date.

Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.

Level 3: Unobservable inputs for the asset or liability.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each investment. The exercise of judgment is based in part on our knowledge of the asset class and our prior experience.

(c) Gains or losses on investments are calculated by using the specific identification method.

(d) The Company records dividend income and interest, adjusted for amortization of premium and accretion of discount, on an accrual basis. Loan origination fees, original issue discount, and market discounts are capitalized and we amortize such amounts into income using the effective interest method. Upon the prepayment of a loan, any unamortized loan origination fees are recorded as interest income. We record call premiums received on loans repaid as interest income when we receive such amounts. Capital structuring fees, amendment fees, consent fees, and any other non-recurring fee income as well as management fee and other fee income for services rendered, if any, are recorded as other income when earned.

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(e) The Company intends to comply with the applicable provisions of the Code pertaining to regulated investment companies to make distributions of taxable income sufficient to relieve it of substantially all U.S. federal income taxes. The Company, at its discretion, may carry forward taxable income in excess of calendar year distributions and pay a 4% excise tax on this income. The Company will accrue excise tax on such estimated excess taxable income as appropriate.

(f) Book and tax basis differences relating to stockholder distributions and other permanent book and tax differences are typically reclassified among the Company's capital accounts annually. In addition, the character of income and gains to be distributed is determined in accordance with income tax regulations that may differ from GAAP.

(g) Distributions to common stockholders are recorded as of the record date. The amount to be paid out as a distribution is determined by the Board. Net realized capital gains, if any, are generally distributed or deemed distributed at least annually.

(h) In accordance with Regulation S-X and ASC Topic 810—*Consolidation*, the Company consolidates its interest in controlled investment company subsidiaries, financing subsidiaries and certain wholly-owned holding companies that serve to facilitate investment in portfolio companies. In addition, the Company may also consolidate any controlled operating companies substantially all of whose business consists of providing services to the Company.

(i) The accounting records of the Company are maintained in U.S. dollars. Any assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies against U.S. dollars on the date of valuation. The Company will not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations would be included with the net unrealized gain or loss from investments. The Company's investments in foreign securities, if any, may involve certain risks, including without limitation: foreign exchange restrictions, expropriation, taxation or other political, social or economic risks, all of which could affect the market and/or credit risk of the investment. In addition, changes in the relationship of foreign currencies to the U.S. dollar can significantly affect the value of these investments in terms of U.S. dollars and therefore the earnings of the Company.

(j) The Company has made irrevocable elections to apply the fair value option of accounting to the senior secured credit facility (the "Credit Facility"), the unsecured senior notes due 2022 (the "2022 Unsecured Notes"), and the SSLP 2016-1, LLC revolving credit facility (the "SSLP Facility") (see notes 6 and 7), in accordance with ASC 825-10.

(k) In accordance with ASC 835-30, the Company reports origination and other expenses related to certain debt issuances as a direct deduction from the carrying amount of the debt liability. Applicable expenses are deferred and amortized using either the effective interest method or the straight-line method over the stated life. The straight-line method may be used on revolving facilities and/or when it approximates the effective yield method.

(l) The Company may enter into forward exchange contracts in order to hedge against foreign currency risk. These contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. Realized gains or losses are recognized when contracts are settled.

(m) The Company records expenses related to shelf registration statements and applicable equity offering costs as prepaid assets. These expenses are typically charged as a reduction of capital upon utilization, in accordance with ASC 946-20-25. Certain subsequent costs are expensed per the AICPA Audit & Accounting Guide for Investment Companies.

(n) Investments that are expected to pay regularly scheduled interest in cash are generally placed on non-accrual status when principal or interest cash payments are past due 30 days or more (90 days or more for equipment financing) and/or when it is no longer probable that principal or interest cash payments will be collected. Such non-accrual investments are restored to accrual status if past due principal and interest are paid in cash, and in management's judgment, are likely to continue timely payment of their remaining principal and interest obligations. Cash interest payments received on such investments may be recognized as income or applied to principal depending on management's judgment.

(o) The Company defines cash equivalents as securities that are readily convertible into known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with a maturity of three months or less would qualify, with limited exceptions. The Company believes that certain U.S. Treasury bills, repurchase agreements and other high-quality, short-term debt securities would qualify as cash equivalents.

Recent Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820), Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. The amendments in this Update modify and eliminate certain disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement. ASU 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. The Company is evaluating the impact of ASU 2018-13 on its consolidated financial statements and disclosures.

In March 2017, the FASB issued ASU 2017-08, Premium Amortization on Purchased Callable Debt Securities, which will amend FASB ASC 310-20. The amendments in this Update shorten the amortization period for certain callable debt securities held at a premium, generally requiring the premium to be amortized to the earliest call date. For public business entities, the amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period. The Company has adopted ASU 2017-08 and determined that the adoption has not had a material impact on its consolidated financial statements and disclosures.

Note 3. Agreements

Solar Capital has an Advisory Agreement with the Investment Adviser, under which the Investment Adviser will manage the day-to-day operations of, and provide investment advisory services to, Solar Capital. For providing these services, the Investment Adviser receives a fee from Solar Capital, consisting of two components—a base management fee and a performance-based incentive fee. The base management fee is determined by taking the average value of Solar Capital's gross assets at the end of the two most recently completed calendar quarters calculated at an annual rate of 1.75% on gross assets up to 200% of the Company's total net assets as of the immediately preceding quarter end and 1.00% on gross assets that exceed 200% of the Company's total net assets as of the immediately preceding quarter end. For purposes of computing the base management fee, gross assets exclude temporary assets acquired at the end of each fiscal quarter for purposes of preserving investment flexibility in the next fiscal quarter. Temporary assets include, but are not limited to, U.S. treasury bills, other short-term U.S. government or government agency securities, repurchase agreements or cash borrowings.

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The performance-based incentive fee has two parts, as follows: one part is calculated and payable quarterly in arrears based on Solar Capital's pre-incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter, minus Solar Capital's operating expenses for the quarter (including the base management fee, any expenses payable under the Administration Agreement, and any interest expense and distributions paid on any issued and outstanding preferred stock, but excluding the performance-based incentive fee). Pre-incentive fee net investment income does not include any realized capital gains or losses, or unrealized capital appreciation or depreciation. Pre-incentive fee net investment income, expressed as a rate of return on the value of Solar Capital's net assets at the end of the immediately preceding calendar quarter, is compared to the hurdle rate of 1.75% per quarter (7% annualized). Solar Capital pays the Investment Adviser a performance-based incentive fee with respect to Solar Capital's pre-incentive fee net investment income in each calendar quarter as follows: (1) no performance-based incentive fee in any calendar quarter in which Solar Capital's pre-incentive fee net investment income does not exceed the hurdle rate; (2) 100% of Solar Capital's pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 2.1875% in any calendar quarter; and (3) 20% of the amount of Solar Capital's pre-incentive fee net investment income, if any, that exceeds 2.1875% in any calendar quarter. These calculations are appropriately pro-rated for any period of less than three months.

The second part of the performance-based incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Advisory Agreement, as of the termination date), and will equal 20% of Solar Capital's cumulative realized capital gains less cumulative realized capital losses, unrealized capital depreciation (unrealized depreciation on a gross investment-by-investment basis at the end of each calendar year) and all net capital gains upon which prior performance-based capital gains incentive fee payments were previously made to the Investment Adviser. For financial statement purposes, the second part of the performance-based incentive fee is accrued based upon 20% of cumulative net realized gains and net unrealized capital appreciation. No accrual was required for the three months ended March 31, 2019 and 2018.

For the three months ended March 31, 2019 and 2018, the Company recognized $6,562 and $6,473, respectively, in base management fees and $4,616 and $4,714, respectively, in performance-based incentive fees.

Solar Capital has also entered into an Administration Agreement with Solar Capital Management, LLC (the "Administrator") under which the Administrator provides administrative services to Solar Capital. For providing these services, facilities and personnel, Solar Capital reimburses the Administrator for Solar Capital's allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement, including rent. The Administrator will also provide, on Solar Capital's behalf, managerial assistance to those portfolio companies to which Solar Capital is required to provide such assistance. The Company typically reimburses the Administrator on a quarterly basis.

For the three months ended March 31, 2019 and 2018, the Company recognized expenses under the Administration Agreement of $1,368 and $1,286, respectively. No managerial assistance fees were accrued or collected for the three months ended March 31, 2019 and 2018.

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Note 4. Net Asset Value Per Share

At March 31, 2019, the Company's total net assets and net asset value per share were $926,676 and $21.93, respectively. This compares to total net assets and net asset value per share at December 31, 2018 of $919,171 and $21.75, respectively.

Note 5. Earnings Per Share

The following table sets forth the computation of basic and diluted net increase in net assets per share resulting from operations, pursuant to ASC 260-10, for the three months ended March 31, 2019 and 2018:

	Three months ended March 31,	
	2019	2018
Earnings per share (basic & diluted)		
Numerator - net increase in net assets resulting from operations:	$ 24,832	$ 20,048
Denominator - weighted average shares:	42,260,826	42,260,826
Earnings per share:	$ 0.59	$ 0.47

Note 6. Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuations used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1. Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Company has the ability to access.

Level 2. Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

a) Quoted prices for similar assets or liabilities in active markets;

b) Quoted prices for identical or similar assets or liabilities in non-active markets;

c) Pricing models whose inputs are observable for substantially the full term of the asset or liability; and

d) 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 3. Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's and, if applicable, an independent third-party valuation firm's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair

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value measurement in its entirety. For example, a Level 3 fair value measurement may include inputs that are observable (Levels 1 and 2) and unobservable (Level 3).

Gains and losses for assets and liabilities categorized within the Level 3 table below may include changes in fair value that are attributable to both observable inputs (Levels 1 and 2) and unobservable inputs (Level 3).

A review of fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities. Such reclassifications are reported as transfers in/out of the appropriate category as of the end of the quarter in which the reclassifications occur.

The following tables present the balances of assets and liabilities measured at fair value on a recurring basis, as of March 31, 2019 and December 31, 2018:

Fair Value Measurements
As of March 31, 2019

	Level 1	Level 2	Level 3	Total
Assets:				
Senior Secured Loans	$ —	$ —	$ 851,953	$ 851,953
Equipment Financing	—	—	321,523	321,523
Preferred Equity	—	—	15,119	15,119
Common Equity/Equity Interests/Warrants	634	—	311,495	312,129
Total Investments	$ 634	$ —	$1,500,090	$1,500,724
Liabilities:				
Credit Facility, 2022 Unsecured Notes and SSLP Facility	$ —	$ —	$ 469,785	$ 469,785

Fair Value Measurements
As of December 31, 2018

	Level 1	Level 2	Level 3	Total
Assets:				
Senior Secured Loans	$ —	$ —	$ 818,861	$ 818,861
Equipment Financing	—	—	314,226	314,226
Preferred Equity	—	—	15,527	15,527
Common Equity/Equity Interests/Warrants	540	—	306,926	307,466
Total Investments	$ 540	$ —	$1,455,540	$1,456,080
Liabilities:				
Credit Facility, 2022 Unsecured Notes and SSLP Facility	$ —	$ —	$ 350,185	$ 350,185

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The following tables provide a summary of the changes in fair value of Level 3 assets and liabilities for the three months ended March 31, 2019 and the year ended December 31, 2018 as well as the portion of gains or losses included in income attributable to unrealized gains or losses related to those assets and liabilities still held at March 31, 2019 and December 31, 2018:

Fair Value Measurements Using Level 3 Inputs

	Senior Secured Loans	Equipment Financing	Preferred Equity	Common Equity/ Equity Interests/ Warrants	Total
Fair value, December 31, 2018	$ 818,861	$314,226	$ 15,527	$ 306,926	$1,455,540
Total gains or losses included in earnings:					
Net realized gain (loss)	—	—	—	(538)	(538)
Net change in unrealized gain (loss)	11	1,535	281	4,981	6,808
Purchase of investment securities	95,022	14,786	—	126	109,934
Proceeds from dispositions of investment securities.	(61,941)	(9,024)	(689)	—	(71,654)
Transfers in/out of Level 3	—	—	—	—	—
Fair value, March 31, 2019	$ 851,953	$321,523	$ 15,119	$ 311,495	$1,500,090
Unrealized gains (losses) for the period relating to those Level 3 assets that were still held by the Company at the end of the period:					
Net change in unrealized gain (loss)	$ 345	$ 1,535	$ 281	$ 4,482	$ 6,643

The following table shows a reconciliation of the beginning and ending balances for fair valued liabilities measured using significant unobservable inputs (Level 3) for the three months ended March 31, 2019:

Credit Facility, 2022 Unsecured Notes and SSLP Facility	For the three months ended March 31, 2019
Beginning fair value	$ 350,185
Net realized (gain) loss	—
Net change in unrealized (gain) loss	—
Borrowings	296,400
Repayments	(176,800)
Transfers in/out of Level 3	—
Ending fair value	$ 469,785

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The Company made irrevocable elections to apply the fair value option of accounting to the Credit Facility, the 2022 Unsecured Notes and the SSLP Facility, in accordance with ASC 825-10. On March 31, 2019, there were borrowings of $214,300, $150,000, and $105,485, respectively, on the Credit Facility, the 2022 Unsecured Notes and the SSLP Facility.

Fair Value Measurements Using Level 3 Inputs

	Senior Secured Loans	Equipment Financing	Preferred Equity	Common Equity/ Equity Interests/ Warrants	Total
Fair value, December 31, 2017	$ 743,331	$218,583	$ 12,837	$ 319,481	$1,294,232
Total gains or losses included in earnings:					
Net realized gain (loss)	470	17	—	367	854
Net change in unrealized gain (loss)	(1,263)	5	6,209	(12,756)	(7,805)
Purchase of investment securities	413,106	132,879	—	548	546,533
Proceeds from dispositions of investment securities.	(563,251)	(37,258)	(3,519)	(714)	(604,742)
Transfers in/out of Level 3	226,468	—	—	—	226,468
Fair value, December 31, 2018	$ 818,861	$314,226	$ 15,527	$ 306,926	$1,455,540
Unrealized gains (losses) for the period relating to those Level 3 assets that were still held by the Company at the end of the period:					
Net change in unrealized gain (loss)	$ 657	$ 68	$ 6,209	$ (12,925)	$ (5,991)

During the year ended December 31, 2018, the Company's investments in SSLP and SSLP II were consolidated, and as such the Level 3 assets held by SSLP and SSLP II are reflected as transfers into Level 3.

The following table shows a reconciliation of the beginning and ending balances for fair valued liabilities measured using significant unobservable inputs (Level 3) for the year ended December 31, 2018:

Credit Facility, 2022 Unsecured Notes, SSLP Facility and SSLP II Facility	For the year ended December 31, 2018
Beginning fair value	$ 445,600
Net realized (gain) loss	—
Net change in unrealized (gain) loss	—
Borrowings	529,499
Repayments	(685,980)
Transfers in/out of Level 3	61,066
Ending fair value	$ 350,185

The Company made irrevocable elections to apply the fair value option of accounting to the Credit Facility, the 2022 Unsecured Notes, the SSLP Facility and the SSLP II Facility, in accordance with ASC 825-10. On

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December 31, 2018, there were borrowings of $146,400, $150,000, $53,785 and $0, respectively, on the Credit Facility, the 2022 Unsecured Notes, the SSLP Facility and the SSLP II Facility. As a result of the consolidation of SSLP and SSLP II, the SSLP Facility and the SSLP II Facility are shown as transfers into Level 3.

Quantitative Information about Level 3 Fair Value Measurements

The Company typically determines the fair value of its performing debt investments utilizing a yield analysis. In a yield analysis, a price is ascribed for each investment based upon an assessment of current and expected market yields for similar investments and risk profiles. Additional consideration is given to current contractual interest rates, relative maturities and other key terms and risks associated with an investment. Among other factors, a significant determinant of risk is the amount of leverage used by the portfolio company relative to the total enterprise value of the company, and the rights and remedies of our investment within each portfolio company.

Significant unobservable quantitative inputs typically used in the fair value measurement of the Company's Level 3 assets and liabilities primarily reflect current market yields, including indices, and readily available quotes from brokers, dealers, and pricing services as indicated by comparable assets and liabilities, as well as enterprise values, returns on equity and earnings before income taxes, depreciation and amortization ("EBITDA") multiples of similar companies, and comparable market transactions for equity securities.

Quantitative information about the Company's Level 3 asset and liability fair value measurements as of March 31, 2019 is summarized in the table below:

	Asset or Liability	Fair Value at March 31, 2019	Principal Valuation Technique/ Methodology	Unobservable Input	Range (Weighted Average)
Senior Secured Loans	Asset	$ 851,953	Income Approach	Market Yield	6.9% – 14.4% (10.6%)
Equipment Financing	Asset	$ 175,023	Income Approach	Market Yield	7.5% – 19.8% (10.1%)
		$ 146,500	Market Approach	Return on Equity	9.1% – 9.1% (9.1%)
Preferred Equity	Asset	$ 15,119	Income Approach	Market Yield	8.0% – 13.9% (10.3%)
Common Equity/Equity Interests/Warrants	Asset	$ 13,495	Market Approach	EBITDA Multiple	6.0x – 7.0x (6.3x)
		$ 298,000	Market Approach	Return on Equity	8.0% – 17.5% (14.4%)
Credit Facility and SSLP Facility	Liability	$ 319,785	Income Approach	Market Yield	L+1.8% – L+2.3% (L+2.2%)
2022 Unsecured Notes	Liability	$ 150,000	Income Approach	Market Yield	3.8% – 6.0% (4.5%)

Quantitative information about the Company's Level 3 asset and liability fair value measurements as of December 31, 2018 is summarized in the table below:

	Asset or Liability	Fair Value at December 31, 2018	Principal Valuation Technique/ Methodology	Unobservable Input	Range (Weighted Average)
Senior Secured Loans	Asset	$ 818,861	Income Approach	Market Yield	7.1% – 13.6% (10.7%)
Equipment Financing	Asset	$ 169,226	Income Approach	Market Yield	7.2% – 19.8% (10.1%)
		$ 145,000	Market Approach	Return on Equity	9.1% – 9.1% (9.1%)
Preferred Equity	Asset	$ 15,527	Income Approach	Market Yield	8.0% – 13.0% (10.1%)
Common Equity/Equity Interests/Warrants	Asset	$ 13,926	Market Approach	EBITDA Multiple	6.0x – 7.0x (6.3x)
		$ 293,000	Market Approach	Return on Equity	7.9% – 17.5% (17.4%)
Credit Facility and SSLP Facility	Liability	$ 200,185	Income Approach	Market Yield	L+1.4% – L+4.8% (L+2.1%)
2022 Unsecured Notes	Liability	$ 150,000	Income Approach	Market Yield	4.5% – 4.9% (4.5%)

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Significant increases or decreases in any of the above unobservable inputs in isolation, including unobservable inputs used in deriving bid-ask spreads, if applicable, could result in significantly lower or higher fair value measurements for such assets and liabilities. Generally, an increase in market yields or decrease in EBITDA multiples may result in a decrease in the fair value of certain of the Company's investments.

Note 7. Debt

Our debt obligations consisted of the following as of March 31, 2019 and December 31, 2018:

	March 31, 2019		December 31, 2018	
Facility	Face Amount	Carrying Value	Face Amount	Carrying Value
Credit Facility	$ 214,300	$ 214,300	$ 146,400	$ 146,400
SSLP Facility	105,485	105,485	53,785	53,785
NEFPASS Facility	30,000	28,978(1)	30,000	28,933(1)
2022 Notes	150,000	150,000	150,000	150,000
2022 Tranche C Notes	21,000	20,884(2)	21,000	20,877(2)
2023 Notes	75,000	73,624(3)	75,000	73,543(3)
	$ 595,785	$ 593,271	$ 476,185	$ 473,538

(1) Carrying Value equals the Face Amount net of unamortized debt issuance costs of $1,022 and $1,067, respectively, as of March 31, 2019 and December 31, 2018.
(2) Carrying Value equals the Face Amount net of unamortized debt issuance costs of $116 and $123, respectively, as of March 31, 2019 and December 31, 2018.
(3) Carrying Value equals the Face Amount net of unamortized debt issuance costs of $1,376 and $1,457, respectively, as of March 31, 2019 and December 31, 2018.

Unsecured Notes

On December 28, 2017, the Company closed a private offering of $21,000 of unsecured tranche c notes due 2022 (the "2022 Tranche C Notes") with a fixed interest rate of 4.50% and a maturity date of December 28, 2022. Interest on the 2022 Tranche C Notes is due semi-annually on June 28 and December 28. The 2022 Tranche C Notes were issued in a private placement only to qualified institutional buyers.

On November 22, 2017, we issued $75,000 in aggregate principal amount of publicly registered unsecured senior notes due 2023 (the "2023 Unsecured Notes") for net proceeds of $73,846. Interest on the 2023 Unsecured Notes is paid semi-annually on January 20 and July 20, at a fixed rate of 4.50% per year, commencing on January 20, 2018. The 2023 Unsecured Notes mature on January 20, 2023.

On February 15, 2017, the Company closed a private offering of $100,000 of additional 2022 Unsecured Notes with a fixed interest rate of 4.60% and a maturity date of May 8, 2022. Interest on the 2022 Unsecured Notes is due semi-annually on May 8 and November 8. The 2022 Unsecured Notes were issued in a private placement only to qualified institutional buyers.

On November 8, 2016, the Company closed a private offering of $50,000 of the 2022 Unsecured Notes with a fixed interest rate of 4.40% and a maturity date of May 8, 2022. Interest on the 2022 Unsecured Notes is due semi-annually on May 8 and November 8. The 2022 Unsecured Notes were issued in a private placement only to qualified institutional buyers.

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Revolving and Term Loan Facilities

On September 30, 2016, the Company entered into a second Credit Facility amendment. Post amendment, the Credit Facility was composed of $505,000 of revolving credit and $50,000 of term loans. Borrowings generally bear interest at a rate per annum equal to the base rate plus a range of 2.00-2.25% or the alternate base rate plus 1.00%-1.25%. The Credit Facility has no LIBOR floor requirement. The Credit Facility matures in September 2021 and includes ratable amortization in the final year. The Credit Facility may be increased up to $800,000 with additional new lenders or an increase in commitments from current lenders. The Credit Facility contains certain customary affirmative and negative covenants and events of default. In addition, the Credit Facility contains certain financial covenants that among other things, requires the Company to maintain a minimum shareholder's equity and a minimum asset coverage ratio. The Company also pays issuers of funded term loans quarterly in arrears a commitment fee at the rate of 0.25% per annum on the average daily outstanding balance. On February 23, 2017, the Company prepaid its two non-extending lenders and terminated their commitments, reducing total outstanding revolving credit commitments by $110,000 to $395,000. On April 30, 2018, the revolving credit commitments under the Company's Credit Facility were expanded by $50,000 from $395,000 to $445,000 and on July 13, 2018, revolving credit commitments were further expanded by $35,000 to $480,000. On November 21, 2018, we entered into Amendment No. 3 to the Credit Facility which, among other things, reduced the asset coverage covenant in the Credit Facility from 200% to 150% and made certain related changes to the borrowing base calculations. At March 31, 2019, outstanding USD equivalent borrowings under the Credit Facility totaled $214,300, composed of $164,300 of revolving credit and $50,000 of term loans.

On June 30, 2016, SSLP as transferor and SSLP 2016-1, LLC, a newly formed wholly-owned subsidiary of SSLP, as borrower entered into the $200,000 SSLP Facility with Wells Fargo Bank, NA acting as administrative agent. Solar Capital Ltd. acts as servicer under the SSLP Facility. On December 19, 2018, the SSLP Facility was amended and Solar Capital Ltd. now serves as transferor in addition to its role as servicer. The SSLP Facility is scheduled to mature on June 30, 2021. The SSLP Facility generally bears interest at a rate of LIBOR plus 2.50%. The Company and SSLP 2016-1, LLC, as applicable, have made certain customary representations and warranties, and are required to comply with various covenants, including leverage restrictions, reporting requirements and other customary requirements for similar credit facilities. The SSLP Facility also includes usual and customary events of default for credit facilities of this nature. There were $105,485 of borrowings outstanding as of March 31, 2019.

On September 26, 2018, NEFPASS SPV LLC, a newly formed wholly-owned subsidiary of NEFPASS LLC, as borrower entered into a $50,000 senior secured revolving credit facility (the "NEFPASS Facility") with Keybank acting as administrative agent. The Company acts as servicer under the NEFPASS Facility. The NEFPASS Facility is scheduled to mature on September 26, 2023. The NEFPASS Facility generally bears interest at a rate of LIBOR plus 2.15%. NEFPASS and NEFPASS SPV LLC, as applicable, have made certain customary representations and warranties, and are required to comply with various covenants, including leverage restrictions, reporting requirements and other customary requirements for similar credit facilities. The NEFPASS Facility also includes usual and customary events of default for credit facilities of this nature. There were $30,000 of borrowings outstanding as of March 31, 2019.

Certain covenants on our issued debt may restrict our business activities, including limitations that could hinder our ability to finance additional loans and investments or to make the distributions required to maintain our status as a RIC under Subchapter M of the Code.

The Company has made irrevocable elections to apply the fair value option of accounting to the Credit Facility, the 2022 Unsecured Notes and the SSLP Facility, in accordance with ASC 825-10. We believe

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accounting for these facilities at fair value better aligns the measurement methodologies of assets and liabilities, which may mitigate certain earnings volatility. ASC 825-10 requires entities to display the fair value of the selected assets and liabilities on the face of the Consolidated Statement of Assets and Liabilities and changes in fair value of the above facilities are reported in the Consolidated Statement of Operations.

The average annualized interest cost for all borrowings for the three months ended March 31, 2019 and the year ended December 31, 2018 was 4.72% and 4.33%, respectively. These costs are exclusive of other credit facility expenses such as unused fees, agency fees and other prepaid expenses related to establishing and/or amending the Credit Facility, the 2022 Unsecured Notes, the 2022 Tranche C Notes, the NEFPASS Facility, the SSLP Facility and the 2023 Unsecured Notes (collectively the "Credit Facilities"), if any. The maximum amounts borrowed on the Credit Facilities during the three months ended March 31, 2019 and the year ended December 31, 2018 were $595,785 and $592,600, respectively.

Note 8. Financial Highlights and Senior Securities Table

The following is a schedule of financial highlights for the three months ended March 31, 2019 and 2018:

	Three months ended March 31, 2019	Three months ended March 31, 2018
Per Share Data: (a)		
Net asset value, beginning of year	$ 21.75	$ 21.81
Net investment income	0.44	0.45
Net realized and unrealized gain	0.15	0.02
Net increase in net assets resulting from operations	0.59	0.47
Distributions to stockholders:		
From net investment income	(0.41)	(0.41)
Net asset value, end of period	$ 21.93	$ 21.87
Per share market value, end of period	$ 20.84	$ 20.31
Total Return (b)	10.73%	2.52%
Net assets, end of period	$ 926,676	$ 924,326
Shares outstanding, end of period	42,260,826	42,260,826
Ratios to average net assets (c):		
Net investment income	2.01%	2.05%
Operating expenses	1.47%	1.54%
Interest and other credit facility expenses	0.79%	0.64%
Total expenses	2.26%	2.18%
Average debt outstanding	$ 546,376	$ 556,286
Portfolio turnover ratio	4.9%	9.6%

(a) Calculated using the average shares outstanding method.
(b) Total return is based on the change in market price per share during the period and takes into account distributions, if any, reinvested in accordance with the dividend reinvestment plan. The market price per share as of December 31, 2018 and December 31, 2017 was $19.19 and $20.21, respectively. Total return does not include a sales load.
(c) Not annualized for periods less than one year.

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Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 150% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy the asset coverage test. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Also, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders. Furthermore, as a result of issuing senior securities, we would also be exposed to typical risks associated with leverage, including an increased risk of loss. Our stockholders approved being subject to a 150% asset coverage ratio effective October 12, 2018.

Information about our senior securities is shown in the following table as of each year ended December 31 since the Company commenced operations, unless otherwise noted. The "—" indicates information which the SEC expressly does not require to be disclosed for certain types of senior securities.

Class and Year	Total Amount Outstanding(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
Revolving Credit Facility				
Fiscal 2019 (through March 31, 2019)	$ 164,300	$ 705	—	N/A
Fiscal 2018	96,400	593	—	N/A
Fiscal 2017	245,600	1,225	—	N/A
Fiscal 2016	115,200	990	—	N/A
Fiscal 2015	207,900	1,459	—	N/A
Fiscal 2014	—	—	—	N/A
Fiscal 2013	—	—	—	N/A
Fiscal 2012	264,452	1,510	—	N/A
Fiscal 2011	201,355	3,757	—	N/A
Fiscal 2010	400,000	2,668	—	N/A
Fiscal 2009	88,114	8,920	—	N/A
2022 Unsecured Notes				
Fiscal 2019 (through March 31, 2019)	150,000	643	—	N/A
Fiscal 2018	150,000	923	—	N/A
Fiscal 2017	150,000	748	—	N/A
Fiscal 2016	50,000	430	—	N/A
2022 Tranche C Notes				
Fiscal 2019 (through March 31, 2019)	21,000	90	—	N/A
Fiscal 2018	21,000	129	—	N/A
Fiscal 2017	21,000	105	—	N/A
2023 Unsecured Notes				
Fiscal 2019 (through March 31, 2019)	75,000	322	—	N/A
Fiscal 2018	75,000	461	—	N/A
Fiscal 2017	75,000	374	—	N/A
2042 Unsecured Notes				
Fiscal 2017	—	—	—	N/A
Fiscal 2016	100,000	859	—	$ 1,002
Fiscal 2015	100,000	702	—	982
Fiscal 2014	100,000	2,294	—	943
Fiscal 2013	100,000	2,411	—	934
Fiscal 2012	100,000	571	—	923

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Class and Year	Total Amount Outstanding(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
Senior Secured Notes				
Fiscal 2017	$ —	$ —	—	$ N/A
Fiscal 2016	75,000	645	—	N/A
Fiscal 2015	75,000	527	—	N/A
Fiscal 2014	75,000	1,721	—	N/A
Fiscal 2013	75,000	1,808	—	N/A
Fiscal 2012	75,000	428	—	N/A
Term Loans				
Fiscal 2019 (through March 31, 2019)	50,000	214	—	N/A
Fiscal 2018	50,000	308	—	N/A
Fiscal 2017	50,000	250	—	N/A
Fiscal 2016	50,000	430	—	N/A
Fiscal 2015	50,000	351	—	N/A
Fiscal 2014	50,000	1,147	—	N/A
Fiscal 2013	50,000	1,206	—	N/A
Fiscal 2012	50,000	285	—	N/A
Fiscal 2011	35,000	653	—	N/A
Fiscal 2010	35,000	233	—	N/A
NEFPASS Facility				
Fiscal 2019 (through March 31, 2019)	$ 30,000	129	—	N/A
Fiscal 2018	30,000	185	—	N/A
SSLP Facility				
Fiscal 2019 (through March 31, 2019)	105,485	452	—	N/A
Fiscal 2018	53,785	331	—	N/A
Total Senior Securities				
Fiscal 2019 (through March 31, 2019)	$ 595,785	$ 2,555	—	N/A
Fiscal 2018	476,185	2,930	—	N/A
Fiscal 2017	541,600	2,702	—	N/A
Fiscal 2016	390,200	3,354	—	N/A
Fiscal 2015	432,900	3,039	—	N/A
Fiscal 2014	225,000	5,162	—	N/A
Fiscal 2013	225,000	5,425	—	N/A
Fiscal 2012	489,452	2,794	—	N/A
Fiscal 2011	236,355	4,410	—	N/A
Fiscal 2010	435,000	2,901	—	N/A
Fiscal 2009	88,114	8,920	—	N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by all senior securities representing indebtedness. This asset coverage ratio is multiplied by one thousand to determine the Asset Coverage Per Unit. In order to determine the specific Asset Coverage Per Unit for each class of debt, the total Asset Coverage Per Unit is allocated based on the amount outstanding in each class of debt at the end of the period. As of March 31, 2019, asset coverage was 255.5%.

(3) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it.

(4) Not applicable except for the 2042 Unsecured Notes which were publicly traded. The Average Market Value Per Unit is calculated by taking the daily average closing price during the period and dividing it by twenty-five dollars per share and multiplying the result by one thousand to determine a unit price per thousand consistent with Asset Coverage Per Unit. The average market value for the fiscal 2016, 2015, 2014, 2013 and 2012 periods was $100,175, $98,196, $94,301, $93,392, and $92,302, respectively.

Note 9. Crystal Financial LLC

On December 28, 2012, we completed the acquisition of Crystal Capital Financial Holdings LLC ("Crystal Financial"), a commercial finance company focused on providing asset-based and other secured financing solutions (the "Crystal Acquisition"). We invested $275,000 in cash to effect the Crystal Acquisition. Crystal Financial owned approximately 98% of the outstanding ownership interest in Crystal Financial LLC. The remaining financial interest was held by various employees of Crystal Financial LLC, through their investment in Crystal Management LP. Crystal Financial LLC had a diversified portfolio of 23 loans having a total par value of approximately $400,000 at November 30, 2012 and a $275,000 committed revolving credit facility. On July 28, 2016, the Company purchased Crystal Management LP's approximately 2% equity interest in Crystal Financial LLC for approximately $5,737. Upon the closing of this transaction, the Company holds 100% of the equity interest in Crystal Financial LLC. On September 30, 2016, Crystal Capital Financial Holdings LLC was dissolved. On December 20, 2018, the revolving credit facility was expanded to $330,000.

As of March 31, 2019 Crystal Financial LLC had 31 funded commitments to 26 different issuers with a total par value of approximately $460,149 on total assets of $508,498. As of December 31, 2018 Crystal Financial LLC had 31 funded commitments to 26 different issuers with a total par value of approximately $418,680 on total assets of $486,420. As of March 31, 2019 and December 31, 2018, the largest loan outstanding totaled $37,500 and $37,500, respectively. For the same periods, the average exposure per issuer was $17,698 and $16,103, respectively. Crystal Financial LLC's credit facility, which is non-recourse to Solar Capital, had approximately $234,661 and $205,990 of borrowings outstanding at March 31, 2019 and December 31, 2018, respectively. For the three months ended March 31, 2019 and 2018, Crystal Financial LLC had net income of $5,448 and $4,480, respectively, on gross income of $12,146 and $9,388, respectively. Due to timing and non-cash items, there may be material differences between GAAP net income and cash available for distributions.

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Note 10. Commitments and Contingencies

The Company had unfunded debt and equity commitments to various revolving and delayed draw loans as well as to Crystal Financial LLC. The total amount of these unfunded commitments as of March 31, 2019 and December 31, 2018 is $161,307 and $169,667, respectively, comprised of the following:

	March 31, 2019	December 31, 2018
Crystal Financial LLC*	$ 44,263	$ 44,263
Rubius Therapeutics, Inc.**	26,861	26,861
Tetraphase Pharmaceuticals, Inc.**	13,800	13,800
Phynet Dermatology LLC	11,432	12,385
GenMark Diagnostics, Inc.**	10,612	3,010
BioElectron Technology Corporation**	10,500	17,500
BAM Capital, LLC	10,300	15,000
Cardiva Medical, Inc.**	9,000	9,000
Cerapedics, Inc.**	5,372	—
PQ Bypass, Inc.**	4,800	4,800
Kingsbridge Holdings, LLC	4,139	4,139
Breathe Technologies, Inc.**	4,000	4,000
Solara Medical Supplies, Inc	3,458	1,184
Atria Wealth Solutions, Inc	1,473	1,473
iCIMS, Inc	792	792
RS Energy Group U.S., Inc	505	1,685
Corindus Vascular Robotics, Inc.**	—	6,217
Delphinus Medical Technologies, Inc.**	—	1,875
Datto, Inc	—	1,683
Total Commitments	$161,307	$ 169,667

* The Company controls the funding of the Crystal Financial LLC commitment and may cancel it at its discretion.
** Commitments are subject to the portfolio company achieving certain milestones. As of March 31, 2019, these milestones have not yet been achieved, and as such the portfolio company would not have been able to draw on any of the stated commitment at that time.

As of March 31, 2019 and December 31, 2018, the Company had sufficient cash available and/or liquid securities available to fund its commitments.

Note 11. NEF Holdings, LLC

On July 31, 2017, we completed the acquisition of NEF Holdings, LLC (“NEF”), which conducts its business through its wholly-owned subsidiary Nations Equipment Finance, LLC. NEF is an independent equipment finance company that provides senior secured loans and leases primarily to U.S. based companies. We invested $209,866 in cash to effect the transaction, of which $145,000 was invested in the equity of NEF through our wholly-owned consolidated taxable subsidiary NEFCORP LLC and our wholly-owned consolidated subsidiary NEFPASS LLC and $64,866 was used to purchase certain leases and loans held by NEF through NEFPASS LLC. Concurrent with the transaction, NEF refinanced its existing senior secured credit facility into a $150,000 non-recourse facility with an accordion feature to expand up to $250,000. The maturity date of the facility is July 31, 2021. At July 31, 2017, NEF also had two securitizations outstanding, with an issued note balance of $94,587, which were later redeemed in 2018.

(in thousands, except share amounts)

As of March 31, 2019, NEF had 208 funded equipment-backed leases and loans to 82 different customers with a total net investment in leases and loans of approximately $247,736 on total assets of $300,585. As of December 31, 2018, NEF had 207 funded equipment-backed leases and loans to 82 different customers with a total net investment in leases and loans of approximately $237,221 on total assets of $293,185. As of March 31, 2019 and December 31, 2018, the largest position outstanding totaled $28,032 and $28,474, respectively. For the same periods, the average exposure per customer was $3,021 and $2,893, respectively. NEF's credit facility, which is non-recourse to Solar Capital, had approximately $129,795 and $119,316 of borrowings outstanding at March 31, 2019 and December 31, 2018, respectively. For the three months ended March 31, 2019 and March 31, 2018, NEF had net income of $440 and $1,853, respectively, on gross income of $7,148 and $7,381, respectively. Due to timing and non-cash items, there may be material differences between GAAP net income and cash available for distributions.

Note 12. Capital Share Transactions

As of March 31, 2019 and March 31, 2018, 200,000,000 shares of $0.01 par value capital stock were authorized.

Transactions in capital stock were as follows:

	Shares		Amount	
	Three months ended March 31, 2019	Three months ended March 31, 2018	Three months ended March 31, 2019	Three months ended March 31, 2018
Shares issued in reinvestment of distributions	—	—	$ —	$ —

Note 13. Subsequent Events

The Company has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the consolidated financial statements were issued.

On May 6, 2019, our Board declared a quarterly distribution of $0.41 per share payable on July 2, 2019 to holders of record as of June 20, 2019.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Solar Capital Ltd.:

Results of Review of Interim Financial Information

We have reviewed the consolidated statement of assets and liabilities of Solar Capital Ltd. (and consolidated subsidiaries) (the Company), including the consolidated schedule of investments, as of March 31, 2019, the related consolidated statements of operations for the three-month periods ended March 31, 2019 and 2018, the related consolidated statements of changes in net assets for the three-month periods ended March 31, 2019 and 2018, the related consolidated statements of cash flows for the three-month periods ended March 31, 2019 and 2018, and the related notes (collectively, the consolidated interim financial information). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial information for it to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of assets and liabilities, including the consolidated schedule of investments, of the Company as of December 31, 2018, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2019, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated statement of assets and liabilities, including the consolidated schedule of investments, as of December 31, 2018, is fairly stated, in all material respects, in relation to the consolidated statement of assets and liabilities, including the consolidated schedule of investments, from which it has been derived.

Basis for Review Results

This consolidated interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with the standards of the PCAOB. A review of consolidated interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ KPMG LLP

New York, New York
May 6, 2019

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

The information contained in this section should be read in conjunction with our consolidated financial statements and notes thereto appearing elsewhere in this report.

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

- 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.

We generally use words such as "anticipates," "believes," "expects," "intends" and similar expressions to identify forward-looking statements. Our actual results could differ materially from those projected in the forward-looking statements for any reason, including any factors set forth in "Risk Factors" and elsewhere in this report.

We have based the forward-looking statements included in this report on information available to us on the date of this report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including any annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Overview

Solar Capital LLC, a Maryland limited liability company, was formed in February 2007 and commenced operations on March 13, 2007 with initial capital of $1.2 billion of which 47.04% was funded by affiliated parties.

Solar Capital Ltd. ("Solar Capital", the "Company", "we" or "our"), a Maryland corporation formed in November 2007, is a closed-end, externally managed, 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"). Furthermore, as the Company is an investment company, it continues to apply the guidance in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946. In addition, for tax purposes, the Company has elected to be treated as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code").

On February 9, 2010, we priced our initial public offering, selling 5.68 million shares of our common stock. Concurrent with our initial public offering, Michael S. Gross, our Chairman and Chief Executive Officer, and

Bruce Spohler, our Chief Operating Officer, collectively purchased an additional 0.6 million shares of our common stock through a private placement transaction exempt from registration under the Securities Act (the “Concurrent Private Placement”).

We invest primarily in privately held U.S. middle-market companies, where we believe the supply of primary capital is limited and the investment opportunities are most attractive. Our investment objective is to generate both current income and capital appreciation through debt and equity investments. We invest primarily in leveraged middle-market companies in the form of senior secured loans, stretch-senior loans, unitranche loans, leases and to a lesser extent, unsecured loans and equity securities. From time to time, we may also invest in public companies that are thinly traded. Our business is focused primarily on the direct origination of investments through portfolio companies or their financial sponsors. Our investments generally range between $5 million and $100 million each, although we expect that this investment size will vary proportionately with the size of our capital base and/or with strategic initiatives. Our investment activities are managed by Solar Capital Partners, LLC (the “Investment Adviser”) and supervised by our board of directors, a majority of whom are non-interested, as such term is defined in the 1940 Act. Solar Capital Management, LLC (the “Administrator”) provides the administrative services necessary for us to operate.

In addition, we may invest a portion of our portfolio in other types of investments, which we refer to as opportunistic investments, which are not our primary focus but are intended to enhance our overall returns. These investments may include, but are not limited to, direct investments in public companies that are not thinly traded and securities of leveraged companies located in select countries outside of the United States.

As of March 31, 2019, the Investment Adviser has directly invested approximately $8.3 billion in more than 370 different portfolio companies since 2006. Over the same period, the Investment Adviser completed transactions with approximately 200 different financial sponsors.

Recent Developments

On May 6, 2019, our Board declared a quarterly distribution of $0.41 per share payable on July 2, 2019 to holders of record as of June 20, 2019.

Investments

Our level of investment activity can and does vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to middle market companies, the level of merger and acquisition activity for such companies, the general economic environment and the competitive environment for the types of investments we make. As a BDC, we must not acquire any assets other than “qualifying assets” specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our total assets are qualifying assets (with certain limited exceptions). Qualifying assets include investments in “eligible portfolio companies.” The definition of “eligible portfolio company” includes certain public companies that do not have any securities listed on a national securities exchange and companies whose securities are listed on a national securities exchange but whose market capitalization is less than $250 million.

Revenue

We generate revenue primarily in the form of interest and dividend income from the securities we hold and capital gains, if any, on investment securities that we may sell. Our debt investments generally have a stated term of three to seven years and typically bear interest at a floating rate usually determined on the basis of a benchmark London interbank offered rate (“LIBOR”), commercial paper rate, or the prime rate. Interest on our debt investments is generally payable monthly or quarterly but may be bi-monthly or semi-annually. In addition, our investments may provide payment-in-kind (“PIK”) interest. Such amounts of accrued PIK interest are added to the cost of the investment on the respective capitalization dates and generally become due at maturity of the investment or upon the investment being called by the issuer. We may also generate revenue in the form of commitment, origination, structuring fees, fees for providing managerial assistance and, if applicable, consulting fees, etc.

Expenses

All investment professionals of the investment adviser and their respective staffs, when and to the extent engaged in providing investment advisory and management services, and the compensation and routine overhead expenses of such personnel allocable to such services, are provided and paid for by Solar Capital Partners. We bear all other costs and expenses of our operations and transactions, including (without limitation):

- the cost of our organization and public offerings;
- the cost of calculating our net asset value, including the cost of any third-party valuation services;
- the cost of effecting sales and repurchases of our shares and other securities;
- interest payable on debt, if any, to finance our investments;
- fees payable to third parties relating to, or associated with, making investments, including fees and expenses associated with performing due diligence reviews of prospective investments and advisory fees;
- transfer agent and custodial fees;
- fees and expenses associated with marketing efforts;
- federal and state registration fees, any stock exchange listing fees;
- federal, state and local taxes;
- independent directors' fees and expenses;
- brokerage commissions;
- fidelity bond, directors and officers errors and omissions liability insurance and other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone and staff;
- fees and expenses associated with independent audits and outside legal costs;
- costs associated with our reporting and compliance obligations under the 1940 Act and applicable federal and state securities laws; and
- all other expenses incurred by either Solar Capital Management or us in connection with administering our business, including payments under the Administration Agreement that will be based upon our allocable portion of overhead and other expenses incurred by Solar Capital Management in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions, and our allocable portion of the costs of compensation and related expenses of our chief compliance officer and our chief financial officer and their respective staffs.

We expect our general and administrative operating expenses related to our ongoing operations to increase moderately in dollar terms. During periods of asset growth, we generally expect our general and administrative operating expenses to decline as a percentage of our total assets and increase during periods of asset declines. Incentive fees, interest expense and costs relating to future offerings of securities, among others, may also increase or reduce overall operating expenses based on portfolio performance, interest rate benchmarks, and offerings of our securities relative to comparative periods, among other factors.

Portfolio and Investment Activity

During the three months ended March 31, 2019, we invested approximately $108.1 million across 19 portfolio companies. This compares to investing approximately $151.1 million in 25 portfolio companies for the three months ended March 31, 2018. Investments sold, prepaid or repaid during the three months ended March 31, 2019 totaled approximately $73.5 million versus approximately $141.5 million for the three months ended March 31, 2018.

At March 31, 2019, our portfolio consisted of 120 portfolio companies and was invested 29.2% in cash flow senior secured loans, 29.8% in asset-based senior secured loans / Crystal, 21.4% in equipment senior secured financings / NEF, and 19.6% in life science senior secured loans, in each case, measured at fair value, versus 100 portfolio companies invested 40.1% in cash flow senior secured loans, 27.2% in asset-based senior secured loans / Crystal, 16.4% in equipment senior secure financings / NEF, and 16.3% in life science senior secured loans, in each case, measured at fair value, at March 31, 2018.

At March 31, 2019, 75.7% or $1.12 billion of our income producing investment portfolio* is floating rate and 24.3% or $361.7 million is fixed rate, measured at fair value. At March 31, 2018, 80.7% or $1.17 billion of our income producing investment portfolio* is floating rate and 19.3% or $280.7 million is fixed rate, measured at fair value. As of March 31, 2019 and 2018, we had zero issuers on non-accrual status.

Since inception through March 31, 2019, Solar Capital and its predecessor companies have invested approximately $6.0 billion in more than 265 portfolio companies. Over the same period, Solar Capital has completed transactions with more than 150 different financial sponsors.

* We have included Crystal Financial LLC and NEF Holdings LLC within our income producing investment portfolio.

Crystal Financial LLC

On December 28, 2012, we completed the acquisition of Crystal Capital Financial Holdings LLC (“Crystal Financial”), a commercial finance company focused on providing asset-based and other secured financing solutions (the “Crystal Acquisition”). We invested $275 million in cash to effect the Crystal Acquisition. Crystal Financial owned approximately 98% of the outstanding ownership interest in Crystal Financial LLC. The remaining financial interest was held by various employees of Crystal Financial LLC, through their investment in Crystal Management LP. Crystal Financial LLC had a diversified portfolio of 23 loans having a total par value of approximately $400 million at November 30, 2012 and a $275 million committed revolving credit facility. On July 28, 2016, the Company purchased Crystal Management LP’s approximately 2% equity interest in Crystal Financial LLC for approximately $5.7 million. Upon the closing of this transaction, the Company holds 100% of the equity interest in Crystal Financial LLC. On September 30, 2016, Crystal Capital Financial Holdings LLC was dissolved. On December 20, 2018, the revolving credit facility was expanded to $330 million.

As of March 31, 2019, Crystal Financial LLC had 31 funded commitments to 26 different issuers with a total par value of approximately $460.1 million on total assets of $508.5 million. As of December 31, 2018, Crystal Financial LLC had 31 funded commitments to 26 different issuers with a total par value of approximately $418.7 million on total assets of $486.4 million. As of March 31, 2019 and December 31, 2018, the largest loan outstanding totaled $37.5 million and $37.5 million, respectively. For the same periods, the average exposure per issuer was $17.7 million and $16.1 million, respectively. Crystal Financial LLC’s credit facility, which is non-recourse to Solar Capital, had approximately $234.7 million and $206.0 million of borrowings outstanding at March 31, 2019 and December 31, 2018, respectively. For the three months ended March 31, 2019 and 2018, Crystal Financial LLC had net income of $5.4 million and $4.5 million, respectively, on gross income of $12.1 million and $9.4 million, respectively. Due to timing and non-cash items, there may be material differences between GAAP net income and cash available for distributions. As such, and subject to fluctuations in Crystal

Financial LLC's funded commitments, the timing of originations, and the repayments of financings, the Company cannot guarantee that Crystal Financial LLC will be able to maintain consistent dividend payments to us.

NEF Holdings, LLC

On July 31, 2017, we completed the acquisition of NEF Holdings, LLC ("NEF"), which conducts its business through its wholly-owned subsidiary Nations Equipment Finance, LLC. NEF is an independent equipment finance company that provides senior secured loans and leases primarily to U.S. based companies. We invested $209.9 million in cash to effect the transaction, of which $145.0 million was invested in the equity of NEF through our wholly-owned consolidated taxable subsidiary NEFCORP LLC and our wholly-owned consolidated subsidiary NEFPASS LLC and $64.9 million was used to purchase certain leases and loans held by NEF through NEFPASS LLC. Concurrent with the transaction, NEF refinanced its existing senior secured credit facility into a $150.0 million non-recourse facility with an accordion feature to expand up to $250.0 million. The maturity date of the facility is July 31, 2021. At July 31, 2017, NEF also had two securitizations outstanding, with an issued note balance of $94.6 million, which were later redeemed in 2018.

As of March 31, 2019, NEF had 208 funded equipment-backed leases and loans to 82 different customers with a total net investment in leases and loans of approximately $247.7 million on total assets of $300.6 million. As of December 31, 2018, NEF had 207 funded equipment-backed leases and loans to 82 different customers with a total net investment in leases and loans of approximately $237.2 million on total assets of $293.2 million. As of March 31, 2019 and December 31, 2018, the largest position outstanding totaled $28.0 million and $28.5 million, respectively. For the same periods, the average exposure per customer was $3.0 million and $2.9 million, respectively. NEF's credit facility, which is non-recourse to Solar Capital, had approximately $129.8 million and $119.3 million of borrowings outstanding at March 31, 2019 and December 31, 2018, respectively. For the three months ended March 31, 2019 and 2018, NEF had net income of $0.4 million and $1.9 million, respectively, on gross income of $7.1 million and $7.4 million, respectively. Due to timing and non-cash items, there may be material differences between GAAP net income and cash available for distributions. As such, and subject to fluctuations in NEF's funded commitments, the timing of originations, and the repayments of financings, the Company cannot guarantee that NEF will be able to maintain consistent dividend payments to us.

Critical Accounting Policies

The preparation of consolidated 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 consolidated 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. Within the context of these critical accounting policies and disclosed subsequent events herein, we are not currently aware of any other reasonably likely events or circumstances that would result in materially different amounts being reported.

Valuation of Portfolio Investments

We conduct the valuation of our assets, pursuant to which our net asset value is determined, at all times consistent with GAAP, and the 1940 Act. Our valuation procedures are set forth in more detail below:

Under procedures established by our board of directors (the "Board"), we value investments, including certain senior secured debt, subordinated debt and other debt securities with maturities greater than 60 days, for which market quotations are readily available, at such market quotations (unless they are deemed not to represent fair value). We attempt to obtain market quotations from at least two brokers or dealers (if available, otherwise from a principal market maker or a primary market dealer or other independent pricing service). We utilize mid-market pricing as a practical expedient for fair value unless a different point within the range is more representative. If and when market quotations are deemed not to represent fair value, we may utilize independent third-party valuation firms to assist us in determining the fair value of material assets. Accordingly, such investments go through our multi-step valuation process as described below. In each case, independent valuation firms consider observable market inputs together with significant unobservable inputs in arriving at their valuation recommendations. Debt investments with maturities of 60 days or less shall each be valued at cost plus accreted discount, or minus amortized premium, which is expected to approximate fair value, unless such valuation, in the judgment of the Investment Adviser, does not represent fair value, in which case such investments shall be valued at fair value as determined in good faith by or under the direction of our Board. Investments that are not publicly traded or whose market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of our Board. Such determination of fair values involves subjective judgments and estimates.

With respect to investments for which market quotations are not readily available or when such market quotations are deemed not to represent fair value, our Board has approved a multi-step valuation process each quarter, as described below:

(1) our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of the Investment Adviser responsible for the portfolio investment;

(2) preliminary valuation conclusions are then documented and discussed with senior management of the Investment Adviser;

(3) independent valuation firms engaged by our Board conduct independent appraisals and review the Investment Adviser's preliminary valuations and make their own independent assessment for all material assets;

(4) the audit committee of the Board reviews the preliminary valuation of the Investment Adviser and that of the independent valuation firm, if any, and responds to the valuation recommendation of the independent valuation firm to reflect any comments; and

(5) the Board discusses valuations and determines the fair value of each investment in our portfolio in good faith based on the input of the Investment Adviser, the respective independent valuation firm, if any, and the audit committee.

Investments in all asset classes are valued utilizing a market approach, an income approach, or both approaches, as appropriate. However, in accordance with ASC 820-10, certain investments that qualify as investment companies in accordance with ASC 946, may be valued using net asset value as a practical expedient for fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation approaches to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in fair value pricing our investments include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, M&A comparables, our principal market (as the reporting entity) and enterprise values, among other factors. When available, broker quotations and/or quotations provided by pricing services are considered as an input in the valuation process. For the three months ended March 31, 2019, there has been no change to the Company's valuation approaches or techniques and the nature of the related inputs considered in the valuation process.

Accounting Standards Codification ("ASC") Topic 820 classifies the inputs used to measure these fair values into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities, accessible by the Company at the measurement date.

Level 2: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.

Level 3: Unobservable inputs for the asset or liability.

In all cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each investment. The exercise of judgment is based in part on our knowledge of the asset class and our prior experience.

Determination of fair value involves subjective judgments and estimates. Accordingly, the notes to our consolidated financial statements express the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on our consolidated financial statements.

Valuation of Credit Facility, 2022 Unsecured Notes and SSLP Facility

The Company has made irrevocable elections to apply the fair value option of accounting to the Credit Facility, the 2022 Unsecured Notes and effectively, through the merger, the SSLP Facility, in accordance with ASC 825-10. We believe accounting for the Credit Facility, 2022 Unsecured Notes and the SSLP Facility at fair value better aligns the measurement methodologies of assets and liabilities, which may mitigate certain earnings volatility.

Revenue Recognition

The Company records dividend income and interest, adjusted for amortization of premium and accretion of discount, on an accrual basis. Investments that are expected to pay regularly scheduled interest and/or dividends in cash are generally placed on non-accrual status when principal or interest/dividend cash payments are past due 30 days or more (90 days or more for equipment financing) and/or when it is no longer probable that principal or interest/dividend cash payments will be collected. Such non-accrual investments are restored to accrual status if past due principal and interest or dividends are paid in cash, and in management's judgment, are likely to continue timely payment of their remaining interest or dividend obligations. Interest or dividend cash payments received on investments may be recognized as income or applied to principal depending upon management's judgment. Some of our investments may have contractual PIK interest or dividends. PIK interest and dividends computed at the contractual rate are accrued into income and reflected as receivable up to the capitalization date. PIK investments offer issuers the option at each payment date of making payments in cash or in additional securities. When additional securities are received, they typically have the same terms, including maturity dates and interest rates as the original securities issued. On these payment dates, the Company capitalizes the accrued interest or dividends receivable (reflecting such amounts as the basis in the additional securities received). PIK generally becomes due at the maturity of the investment or upon the investment being called by the issuer. At the point the Company believes PIK is not expected to be realized, the PIK investment will be placed on non-accrual status. When a PIK investment is placed on non-accrual status, the accrued, uncapitalized interest or dividends is reversed from the related receivable through interest or dividend income, respectively. The Company does not reverse previously capitalized PIK interest or dividends. Upon capitalization, PIK is subject to the fair value estimates associated with their related investments. PIK investments on non-accrual status are restored to accrual status if the Company again believes that PIK is expected to be realized. Loan origination fees, original issue discount, and market discounts are capitalized and amortized into income using the effective interest method. Upon the prepayment of a loan, any unamortized loan origination fees are recorded as interest income. We record prepayment premiums on loans and other investments as interest income when we receive such amounts. Capital structuring fees are recorded as other income when earned.

The typically higher yields and interest rates on PIK securities, to the extent we invested, reflects the payment deferral and increased credit risk associated with such instruments and that such investments may represent a significantly higher credit risk than coupon loans. PIK securities may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of any associated collateral. PIK interest has the effect of generating investment income and increasing the incentive fees payable at a compounding rate. In addition, the deferral of PIK interest also increases the loan-to-value ratio at a compounding rate. PIK securities create the risk that incentive fees will be paid to the Investment Adviser based on non-cash accruals that ultimately may not be realized, but the Investment Adviser will be under no obligation to reimburse the Company for these fees. For the three months ended March 31, 2019 and 2018, capitalized PIK income totaled $0.2 million and $0.05 million, respectively.

Net Realized Gain or Loss and Net Change in Unrealized Gain or Loss

We generally measure realized gain or loss by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized, but considering unamortized origination or commitment fees and prepayment penalties. The net change in unrealized gain or loss reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded unrealized gain or loss, when gains or losses are realized. Gains or losses on investments are calculated by using the specific identification method.

Income Taxes

Solar Capital, a U.S. corporation, has elected to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code. In order to qualify for taxation as a RIC, the Company is required, among other things, to timely distribute to its stockholders at least 90% of investment company taxable income, as defined by the Code, for each year. Depending on the level of taxable income earned in a given tax year, we may choose to carry forward taxable income in excess of current year distributions into the next tax year and pay a 4% excise tax on such income, as required. To the extent that the Company determines that its estimated current year annual taxable income will be in excess of estimated current year distributions, the Company accrues an estimated excise tax, if any, on estimated excess taxable income.

Recent Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820), Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. The amendments in this Update modify and eliminate certain disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement. ASU 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. The Company is evaluating the impact of ASU 2018-13 on its consolidated financial statements and disclosures.

In March 2017, the FASB issued ASU 2017-08, Premium Amortization on Purchased Callable Debt Securities, which will amend FASB ASC 310-20. The amendments in this Update shorten the amortization period for certain callable debt securities held at a premium, generally requiring the premium to be amortized to the earliest call date. For public business entities, the amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted, including adoption in an interim period. The Company has adopted ASU 2017-08 and determined that the adoption has not had a material impact on its consolidated financial statements and disclosures.

RESULTS OF OPERATIONS

Results comparisons are for the three months ended March 31, 2019 and March 31, 2018:

Investment Income

For the three months ended March 31, 2019 and 2018, gross investment income totaled $39.3 million and $39.0 million, respectively. The increase in gross investment income for the year over year three month periods was primarily due to growth of the average income producing investment portfolio.

Expenses

Expenses totaled $20.8 million and $20.1 million, respectively, for the three months ended March 31, 2019 and 2018, of which $11.2 million and $11.2 million, respectively, were base management fees and performance-based incentive fees and $7.3 million and $5.9 million, respectively, were interest and other credit facility expenses. Administrative services and other general and administrative expenses totaled $2.3 million and $3.0 million, respectively, for the three months ended March 31, 2019 and 2018. Expenses generally consist of management and performance-based incentive fees, interest and other credit facility expenses, administrative services fees, insurance expenses, legal fees, directors' fees, transfer agency fees, printing and proxy expenses, audit and tax services expenses, and other general and administrative expenses. Interest and other credit facility expenses generally consist of interest, unused fees, agency fees and loan origination fees, if any, among others. The increase in expenses for the three months ended March 31, 2019 versus the three months ended March 31, 2018 was primarily due to higher interest expense resulting from an increase in average borrowings to support a larger average income producing investment portfolio.

Net Investment Income

The Company's net investment income totaled $18.5 million and $18.9 million, or $0.44 and $0.45, per average share, respectively, for the three months ended March 31, 2019 and 2018.

Net Realized Gain (Loss)

The Company had investment sales and prepayments totaling approximately $74 million and $142 million, respectively, for the three months ended March 31, 2019 and 2018. Net realized gains (losses) over the same periods were ($0.5) million and $0.4 million, respectively. Net realized losses for the three months ended March 31, 2019 were primarily related to the exit of our investments in ARK Real Estate Partners. Net realized gains for the three months ended March 31, 2018 were related to the sale of select assets.

Net Change in Unrealized Gain

For the three months ended March 31, 2019 and 2018, net change in unrealized gain on the Company's assets and liabilities totaled $6.9 million and $0.8 million, respectively. Net unrealized gain for the three months ended March 31, 2019 is primarily due to appreciation in the value of our investments in Crystal Financial LLC, NEF Holdings and SOAGG LLC, among others, partially offset by depreciation on our investments in IHS Intermediate, Inc. and Rug Doctor, among others. Net unrealized gain for the three months ended March 31, 2018 is primarily due to appreciation in the value of our investments in Rug Doctor, Rapid Micro Biosytems, Inc., Aegis Toxicology Sciences Corporation and Vapotherm, Inc., among others, partially offset by depreciation on our investments in Crystal Financial LLC, Achaogen, Inc. and Kore Wireless Group, Inc., among others.

Net Increase in Net Assets From Operations

For the three months ended March 31, 2019 and 2018, the Company had a net increase in net assets resulting from operations of $24.8 million and $20.0 million, respectively. For the same periods, earnings per average share were $0.59 and $0.47, respectively.

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity and capital resources are generated and generally available through its Credit Facility, the 2022 Unsecured Notes, the 2022 Tranche C Notes, the NEFPASS Facility, the SSLP Facility and the 2023 Unsecured Notes (collectively the "Credit Facilities"), through cash flows from operations, investment sales, prepayments of senior and subordinated loans, income earned on investments and cash equivalents, and periodic follow-on equity and/or debt offerings. As of March 31, 2019, we had a total of $430.2 million of unused borrowing capacity under the Credit Facilities, subject to borrowing base limits.

We may from time to time issue equity and/or debt securities in either public or private offerings. The issuance of such securities will depend on future market conditions, funding needs and other factors and there can be no assurance that any such issuance will occur or be successful. The primary uses of existing funds and any funds raised in the future is expected to be for investments in portfolio companies, repayment of indebtedness, cash distributions to our stockholders, or for other general corporate purposes.

On December 28, 2017, the Company closed a private offering of $21 million of the 2022 Tranche C Notes with a fixed interest rate of 4.50% and a maturity date of December 28, 2022. Interest on the 2022 Tranche C Notes is due semi-annually on June 28 and December 28. The 2022 Tranche C Notes were issued in a private placement only to qualified institutional buyers.

On November 22, 2017, we issued $75 million in aggregate principal amount of publicly registered 2023 Unsecured Notes for net proceeds of $73.8 million. Interest on the 2023 Unsecured Notes is paid semi-annually on January 20 and July 20, at a fixed rate of 4.50% per year, commencing on January 20, 2018. The 2023 Unsecured Notes mature on January 20, 2023.

On February 15, 2017, the Company closed a private offering of $100 million of the 2022 Unsecured Notes with a fixed interest rate of 4.60% and a maturity date of May 8, 2022. Interest on the 2022 Unsecured Notes is due semi-annually on May 8 and November 8. The 2022 Unsecured Notes were issued in a private placement only to qualified institutional buyers.

On November 8, 2016, the Company closed a private offering of $50 million of the 2022 Unsecured Notes with a fixed interest rate of 4.40% and a maturity date of May 8, 2022. Interest on the 2022 Unsecured Notes is due semi-annually on May 8 and November 8. The 2022 Unsecured Notes were issued in a private placement only to qualified institutional buyers.

On January 11, 2013, the Company closed its most recent follow-on public equity offering of 6.3 million shares of common stock raising approximately $146.9 million in net proceeds. The primary uses of the funds raised were for investments in portfolio companies, reductions in revolving debt outstanding and for other general corporate purposes.

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

Cash Equivalents

We deem certain U.S. Treasury bills, repurchase agreements and other high-quality, short-term debt securities as cash equivalents. The Company makes purchases that are consistent with its purpose of making investments in securities described in paragraphs 1 through 3 of Section 55(a) of the 1940 Act. From time to time, including at or near the end of each fiscal quarter, we consider using various temporary investment strategies for our business. One strategy includes taking proactive steps by utilizing cash equivalents as temporary assets with the objective of enhancing our investment flexibility pursuant to Section 55 of the 1940 Act. More specifically, from time-to-time we may purchase U.S. Treasury bills or other high-quality, short-term debt securities at or near the end of the quarter and typically close out the position on a net cash basis subsequent to quarter end. We may also utilize repurchase agreements or other balance sheet transactions, including drawing down on our credit facilities, as deemed appropriate. The amount of these transactions or such drawn cash for this purpose is excluded from total assets for purposes of computing the asset base upon which the management fee is determined. We held approximately $250 million in cash equivalents as of March 31, 2019.

Debt

Unsecured Notes

On December 28, 2017, the Company closed a private offering of $21 million of the 2022 Tranche C Notes with a fixed interest rate of 4.50% and a maturity date of December 28, 2022. Interest on the 2022 Tranche C Notes is due semi-annually on June 28 and December 28. The 2022 Tranche C Notes were issued in a private placement only to qualified institutional buyers.

On November 22, 2017, we issued $75 million in aggregate principal amount of publicly registered 2023 Unsecured Notes for net proceeds of $73.8 million. Interest on the 2023 Unsecured Notes is paid semi-annually on January 20 and July 20, at a fixed rate of 4.50% per year, commencing on January 20, 2018. The 2023 Unsecured Notes mature on January 20, 2023.

On February 15, 2017, the Company closed a private offering of $100 million of the 2022 Unsecured Notes with a fixed interest rate of 4.60% and a maturity date of May 8, 2022. Interest on the 2022 Unsecured Notes is due semi-annually on May 8 and November 8. The 2022 Unsecured Notes were issued in a private placement only to qualified institutional buyers.

On November 8, 2016, the Company closed a private offering of $50 million of the 2022 Unsecured Notes with a fixed interest rate of 4.40% and a maturity date of May 8, 2022. Interest on the 2022 Unsecured Notes is due semi-annually on May 8 and November 8. The 2022 Unsecured Notes were issued in a private placement only to qualified institutional buyers.

Revolving & Term Loan Facilities

On September 30, 2016, the Company entered into a second Credit Facility amendment. Post amendment, the Credit Facility was composed of $505 million of revolving credit and $50 million of term loans. Borrowings generally bear interest at a rate per annum equal to the base rate plus a range of 2.00-2.25% or the alternate base rate plus 1.00%-1.25%. The Credit Facility has no LIBOR floor requirement. The Credit Facility matures in September 2021 and includes ratable amortization in the final year. The Credit Facility may be increased up to $800 million with additional new lenders or an increase in commitments from current lenders. The Credit Facility contains certain customary affirmative and negative covenants and events of default. In addition, the Credit Facility contains certain financial covenants that among other things, requires the Company to maintain a minimum shareholder's equity and a minimum asset coverage ratio. The Company also pays issuers of funded term loans quarterly in arrears a commitment fee at the rate of 0.25% per annum on the average daily outstanding balance. On February 23, 2017, the Company prepaid its two non-extending lenders and terminated their commitments, reducing total outstanding revolving credit commitments by $110 million to $395 million. On April 30, 2018, the revolving credit commitments under the Company's Credit Facility were expanded by $50 million from $395 million to $445 million and on July 13, 2018, revolving credit commitments were further expanded by $35 million to $480 million. On November 21, 2018, we entered into Amendment No. 3 to the Credit Facility which, among other things, reduced the asset coverage covenant in the Credit Facility from 200% to 150% and made certain related changes to the borrowing base calculations. At March 31, 2019, outstanding USD equivalent borrowings under the Credit Facility totaled $214.3 million, composed of $164.3 million of revolving credit and $50.0 million of term loans.

On June 30, 2016, SSLP as transferor and SSLP 2016-1, LLC, a newly formed wholly-owned subsidiary of SSLP, as borrower entered into the SSLP Facility with Wells Fargo Bank, NA acting as administrative agent. Solar Capital Ltd. acts as servicer under the SSLP Facility. The SSLP Facility is scheduled to mature on June 30, 2021. The SSLP Facility generally bears interest at a rate of LIBOR plus 2.50%. SSLP and SSLP 2016-1, LLC, as applicable, have made certain customary representations and warranties, and are required to comply with various covenants, including leverage restrictions, reporting requirements and other customary requirements for similar credit facilities. The SSLP Facility also includes usual and customary events of default for credit facilities of this nature. There were $105.5 million of borrowings outstanding as of March 31, 2019.

On September 26, 2018, NEFPASS SPV LLC, a newly formed wholly-owned subsidiary of NEFPASS LLC, as borrower entered into the NEFPASS Facility with Keybank acting as administrative agent. The Company acts as servicer under the NEFPASS Facility. The NEFPASS Facility is scheduled to mature on September 26, 2023. The NEFPASS Facility generally bears interest at a rate of LIBOR plus 2.15%. NEFPASS and NEFPASS SPV LLC, as applicable, have made certain customary representations and warranties, and are required to comply with various covenants, including leverage restrictions, reporting requirements and other customary requirements for similar credit facilities. The NEFPASS Facility also includes usual and customary events of default for credit facilities of this nature. There were $30.0 million of borrowings outstanding as of March 31, 2019.

Certain covenants on our issued debt may restrict our business activities, including limitations that could hinder our ability to finance additional loans and investments or to make the distributions required to maintain our status as a RIC under Subchapter M of the Code. At March 31, 2019, the Company was in compliance with all financial and operational covenants required by our Credit Facilities.

Contractual Obligations

A summary of our significant contractual payment obligations is as follows as of March 31, 2019:

Payments Due by Period (in millions)

	Total	Less than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Revolving credit facilities(1)	$299.8	$ —	$ 269.8	$ 30.0	$ —
Unsecured senior notes	246.0	—	—	246.0	—
Term Loans	50.0	—	50.0	—	—

(1) As of March 31, 2019, we had a total of $430.2 million of unused borrowing capacity under our revolving credit facilities, subject to borrowing base limits.

Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 150% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy the asset coverage test. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Also, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders. Furthermore, as a result of issuing senior securities, we would also be exposed to typical risks associated with leverage, including an increased risk of loss. Our stockholders approved being subject to a 150% asset coverage ratio effective October 12, 2018.

Information about our senior securities is shown in the following table (in thousands) as of each year ended December 31 since the Company commenced operations, unless otherwise noted. The "—" indicates information which the SEC expressly does not require to be disclosed for certain types of senior securities.

Class and Year	Total Amount Outstanding(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
Revolving Credit Facility				
Fiscal 2019 (through March 31, 2019)	$ 164,300	$ 705	—	N/A
Fiscal 2018	96,400	593	—	N/A
Fiscal 2017	245,600	1,225	—	N/A
Fiscal 2016	115,200	990	—	N/A
Fiscal 2015	207,900	1,459	—	N/A
Fiscal 2014	—	—	—	N/A
Fiscal 2013	—	—	—	N/A
Fiscal 2012	264,452	1,510	—	N/A
Fiscal 2011	201,355	3,757	—	N/A
Fiscal 2010	400,000	2,668	—	N/A
Fiscal 2009	88,114	8,920	—	N/A
2022 Unsecured Notes				
Fiscal 2019 (through March 31, 2019)	150,000	643	—	N/A
Fiscal 2018	150,000	923	—	N/A
Fiscal 2017	150,000	748	—	N/A
Fiscal 2016	50,000	430	—	N/A
2022 Tranche C Notes				
Fiscal 2019 (through March 31, 2019)	21,000	90	—	N/A
Fiscal 2018	21,000	129	—	N/A
Fiscal 2017	21,000	105	—	N/A
2023 Unsecured Notes				
Fiscal 2019 (through March 31, 2019)	75,000	322	—	N/A
Fiscal 2018	75,000	461	—	N/A
Fiscal 2017	75,000	374	—	N/A
2042 Unsecured Notes				
Fiscal 2017	—	—	—	N/A
Fiscal 2016	100,000	859	—	$ 1,002
Fiscal 2015	100,000	702	—	982
Fiscal 2014	100,000	2,294	—	943
Fiscal 2013	100,000	2,411	—	934
Fiscal 2012	100,000	571	—	923
Senior Secured Notes				
Fiscal 2017	—	—	—	N/A
Fiscal 2016	75,000	645	—	N/A
Fiscal 2015	75,000	527	—	N/A
Fiscal 2014	75,000	1,721	—	N/A
Fiscal 2013	75,000	1,808	—	N/A
Fiscal 2012	75,000	428	—	N/A
Term Loans				
Fiscal 2019 (through March 31, 2019)	50,000	214	—	N/A
Fiscal 2018	50,000	308	—	N/A
Fiscal 2017	50,000	250	—	N/A
Fiscal 2016	50,000	430	—	N/A
Fiscal 2015	50,000	351	—	N/A
Fiscal 2014	50,000	1,147	—	N/A
Fiscal 2013	50,000	1,206	—	N/A
Fiscal 2012	50,000	285	—	N/A
Fiscal 2011	35,000	653	—	N/A
Fiscal 2010	35,000	233	—	N/A

Class and Year	Total Amount Outstanding(1)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
NEFPASS Facility				
Fiscal 2019 (through March 31, 2019)	$ 30,000	$ 129	—	N/A
Fiscal 2018	30,000	185	—	N/A
SSLP Facility				
Fiscal 2019 (through March 31, 2019)	105,485	452	—	N/A
Fiscal 2018	53,785	331	—	N/A
Total Senior Securities				
Fiscal 2019 (through March 31, 2019)	$ 595,785	$ 2,555	—	N/A
Fiscal 2018	476,185	2,930	—	N/A
Fiscal 2017	541,600	2,702	—	N/A
Fiscal 2016	390,200	3,354	—	N/A
Fiscal 2015	432,900	3,039	—	N/A
Fiscal 2014	225,000	5,162	—	N/A
Fiscal 2013	225,000	5,425	—	N/A
Fiscal 2012	489,452	2,794	—	N/A
Fiscal 2011	236,355	4,410	—	N/A
Fiscal 2010	435,000	2,901	—	N/A
Fiscal 2009	88,114	8,920	—	N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by all senior securities representing indebtedness. This asset coverage ratio is multiplied by one thousand to determine the Asset Coverage Per Unit. In order to determine the specific Asset Coverage Per Unit for each class of debt, the total Asset Coverage Per Unit is allocated based on the amount outstanding in each class of debt at the end of the period. As of March 31, 2019, asset coverage was 255.5%.

(3) The amount to which such class of senior security would be entitled upon the involuntary liquidation of the issuer in preference to any security junior to it.

(4) Not applicable except for the 2042 Unsecured Notes which were publicly traded. The Average Market Value Per Unit is calculated by taking the daily average closing price during the period and dividing it by twenty-five dollars per share and multiplying the result by one thousand to determine a unit price per thousand consistent with Asset Coverage Per Unit. The average market value for the fiscal 2016, 2015, 2014, 2013 and 2012 periods was $100,175, $98,196, $94,301, $93,392, and $92,302, respectively.

We have also entered into two contracts under which we have future commitments: the Advisory Agreement, pursuant to which Solar Capital Partners, LLC has agreed to serve as our investment adviser, and the Administration Agreement, pursuant to which the Administrator has agreed to furnish us with the facilities and administrative services necessary to conduct our day-to-day operations and provide on our behalf managerial assistance to those portfolio companies to which we are required to provide such assistance. Payments under the Advisory Agreement are equal to (1) a percentage of the value of our average gross assets and (2) a two-part incentive fee. Payments under the Administration Agreement are equal to an amount based upon our allocable portion of the Administrator's overhead in performing its obligations under the Administration Agreement, including rent, technology systems, insurance and our allocable portion of the costs of our chief financial officer and chief compliance officer and their respective staffs. Either party may terminate each of the Advisory Agreement and administration agreement without penalty upon 60 days' written notice to the other. See note 3 to our Consolidated Financial Statements.

On July 31, 2017, the Company, NEFPASS LLC and NEFCORP LLC entered into a servicing agreement. NEFCORP LLC was engaged to provide NEFPASS LLC with administrative services related to the loans and capital leases held by NEFPASS LLC. NEFPASS LLC may terminate this agreement upon 30 days' written notice to NEFCORP LLC.

Off-Balance Sheet Arrangements

From time-to-time and in the normal course of business, the Company may make unfunded capital commitments to current or prospective portfolio companies. Typically, the Company may agree to provide delayed-draw term loans or, to a lesser extent, revolving loan or equity commitments. These unfunded capital commitments always take into account the Company's liquidity and cash available for investment, portfolio and issuer diversification, and other considerations. Accordingly, the Company had the following unfunded capital commitments at March 31, 2019 and December 31, 2018, respectively:

	March 31, 2019	December 31, 2018
(in millions)		
Crystal Financial LLC*	$ 44.3	$ 44.3
Rubius Therapeutics, Inc.**	26.8	26.8
Tetraphase Pharmaceuticals, Inc.**	13.8	13.8
Phynet Dermatology LLC	11.4	12.4
GenMark Diagnostics, Inc.**	10.6	3.0
BioElectron Technology Corporation**	10.5	17.5
BAM Capital, LLC	10.3	15.0
Cardiva Medical, Inc.**	9.0	9.0
Cerapedics, Inc.**	5.4	—
PQ Bypass, Inc.**	4.8	4.8
Kingsbridge Holdings, LLC	4.1	4.1
Breathe Technologies, Inc.**	4.0	4.0
Solara Medical Supplies, Inc	3.5	1.2
Atria Wealth Solutions, Inc	1.5	1.5
iCIMS, Inc	0.8	0.8
RS Energy Group U.S., Inc	0.5	1.7
Corindus Vascular Robotics, Inc.**	—	6.2
Delphinus Medical Technologies, Inc.**	—	1.9
Datto, Inc	—	1.7
Total Commitments	$ 161.3	$ 169.7

* The Company controls the funding of the Crystal Financial LLC commitment and may cancel it at its discretion.

** Commitments are subject to the portfolio company achieving certain milestones. As of March 31, 2019, these milestones have not yet been achieved, and as such the portfolio company would not have been able to draw on any of the stated commitment at that time.

As of March 31, 2019 and December 31, 2018, the Company had sufficient cash available and/or liquid securities available to fund its commitments.

In the normal course of its business, we invest or trade in various financial instruments and may enter into various investment activities with off-balance sheet risk, which may include forward foreign currency contracts. Generally, these financial instruments represent future commitments to purchase or sell other financial instruments at specific terms at future dates. These financial instruments contain varying degrees of off-balance sheet risk whereby changes in the market value or our satisfaction of the obligations may exceed the amount recognized in our Consolidated Statements of Assets and Liabilities.

Distributions

The following table reflects the cash distributions per share on our common stock for the two most recent fiscal years and the current fiscal year to date:

Date Declared	Record Date	Payment Date	Amount
Fiscal 2019			
May 6, 2019	June 20, 2019	July 2, 2019	$ 0.41
February 21, 2019	March 21, 2019	April 3, 2019	0.41
Total 2019			$ 0.82
Fiscal 2018			
November 5, 2018	December 20, 2018	January 4, 2019	$ 0.41
August 2, 2018	September 20, 2018	October 2, 2018	0.41
May 7, 2018	June 21, 2018	July 3, 2018	0.41
February 22, 2018	March 22, 2018	April 3, 2018	0.41
Total 2018			$ 1.64
Fiscal 2017			
November 2, 2017	December 21, 2017	January 4, 2018	$ 0.40
August 1, 2017	September 21, 2017	October 3, 2017	0.40
May 2, 2017	June 22, 2017	July 5, 2017	0.40
February 22, 2017	March 23, 2017	April 4, 2017	0.40
Total 2017			$ 1.60

Tax characteristics of all distributions will be reported to stockholders on Form 1099 after the end of the calendar year. Future quarterly distributions, if any, will be determined by our Board. We expect that our distributions to stockholders will generally be from accumulated net investment income, from net realized capital gains or non-taxable return of capital, if any, as applicable.

We have elected to be taxed as a RIC under Subchapter M of the Code. To maintain our RIC tax treatment, we must distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. In addition, although we currently intend to distribute realized net capital gains (*i.e.*, net long-term capital gains in excess of short-term capital losses), if any, at least annually, out of the assets legally available for such distributions, we may in the future decide to retain such capital gains for investment.

We maintain an “opt out” dividend reinvestment plan for our common stockholders. As a result, if we declare a distribution, then stockholders’ cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically “opt out” of the dividend reinvestment plan so as to receive cash distributions.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, due to the asset coverage test applicable to us as a business development company, we may in the future be limited in our ability to make distributions. Also, our revolving credit facility may limit our ability to declare distributions if we default under certain provisions. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of the tax benefits available to us as a regulated investment company. In addition, in accordance with GAAP and tax regulations, we include in income certain amounts that we have not yet received in cash, such as contractual payment-in-kind interest, which represents contractual interest added to the loan balance that becomes due at the end of the loan term, or the accrual of original issue or market discount. Since we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement to distribute at least 90% of our investment company taxable income to obtain tax benefits as a regulated investment company.

With respect to the distributions to stockholders, income from origination, structuring, closing and certain other upfront fees associated with investments in portfolio companies are treated as taxable income and accordingly, distributed to stockholders.

Related Parties

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

- We have entered into the Advisory Agreement with Solar Capital Partners. Mr. Gross, our Chairman and Chief Executive Officer and Mr. Spohler, our Chief Operating Officer and board member, are managing members and senior investment professionals of, and have financial and controlling interests in, the Investment Adviser. In addition, Mr. Peteka, our Chief Financial Officer, Treasurer and Secretary serves as the Chief Financial Officer for Solar Capital Partners.
- The Administrator provides us with the office facilities and administrative services necessary to conduct day-to-day operations pursuant to our Administration Agreement. We reimburse the Administrator for the allocable portion of overhead and other expenses incurred by it in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions, and the compensation of our chief compliance officer, our chief financial officer and their respective staffs.
- We have entered into a license agreement with the Investment Adviser, pursuant to which the Investment Adviser has granted us a non-exclusive, royalty-free license to use the name “Solar Capital.”

The Investment Adviser may also manage other funds in the future that may have investment mandates that are similar, in whole and in part, with ours. For example, the Investment Adviser presently serves as investment adviser to Solar Senior Capital Ltd., a publicly traded BDC, which focuses on investing in senior secured loans, including first lien and second lien debt instruments. In addition, Michael S. Gross, our Chairman and Chief Executive Officer, Bruce Spohler, our Chief Operating Officer, and Richard L. Peteka, our Chief Financial Officer, serve in similar capacities for Solar Senior Capital Ltd. and SCP Private Credit Income BDC LLC. The Investment Adviser and certain investment advisory affiliates may determine that an investment is appropriate for us 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. On June 13, 2017, the Adviser received an exemptive order that permits the Company to participate in negotiated co-investment transactions with certain affiliates, in a manner consistent with the Company’s investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors, and pursuant to various conditions (the “Order”). If the Company is unable to rely on the Order for a particular opportunity, such opportunity will be allocated first to the entity whose investment strategy is the most consistent with the opportunity being allocated, and second, if the terms of the opportunity are consistent with more than one entity’s investment strategy, on an alternating basis. Although the Adviser’s investment professionals will endeavor to allocate investment opportunities in a fair and equitable manner, the Company and its Unitholders could be adversely affected to the extent investment opportunities are allocated among us and other investment vehicles managed or sponsored by, or affiliated with, our executive officers, directors and members of the Adviser.

Related party transactions may occur among Solar Capital Ltd., Crystal Financial LLC, Equipment Operating Leases LLC and NEF Holdings LLC. These transactions may occur in the normal course of business. No administrative fees are paid to Solar Capital Partners by Crystal Financial LLC, Equipment Operating Leases LLC or NEF Holdings LLC.

In addition, we have adopted a formal code of ethics that governs the conduct of our officers and directors. Our officers and directors also remain subject to the duties imposed by both the 1940 Act and the Maryland General Corporation Law.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. During the three months ended March 31, 2019, certain of the investments in our comprehensive investment portfolio had floating interest rates. These floating rate investments were primarily based on floating LIBOR and typically have durations of one to three months after which they reset to current market interest rates. Additionally, some of these investments have LIBOR floors. The Company also has revolving credit facilities that are generally based on floating LIBOR. Assuming no changes to our balance sheet as of March 31, 2019 and no new defaults by portfolio companies, a hypothetical one percent decrease in LIBOR on our comprehensive floating rate assets and liabilities would reduce our net investment income by ten cents per average share over the next twelve months. Assuming no changes to our balance sheet as of March 31, 2019 and no new defaults by portfolio companies, a hypothetical one percent increase in LIBOR on our comprehensive floating rate assets and liabilities would increase our net investment income by approximately twelve cents per average share over the next twelve months. However, we may hedge against interest rate fluctuations from time-to-time by using standard hedging instruments such as futures, options, swaps and forward contracts subject to the requirements of the 1940 Act. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in any benefits of certain changes in interest rates with respect to our portfolio of investments. At March 31, 2019, we have no interest rate hedging instruments outstanding on our balance sheet.

Increase (Decrease) in LIBOR	(1.00%)	1.00%
Increase (Decrease) in Net Investment Income Per Share Per Year	($ 0.10)	$0.12

We may also have exposure to foreign currencies through various investments. These investments are converted into U.S. dollars at the balance sheet date, exposing us to movements in foreign exchange rates. In order to reduce our exposure to fluctuations in foreign exchange rates, we may borrow from time-to-time in such currencies under our multi-currency revolving credit facility or enter into forward currency or similar contracts.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of March 31, 2019 (the end of the period covered by this report), we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the 1934 Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

(b) Changes in Internal Controls Over Financial Reporting

Management has not identified any change in the Company's internal control over financial reporting that occurred during the first quarter of 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We, Solar Capital Management, LLC and Solar Capital Partners, LLC are not currently subject to any material pending legal proceedings threatened against us. From time to time, we may be a party to certain legal proceedings incidental to the normal course of our business including the enforcement of our rights under contracts with our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our business, financial condition or results of operations beyond what has been disclosed within these financial statements.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in "Risk Factors" in the February 21, 2019 filing of our Annual Report on Form 10-K, which could materially affect our business, financial condition and/or operating results. The risks described in our Annual Report are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results. There have been no material changes during the period ended March 31, 2019 to the risk factors discussed in "Risk Factors" in the February 21, 2019 filing of our Annual Report on Form 10-K.

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

We did not engage in unregistered sales of securities during the quarter ended March 31, 2019.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

Exhibit Number	Description
3.1	Articles of Amendment and Restatement(1)
3.2	Amended and Restated Bylaws(1)
4.1	Form of Common Stock Certificate(2)
4.2	Indenture, dated as of November 16, 2012, between the Registrant and U.S. Bank National Association as trustee(3)
4.3	Second Supplemental Indenture, dated November 22, 2017, relating to the 4.50% Notes due 2023, between the Registrant and U.S. Bank National Association as trustee, including the Form of 4.50% Notes due 2023(11)
4.4	In accordance with Item 601(b)(4)(iii)(A) of Regulation S-K, certain instruments respecting long-term debt of the Registrant have been omitted but will be furnished to the SEC upon request
10.1	Dividend Reinvestment Plan(1)
10.2	Form of Senior Secured Credit Agreement by and between the Registrant, Citibank, N.A., as administrative agent, the lenders party thereto, JPMorgan Chase Bank, N.A., as syndication agent, and SunTrust Bank, as documentation agent(8)
10.3	Form of Amendment No. 1 to the Senior Secured Credit Agreement by and between the Registrant, the Lenders and Citibank, N.A., as administrative agent(5)
10.4	Form of Amendment No. 2 to the Senior Secured Credit Agreement by and between the Registrant, the Lenders and Citibank, N.A., as administrative agent(9)
10.5	Form of Amendment No. 3 to the Senior Secured Credit Agreement by and between the Registrant, the Lenders and Citibank, N.A., as administrative agent(12)
10.6	Third Amended and Restated Investment Advisory and Management Agreement by and between the Registrant and Solar Capital Partners, LLC(10)
10.7	Form of Custodian Agreement(7)
10.8	Amended and Restated Administration Agreement by and between Registrant and Solar Capital Management, LLC(6)
10.9	Form of Indemnification Agreement by and between Registrant and each of its directors(1)
10.10	Trademark License Agreement by and between Registrant and Solar Capital Partners, LLC(1)
10.11	Form of Share Purchase Agreement by and between Registrant and Solar Capital Investors II, LLC(2)
10.12	Form of Registration Rights Agreement(4)
10.13	Form of Subscription Agreement(4)
10.14	Consent and Omnibus Amendment to Transaction Documents by and among the Registrant, SSLP 2016-1, LLC, each of the Conduit Lenders and Institutional Lenders and Wells Fargo Bank, N.A., as administrative agent and collateral agent(12)
14.1	Code of Ethics*

Exhibit Number	Description
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.*
32.2	Certification of Chief Financial Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.*

(1) Previously filed in connection with Solar Capital Ltd.'s registration statement on Form N-2 Pre-Effective Amendment No. 7 (File No. 333-148734) filed on January 7, 2010.
(2) Previously filed in connection with Solar Capital Ltd.'s registration statement on Form N-2 (File No 333-148734) filed on February 9, 2010.
(3) Previously filed in connection with Solar Capital Ltd.'s registration statement on Form N-2 Post-Effective Amendment No. 6 (File No. 333-172968) filed on November 16, 2012.
(4) Previously filed in connection with Solar Capital Ltd.'s report on Form 8-K filed on November 29, 2010.
(5) Previously filed in connection with Solar Capital Ltd.'s report on Form 10-Q filed on July 31, 2013.
(6) Previously filed in connection with Solar Capital Ltd.'s registration statement on Form N-2 Post-Effective Amendment No. 10 (File No. 333-172968) filed on November 12, 2013.
(7) Previously filed in connection with Solar Capital Ltd.'s report on Form 10-K filed on February 25, 2014.
(8) Previously filed in connection with Solar Capital Ltd.'s report on Form 8-K filed on July 6, 2012.
(9) Previously filed in connection with Solar Capital Ltd.'s report on Form 10-Q filed on November 2, 2016.
(10) Previously filed in connection with Solar Capital Ltd.'s report on Form 10-Q filed on August 6, 2018.
(11) Previously filed in connection with Solar Capital Ltd.'s registration statement on Form N-2 Post-Effective Amendment No. 5 (File No. 333-194870) filed on November 22, 2017.
(12) Previously filed in connection with Solar Capital Ltd.'s report on Form 10-K filed on February 21, 2019.
* Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on May 6, 2019.

SOLAR CAPITAL LTD.

By: /S/ MICHAEL S. GROSS

Michael S. Gross
Chief Executive Officer
(Principal Executive Officer)

By: /S/ RICHARD L. PETEKA

Richard L. Peteka
Chief Financial Officer
(Principal Financial and Accounting Officer)

JOINT CODE OF ETHICS AND INSIDER TRADING POLICY

I. INTRODUCTION

Solar Capital Partners, LLC (the **"Adviser"**) seeks to foster and maintain a reputation for honesty, integrity and professionalism. That reputation is a vital business asset. The confidence and trust placed in Adviser are highly valued and must be protected. Adviser has adopted this Code of Ethics (the **"Code"**) in accordance with Rules 204A-1 under the Investment Advisers Act of 1940 and Rule 17j-l under the Investment Company Act of 1940, as amended. The Code includes Adviser's policy with respect to personal investment and trading and its insider trading policy and procedures. Solar Capital Ltd., Solar Senior Capital Ltd. and SCP Private Credit Income BDC LLC (collectively referred to as, the **"BDC"** or the **"Company")** have similarly and jointly adopted this Code of Ethics. Thus, this Code of Ethics is applicable to all Access Persons (as defined below) of the Adviser and the Company (collectively **"Solar Capital"**).

II. DEFINITIONS

A. Access Person. The term "**Access Person**" means (i) any Supervised Person who (1) has access to nonpublic information regarding a Client's purchase or sale of securities; (2) has access to nonpublic information regarding the portfolio holdings of any Reportable Fund; and/or (3) is involved in making securities recommendations to Clients or who has access to such recommendations that are nonpublic and (ii) all of the directors, officers, employees, members or partners of Solar Capital. By way of example, Access Persons include portfolio management personnel and service representatives who communicate investment advice to Clients. Administrative, technical, and clerical personnel may also be Access Persons if their functions or duties provide them with access to nonpublic information.

B. Advisers Act. The term "**Advisers Act**" means the Investment Advisers Act of 1940, as amended.

C. Automatic Investment Plan. An "**Automatic Investment Plan**" is a program in which regular periodic purchases or withdrawals are made automatically in or from investment accounts according to a predetermined schedule and allocation. An Automatic Investment Plan includes a dividend reinvestment plan.

D. Beneficial Ownership Interest. You will be considered to have "**Beneficial Ownership Interest**" in a Security if: (i) you have a Pecuniary Interest in the Security; (ii) you have voting power with respect to the Security, meaning the power to vote or direct the voting of the Security; or (iii) you have the power to dispose, or direct the disposition of, the Security. If you have any question about whether an interest in a Security or an account constitutes Beneficial Ownership of that Security, you should contact the Chief Compliance Officer.

E. Chief Compliance Officer. The "**Chief Compliance Officer**" is the Access Person designated respectively by Adviser and BDC for each entity respectively as such, as identified in Solar Capital's Compliance Policies and Procedures Manual.

F. Client. The term "**Client**" means any investment entity or account advised or managed or sub-advised by Adviser, including any pooled investment vehicle advised or sub-advised by Adviser.

G. Commission. The term "**Commission**" means the United States Securities and Exchange Commission.

H. Compliance Officer. The term "**Compliance Officer**" shall mean an Access Person deemed by Solar Capital to be sufficiently experienced to perform senior-level compliance functions, and shall include the Chief Compliance Officer.

I. Disinterested Director. The term “**Disinterested Director**” means a director of the Company who is not an “interested person” of the Company within the meaning of Section 2(a)(19) of the Investment Company Act.

J. Exchange Act. The term “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

K. Federal Securities Laws. The term “**Federal Securities Laws**” means the Securities Act, the Exchange Act, the Sarbanes-Oxley Act of 2002, the Investment Company Act, the Advisers Act, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the Commission under any of these statutes, the Bank Secrecy Act as it applies to funds and investment advisers, and any rules adopted under the Bank Secrecy Act by the Commission or the Department of the Treasury.

L. Fund. The term “**Fund**” means any pooled investment vehicle, whether registered, required to be registered, or exempt from registration as an “investment company” pursuant to the Investment Company Act.

M. Immediate Family. The term “**Immediate Family**” includes a Supervised Person’s child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and includes any adoptive relationship.

N. Index Securities. The term “**Index Securities**” means interests in exchange-traded funds or derivatives based on broad-based market indices.

O. Initial Public Offering. The term “**Initial Public Offering**” means an offering of securities registered under the Securities Act, the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act.

P. Investment Company Act. The term “**Investment Company Act**” means the Investment Company Act of 1940, as amended.

Q. Limited Offering. The term “**Limited Offering**” means an offering, typically referred to as a “private placement”, that is exempt from registration under the Securities Act.

R. Non-Reportable Securities. The term “**Non-Reportable Securities**” means: (i) direct obligations of the U.S. Government; (ii) bankers’ acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments (defined as any instrument that has a maturity at issuance of less than 366 days and that is rated in one of the two highest rating categories by a Nationally Recognized Statistical Rating Organization), including repurchase agreements; (iii) shares issued by money market funds; (iv) shares issued by open-end funds registered under the Investment Company Act, other than Reportable Funds; and (v) shares issued by unit investment trusts that are invested exclusively in one or more open-end funds, none of which are Reportable Funds.

S. Partners. The term “**Partners**” refers to Michael Gross and Bruce Spohler.

T. Pecuniary Interest. You will be considered to have a “**Pecuniary Interest**” in a Security if you, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, have the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the Security. The term “Pecuniary Interest” is construed very broadly. The following examples illustrate this principle: (i) ordinarily, you will be deemed to have a “Pecuniary Interest” in all Securities owned by members of your Immediate Family who share the same household with you; (ii) if you are a general partner of a general or limited partnership, you will be deemed to have a “Pecuniary Interest” in all Securities held by the partnership; (iii) if you are a shareholder of a corporation or similar business entity, you will be deemed to have a “Pecuniary Interest” in all Securities held by the corporation if you are a controlling shareholder or have or share investment control over the corporation’s investment portfolio; (iv) if you have the right to acquire equity Securities through the exercise or conversion of a derivative Security, you will be deemed to have a Pecuniary Interest in the Securities, whether or not your right is presently exercisable; (v) if you are the sole member or a manager of a limited liability company, you will be deemed to have a Pecuniary Interest in the Securities held by the limited liability company; and (vi) ordinarily, if you are a trustee or beneficiary of a trust, where either you or members of your Immediate Family have a vested interest in the principal or income of the trust, you will be deemed to have a Pecuniary Interest in all Securities held by that trust. If you have any question about whether an interest in a Security or an account constitutes a Pecuniary Interest, you should contact the Chief Compliance Officer.

U. Reportable Fund. The term "**Reportable Fund**" means (i) any Fund for which Adviser serves as investment adviser; or (ii) any Fund whose investment adviser or principal underwriter controls Adviser, is controlled by Adviser, or is under common control with Adviser. As used in this definition, the term **control** has the same meaning as it does in Section 2(a)(9) of the Investment Company Act.

V. Reportable Security. The term "**Reportable Security**" means all Securities (including Index Securities) other than Non-Reportable Securities.

W. Restricted List. The "**Restricted List**" is a list maintained by the Chief Compliance Officer as specified by Solar Capital's **Insider Trading Policies and Procedures**.

X. SEC. The term "**SEC**" means the U.S. Securities and Exchange Commission.

Y. Securities Act. The term "**Securities Act**" means the Securities Act of 1933, as amended.

Z. Security. The term "**Security**" has the same meaning as it has in section 202(a)(18) of the Advisers Act. For purposes of this Code, the following are Securities:

> Any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a security, or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any security.

The following are **not** Securities:

> Commodities, futures and options traded on a commodities exchange, including currency futures, except that (i) options on any group or index of Securities and (ii) futures on any group or narrow-based index of Securities are Securities.
>
> You should note that "**Security**" includes a right to acquire a Security, as well as an interest in a collective investment vehicle (such as a limited partnership or limited liability company).

AA. Supervised Person. The term "**Supervised Person**" means (i) any partner, member, officer or director of Solar Capital, or other person occupying a similar status or performing similar function; (ii) any employee of Solar Capital; (iii) any U.S. consultant who has been contracted by Solar Capital for more than ninety (90) days; and (iv) any other person who provides advice on behalf of Solar Capital and is subject to Solar Capital's supervision and control.

III. ANTI-BRIBERY REQUIREMENTS

The Adviser is committed to complying with the laws and regulations designed to combat bribery and corruption (herein after referred to as "anti-bribery") and to seeking and retaining business on the basis of merit, not through bribery or corruption.

It is the Adviser's policy that:

- Personnel may not provide anything of value to obtain or retain business or favored treatment from public officials; candidates for office; employees of state-owned enterprises; clients/customers, or suppliers; any agent of the aforementioned parties; or any other person with whom the Adviser does or anticipates doing business.
- The prohibition against providing "anything of value" to obtain or retain business or favored treatment includes obvious improper payments, such as cash bribes or kickbacks, but also may include other direct or indirect benefits and advantages, such as gifts, meals, entertainment, charitable contributions, and offers of employment or internships that are inappropriate.
- The prohibition extends not only to public officials, but also to corporate clients and other private parties.
- The Adviser prohibits its personnel from requesting or accepting bribes and other improper financial advantages, as well as offering them.

The Adviser maintains written policies, procedures and internal controls reasonably designed to comply with anti-bribery laws (the "Anti-Bribery Program"). The Anti-Bribery Program includes a risk assessment process, education and training, review and approval processes, due diligence procedures, accounting processes and independent testing processes. The Adviser expects all of its agents and vendors to (i) maintain policies and procedures applicable to their circumstances and proportionate to the risks they face and (ii) to act at all times in a manner consistent with the Adviser's anti-bribery policies.

Personnel who engage in or facilitate bribery, or who fail to comply with all applicate anti-bribery laws, regulations, and the Adviser's anti-bribery and related policies, may be subject to disciplinary action. The Adviser reserves the right to terminate immediately any business relationship that violates the Adviser's anti-bribery policies.

The Adviser will conduct targeted email reviews, discussion of the policy will be conducted in code of ethics training. Any exceptions to the policy will be reported to Management.

IV. PERSONAL INVESTMENT AND TRADING POLICY

A. General Statement

Solar Capital is committed to maintaining the highest standard of business conduct.

Solar Capital and its Supervised Persons must not act or behave in any manner or engage in any activity that (1) involves or creates even the suspicion or appearance of the misuse of material, nonpublic information by Solar Capital or any Supervised Person or (2) gives rise to, or appears to give rise to, any breach of fiduciary duty owed to any Client or investor.

In addition, the Federal Securities Laws require that investment advisers maintain a record of every transaction in any Security, with certain exceptions, as described below, in which any Access Person acquires or disposes of Beneficial Ownership where the Security is or was held in an account over which the Access Person has direct or indirect influence or control. Given the current size of its operations, **Solar Capital has chosen to require reporting of transactions, as well as pre-approval of certain transactions, for all Supervised**

Persons (subject to the specific exceptions in the Code), rather than only Access Persons. Notwithstanding the foregoing, Disinterested Directors are not subject to the preclearance and reporting requirements of the Code. However, with respect to the Company's securities Disinterested Directors must transact during the window periods and subsequently report the transaction detail to the Company on the day of the transaction.

Solar Capital has developed the following policies and procedures relating to personal trading in Securities and the reporting of such personal trading in Securities in order to ensure that each Supervised Person satisfies the requirements of this Code.

B. Requirements of this Code

1. Duty to Comply with Applicable Laws.

All Supervised Persons are required to comply with the Federal Securities Laws, the fiduciary duty owed by Adviser to its Clients, as applicable, and this Code.

2. Insider Trading Controls

All Supervised Persons are required to comply with the **Insider Trading Policies and Procedures** adopted by the Adviser and the BDC which appears as ***Appendix VII*** of this Code of Ethics and is incorporated herein by this reference.

3. Duty to Report Violations.

Each Supervised Person is required by law to promptly notify the Chief Compliance Officer or designee in the event he or she knows or has reason to believe that he or she or any other Supervised Person has violated any provision of this Code. If a Supervised Person knows or has reason to believe that the Chief Compliance Officer has violated any provision of this Code, the Supervised Person must promptly notify the Chief Financial Officer and is not required to notify the Chief Compliance Officer.

Solar Capital is committed to fostering a culture of compliance. Solar Capital therefore urges you to contact the Chief Compliance Officer or designee if you have any questions regarding compliance. You will not be penalized and your status at Solar Capital will not be jeopardized by communicating with the Chief Compliance Officer. Reports of violations or a suspected violations also may be submitted anonymously to the Chief Compliance Officer or designee. Any retaliatory action taken against any person who in good faith reports a violation or a suspected violation of this Code is itself a violation of this Code and cause for appropriate corrective action, including dismissal.

4. Supervised Personnel to be Supplied Copies, and Furnish Acknowledgements of Receipt of the Code of Ethics and Any Amendments Thereof.

Solar Capital will provide all Supervised Persons with a copy of this Code and all subsequent amendments. By law, all Supervised Persons must in turn provide written acknowledgement to the Chief Compliance Officer or designee of their initial receipt and review of this Code, their annual review of this Code and their receipt and review of any subsequent amendments to this Code.

C. Restrictions on Supervised Persons Trading in Securities

1. Generally.

Purchases of Reportable Securities (other than Index Securities) by Supervised Persons and participation by Supervised Persons in an Initial Public Offering or Limited Offering require advance preclearance approval, in writing, by a Compliance Officer together with the **specific approval** of both Partners.

Sales of Reportable Securities (other than Index Securities) by Supervised Persons require advance preclearance approval, in writing, by a Compliance Officer together with the **specific approval** of both Partners.

All Supervised Person personal trading in Securities (other than Index Securities) is subject to the following further requirements and/or restrictions.

(a) Any transaction in a Security subject to the Restricted List of issuers maintained by Solar Capital is strictly prohibited.

(b) Any transaction in a Security which the Supervised Person knows or has reason to know is being purchased or sold, or is being considered for purchase or sale, by or on behalf of a Client is prohibited until the Client's transaction has been completed or consideration of the transaction is abandoned. A Security is "**being considered for purchase or sale**" the earlier of (i) when a recommendation to purchase or sell has been made and communicated or (ii) the Security is placed on Adviser's research project lists or, (iii) with respect to the Supervised Person making the recommendation, when the Supervised Person seriously considers making such a recommendation.

(c) No Supervised Person may engage in a transaction in a Security, which includes an interest in a Fund, if the Supervised Person's transaction would otherwise disadvantage or appear to disadvantage a Client or if the Supervised Person would inappropriately profit from or appear to so profit from the transaction, whether or not at the expense of the Client. **For the avoidance of doubt, this prohibition applies to any Security held, at the time of a personal transaction, in any Client account**.

(d) Any transaction in a Security during the period which begins three days before and ends three days after any Client has traded in that Security is prohibited, unless approved by a Compliance Officer.

(e) No matched purchases and sales, or sales and purchases, in the same Security within a thirty-day period may be transacted without the advance approval of a Compliance Officer.

(f) Personal account trading must be done on the Supervised Person's own time without placing undue burden on Solar Capital's time.

(g) No personal trades should be undertaken which are beyond the financial resources of the Supervised Person.

(h) **For the avoidance of doubt**:

(i) Supervised Person Transactions in Index Securities are subject to the reporting, but not the preclearance requirements of this Code.

(ii) Supervised Person Transactions in Reportable Securities other than Index Securities are subject to both the preclearance and the reporting requirements of this Code.

(iii) Supervised Person Transactions by Disinterested Directors are not subject to the preclearance and reporting requirements of this Code. However, with respect to the Company's securities Disinterested Directors must transact during the window periods and subsequently report the transaction detail to the Company on the day of the transaction.

2. Accounts of Record

(a) You may not hold, and you may not permit any other person or entity to hold, on your behalf, any publicly traded Reportable Securities in which you have, or by reason of a Supervised Person Purchase Transaction (as hereinafter defined) will acquire, a Beneficial Ownership Interest, except through an "**account of record**" with the Adviser maintained with a bank or registered broker-dealer custodian (a "**custodian**") or a registered investment adviser.

(b) You must provide written notice to a Compliance Officer of your opening of an account with a bank or broker-dealer custodian or an investment adviser through which you (or your investment adviser, acting on your behalf) have the ability to purchase or sell publicly traded Reportable Securities promptly after opening the account, and in any event before the first order for the purchase or sale of such Securities is placed through the account. A Compliance Officer will then ask you to complete and sign a written notice to the account custodian or investment adviser (the forms of which are attached as Appendix IV and Appendix V hereto) which discloses your affiliation with the Adviser and requests that duplicate hard copies of trade confirmations and periodic statements reflecting all holdings and transactions within the account be promptly and confidentially sent to the attention of the Chief Compliance Officer.[1] A Compliance Officer will review and, upon approval, transmit the notice to your account custodian or investment adviser.

3. Transactions of Immediate Family Members.

There is a presumption that a Supervised Person can exert some measure of influence or control over accounts held by members of such person's Immediate Family sharing the same household. Therefore, transactions by Immediate Family members sharing the same household are subject to the policies herein. A Supervised Person may rebut this presumption by presenting convincing evidence, in writing, to the Chief Compliance Officer and request an exemption to one or more policies herein. All exemptions must be approved by the Chief Compliance Officer, in writing.

4. The following are Exempt Transactions that do not require preclearance by a Compliance Officer:

(a) Any transaction in Securities in an account over which a Supervised Person does not have any direct or indirect influence or control (such as a fully discretionary managed account through a registered investment adviser). To rely upon this exemption, Supervised Persons must provide: (1) information about a trustee or third–party manager's relationship to the Supervised Person (i.e., independent professional versus friend or relative; unaffiliated versus affiliated firm); (2) periodic certifications regarding the Supervised Persons' influence or control over trusts or accounts (or obtain the certification from the third party manager or trustee when requested); and (3) when requested, reports on holdings and/or transactions made in the trust or discretionary account to identify transactions that would have been prohibited pursuant to the Code of Ethics, absent reliance on the reporting exemption.

1 In lieu of using the referenced Appendices requesting the forwarding of *hard-copy* confirmations and account statements, the Adviser will ordinarily ask, if feasible, that the account custodian agree to establish an *automatic electronic feed* of all account holding and transaction activity to the Adviser's area of the *Personal Trade Compliance Center* ("PTCC") online "cloud" system which the Adviser has licensed from Compliance Science, Inc.

(b) Purchases of Securities under Automatic Investment Plans (such as an employer-sponsored 401(k) plan).

(c) Purchases of Securities by exercise of rights issued to the holders of a class of Securities pro rata, to the extent they are issued with respect to Securities in which a Supervised Person has a Beneficial Ownership Interest.

(d) Acquisitions or dispositions of Securities as the result of a stock dividend, stock split, reverse stock split, merger, consolidation, spin-off or other similar corporate distribution or reorganization applicable to all holders of a class of Securities in which a Supervised Person has a Beneficial Ownership Interest.

(e) Such other specific or classes of transactions as may be exempted from time to time by the Chief Compliance Officer based upon a determination that the transactions are unlikely to violate Rule 204A-1 under the Advisers Act.

5. Supervised Person Transaction Preclearance and Execution Procedures

The following procedures shall govern all transactions in which a Supervised Person intends to sell (a "Supervised Person Sale Transaction") or intends to acquire (a "Supervised Person Purchase Transaction"; together with "Supervised Person Sale Transaction", a "Supervised Person Transaction") a Beneficial Ownership Interest and which are subject to the requirement of securing advance preclearance approval, in writing, by a Compliance Officer.

(a) Preclearance.

Requests for preclearance of Supervised Person Transactions are to be delivered, confidentially and in writing (via the Adviser's email network), to the attention of a Compliance Officer and both Partners. Responses on behalf of such Compliance Officer and both Partners will be conveyed, confidentially and in writing ordinarily via email, within two (2) business days regarding Supervised Person Transaction requests involving publicly traded Reportable Securities and five (5) business days regarding Transaction requests involving other Reportable Securities.

(i) Supervised Person Purchase Transactions.

Preclearance of Supervised Person Purchase Transactions may be withheld for any reason, or no reason, in the sole discretion of the Chief Compliance Officer and both Partners.

(ii) Supervised Person Sale Transactions.

A Supervised Person Sale may be disapproved if it is determined by the Chief Compliance Officer and both Partners that the Supervised Person is unfairly benefiting from, or that the transaction is in conflict with, or appears to be in conflict with, any Client Transaction (as defined below), any of the above-described trading restrictions, or otherwise by this Code. The determination that a Supervised Person may unfairly benefit from, or that a Supervised Person Sale may conflict with or appears to be in conflict with, a Client Transaction will be subjective and individualized, and may include questions about the timely and adequate dissemination of information, availability of bids and offers, and other factors deemed pertinent for an individual Client transaction or series of transactions. It is possible that a disapproval of a Supervised Person Sale could be costly to a Supervised Person or members of a Supervised Person's family; therefore, each Supervised Person should take great care to adhere to Solar Capital's trading restrictions and avoid conflicts of interest or the appearance of conflicts of interest.

Any disapproval of a Supervised Person Sale Transaction shall be in writing. A Supervised Person may appeal any such disapproval by written notice to the Partners within two business days after receipt of notice of disapproval.

(b) Executions of Supervised Person Transactions.

(i) Transactions in Publicly Traded Reportable Securities.

Supervised Person Transactions in publicly traded Reportable Securities must, except upon the advance written approval of a Compliance Officer, be executed through an account of record with the Adviser in accordance with Section III.C.3(b).

(ii) Transactions in Other Reportable Securities.

Confirmation of Supervised Person Transactions in all other Reportable Securities must be promptly conveyed, confidentially and in writing, to the attention of the Chief Compliance Officer.

V. REPORTING

A. Reports About Securities Holdings and Transactions

Supervised Persons (other than Disinterested Directors) must submit to the Chief Compliance Officer or designee periodic written reports about their Securities holdings, transactions, and accounts, and the Securities of other persons if the Supervised Person has a Beneficial Ownership Interest in such Securities and the accounts of other persons if the Supervised Person has direct or indirect influence or control over such accounts.[2] The obligation to submit these reports and the content of these reports are governed by the Federal Securities Laws. The reports are intended to identify conflicts of interest that could arise when a Supervised Person invests in a Security or holds accounts that permit these investments, and to promote compliance with this Code. Adviser is sensitive to privacy concerns and will try not to disclose your reports to anyone unnecessarily. Report forms are attached.

Failure to file a timely, accurate, and complete report is a serious breach of Commission rules and this Code. If a Supervised Person is late in filing a report, or files a report that is misleading or incomplete, the Supervised Person may face sanctions including identification by name to the Chief Compliance Officer, withholding of salary or bonuses, or termination of employment.

2. **Initial Disclosure Reports:** Within ten days after you become a Supervised Person (other than Disinterested Directors), you must submit to the Chief Compliance Officer or designee a securities accounts report (a form of which is attached as Appendix II thereto) and private investments report (a form of which is attached as Appendix VI thereto) based on information that is current as of a date not more than 45 days prior to the date you become a Supervised Person.

(a) The Initial Report of Securities Accounts contains the following:

(i) The name/title and type of Security, and, as applicable, the exchange ticker symbol or CUSIP number, the number of equity shares and principal amount of each Reportable Security in which you had a Beneficial Ownership Interest. You may provide this information by referring to attached copies of broker transaction confirmations or account statements from the applicable record keepers that contain the information.

2 In lieu of employing the referenced Appendices, Supervised Personnel will ordinarily perform required reporting by utilizing the PTCC online system which the Adviser has licensed from Compliance Science, Inc.

(ii) The name and address of any broker, dealer, or bank or other institution (such as a general partner of a limited partnership, or transfer agent of a company) that maintained any account holding any Securities in which you have a Beneficial Ownership Interest, and the account numbers and names of the persons for whom the accounts are held.

(iii) An executed statement (and a letter or other evidence) pursuant to which you have instructed each broker, dealer, bank, or other institution to provide duplicate account statements and confirmations of all Securities transactions, unless Adviser indicates that the information is otherwise available to it. The form of this statement is attached as Appendix IV (for personal accounts) and Appendix V (for related accounts) hereto.

(iv) The date you submitted the report.

(b) The Initial Report of Private Investments contains the following:

(i) A description of all private investments in which you have a Beneficial Ownership Interest, the principal amount of those private investments, the approximate dates of acquisition, and whether the private investments involve or are associated with companies that have publicly traded debt or equity.

(ii) The date you submitted the report.

3. **Quarterly Transaction Report:** Unless, as noted below, the Chief Compliance Officer already receives trade confirmations or account statements for all of your transactions in Reportable Securities, within 30 days after the end of each calendar quarter, you, as a Supervised Person (other than Disinterested Directors), must submit to the Chief Compliance Officer or designee a transaction report, a form of which is attached as Appendix III hereto, that contains:

(a) With respect to any transaction during the quarter in any Reportable Security in which you had, or as a result of the transaction acquired, a Beneficial Ownership Interest:

(i) The date of the transaction, the name/title and as applicable, the exchange ticker symbol or CUSIP number, interest rate and maturity date, the number of equity shares of, or the principal amount of debt represented by, and principal amount of each Reportable Security involved;

(ii) The nature of the transaction, i.e., purchase, sale or other type of acquisition or disposition;

(iii) The price at which the transaction in the Reportable Security was effected;

(iv) The name of the broker, dealer, bank, or other institution with or through which the transaction was effected.

(b) The name and address of any broker, dealer, bank, or other institution, such as a general partner of a limited partnership, or transfer agent of a company, that maintained any account in which any Securities were held during the quarter in which you have a Beneficial Ownership Interest, the account numbers and names of the persons for whom the accounts were held, and the date when each account was established.

(c) An executed statement, and a letter or other evidence, pursuant to which you have instructed each broker, dealer, bank, or other institution that has established a new account over which you have direct or indirect influence or control during the past quarter to provide duplicate account statements and confirmations of all Securities transactions to Solar Capital, unless Solar Capital indicates that the information is otherwise available to it. The form of this statement is attached as Appendix IV and Appendix V hereto.

(d) The date that you submitted the report.

*****You need not submit a quarterly transaction report to the Chief Compliance Officer or designee if it would duplicate information contained in trade confirmations or account statements already received by the Chief Compliance Officer or designee, provided that those trade confirmations or statements are received not later than 30 days after the close of the calendar quarter in which the transaction takes place. *****

4. **Annual Employee Certification:** You (other than Disinterested Directors) must, no later than February 15 of each year, submit to the Chief Compliance Officer or designee an Annual Employee Certification, that is current as of a date no earlier than December 31 of the prior calendar year (the "**Annual Report Date**") and that contains:

(a) The name and address of any broker, dealer, investment advisor or bank or other institution, such as a general partner of a limited partnership, or transfer agent of a company, that maintained any account holding any Securities in which you have a Beneficial Ownership Interest on the Annual Report Date, the account numbers and names of the persons for whom the accounts are held, and the date when each account was established; this information may be provided through copies of statements of each such account.

(b) A description of any private investments in which you have a Beneficial Ownership Interest on the Annual Report Date, the principal amount of the investment, the approximate date of the acquisition, and whether the private investment involves or is associated with a company that has publicly trade debt or equity.

(c) The date that you submitted the report.

<u>Exception to requirement to list transactions or holdings subject to IV.2 and IV.3(a) above</u>: You are not required to submit (i) holdings or transactions reports for any account over which you had no direct or indirect influence or control (such as a fully discretionary managed account through a registered investment advisor) or (ii) transaction reports with respect to transactions effected pursuant to an Automatic Investment Plan, unless requested by Solar Capital. You must still identify the existence of the account in your list of accounts. Transactions that override pre-set schedules or allocations of an automatic investment plan or trades that are directed by you in a fully discretionary managed account, however, must be included in a quarterly transaction report.

In order to take advantage of part (i) of the exception (accounts over which you had no direct or indirect influence or control), Access Persons must provide:

- Information about a trustee or third–party manager's relationship to the Access Person (i.e., independent professional versus friend or relative; unaffiliated versus affiliated firm);
- periodic certifications regarding the Access Persons' influence or control over trusts or accounts (or obtain the certification from the third party manager or trustee when requested);
- when requested, reports on holdings and/or transactions made in the trust or discretionary account to identify transactions that would have been prohibited pursuant to the Code of Ethics, absent reliance on the reporting exemption.

5. Please ask the Chief Compliance Officer if you have questions about the above-described disclosure and transaction reporting requirements.

B. Review of Reports and Other Documents

The Chief Compliance Officer or designee will review each report submitted by Supervised Persons, and each account statement or confirmation from institutions that maintain their accounts, as promptly as practicable. In any event all Initial Disclosure Reports will be reviewed within 20 business days of receipt, and the review of all timely-submitted Quarterly Transaction Reports will be completed by the end of the quarter in which received. As part of his or her review, the Chief Compliance Officer or his or her designee will confirm that all necessary pre-approvals have been obtained. To ensure adequate scrutiny, documents concerning a member of the Compliance Office will be reviewed by a different member of the Compliance Office, or if there is only one member of the Compliance Office, by the Chief Financial Officer.

A report documenting the above review and any exceptions noted will be prepared by the Chief Compliance Officer and circulated to the Partners within 60 days of the end of the quarter in which the reports were received.

Review of submitted holding and transaction reports will include not only an assessment of whether the Supervised Person followed all required procedures of this Code, such as preclearance, but may also: compare the personal trading to any restricted lists; assess whether the Supervised Person is trading for his or her own account in the same securities he or she is trading for Clients, and, if so, whether the Clients are receiving terms as favorable as the Supervised Person receives; periodically analyze the Supervised Person's trading for patterns that may indicate abuse, including market timing; investigate any substantial disparities between the quality of performance the Supervised Person achieves for his or her own account and that he or she achieves for Clients; and investigate any substantial disparities between the percentage of trades that are profitable when the Supervised Person trades for his or her own account and the percentage that are profitable when he or she places trades for Clients.

VI. POLICY ON GIFTS

Gifts. A Supervised Person is prohibited from improperly using his or her position to obtain an item of value from any person or company that does business with Solar Capital. Supervised Persons must report to a Compliance Officer receipt of any gift greater than $300 in value from any person or company that does business with the Company. Unsolicited business entertainment, including meals or tickets to cultural and sporting events do not need to be reported if: a) they are not so frequent or of such high value as to raise a question of impropriety and b) the person providing the entertainment is present at the event.

Regardless of dollar value, Supervised Persons may not give a gift or provide entertainment that is inappropriate under the circumstances, or inconsistent with applicable law or regulations, to persons associated with securities or financial organizations, exchanges, member firms, commodity firms, news media, or Clients. Persons must obtain clearance from the either Partner and a Compliance Officer prior giving any gift greater than $300 in value to any person or company that does business with the Company.

Supervised Persons should not give or receive gifts or entertainment that would be embarrassing to themselves or to Solar Capital if made public.

VII. COMPLIANCE

A. Certificate of Receipt

Supervised Persons are required to acknowledge receipt of the Compliance Manual and, therefore, your copy of this Code and that you have read and understood the Compliance Manual. A form for this purpose is attached to this Code as Appendix I.

B. Annual Certificate of Compliance

Supervised Persons are required to certify upon becoming a Supervised Person or the effective date of this Code, whichever occurs later, and annually thereafter, that you have read and understand this Code and recognize that you are subject to this Code. Each annual certificate will also state that you have complied with all of the requirements of this Code during the prior year.

C. Remedial Actions

If you violate this Code, including filing a late, inaccurate or incomplete holdings or transaction report, you will be subject to remedial actions, which may include, but are not limited to, any one or more of the following: (1) a warning; (2) disgorgement of profits; (3) imposition of a fine, which may be substantial; (4) demotion, which may be substantial; (5) suspension of employment, with or without pay; (6) termination of employment; or (7) referral to civil or governmental authorities for possible civil or criminal prosecution. If you are normally eligible for a discretionary bonus, any violation of the Code may also reduce or eliminate the discretionary portion of your bonus.

VIII. RETENTION OF RECORDS

The Chief Compliance Officer will maintain, for a period of five years unless specified in further detail below, the records listed below. The records will be maintained at the Adviser's principal place of business for at least two years and in an easily accessible, but secured, place for the entire five years.

A. A record of the names of persons who are currently, or within the past five years were, Access Persons of Adviser.

B. The Annual Certificate of Compliance signed by all persons subject to this Code acknowledging receipt of copies of the Code and acknowledging they are subject to it and will comply with its terms. All Annual Certificates of each Supervised Person must be kept for five years after the individual ceases to be a Supervised Person.

C. A copy of each Code that has been in effect at any time during the five-year period.

D. A copy of each report made by a Supervised Person pursuant to this Code, including any broker trade confirmations or account statements that were submitted in lieu of the persons' quarterly transaction reports.

E. A record of all known violations of the Code and of any actions taken as a result thereof, regardless of when the violations were committed.

F. A record of any decision, and the reasons supporting the decision, to approve the acquisition of securities by Supervised Persons, for at least five years after the end of the fiscal year in which the approval is granted.

G. A record of all reports made by the Chief Compliance Officer related to this Code.

IX. NOTICES.

For purposes of this Code, all notices, reports, requests for clearance, questions, contacts, or other communications to the Chief Compliance Officer will be considered delivered if provided to the Chief Compliance Officer via the Adviser's email network.

X. REVIEW.

This Code will be reviewed by the Chief Compliance Officer on an annual basis to ensure that it is meeting its objectives, is functioning fairly and effectively, and is not unduly burdensome to Adviser or Supervised Persons. The Chief Compliance Officer shall issue a report, in writing, to the Board of Directors of the Company stating his or her findings and recommendations as a result of each such review on no less frequently than an annual basis.

Supervised Persons are encouraged to contact the Chief Compliance Officer with any comments, questions or suggestions regarding implementation or improvement of the Code.

SOLAR CAPITAL
ACKNOWLEDGMENT AND CERTIFICATION

COMPLIANCE POLICIES AND PROCEDURES MANUAL

I hereby certify to Solar Capital that:

(1) I have received and reviewed Solar Capital's Compliance Policies and Procedures Manual (the "Compliance Manual");

(2) To the extent I had questions regarding any policy or procedure contained in the Compliance Manual, I received satisfactory answers to those questions from appropriate Solar Capital personnel;

(3) I fully understand the policies and procedures contained in the Compliance Manual;

(4) I understand and acknowledge that I am subject to the Compliance Manual;

(5) I will comply with the policies and procedures contained in the Compliance Manual at all times during my association with Solar Capital, and agree that the Compliance Manual may, under certain circumstances, continue to apply to me subsequent to the termination of my association with Solar Capital.

(6) I understand and acknowledge that if I violate any provision of the Compliance Manual, I will be subject to remedial actions, which may include, but are not limited to, any one or more of the following: (a) a warning; (b) disgorgement of profits; (c) imposition of a fine, which may be substantial; (d) demotion, which may be substantial; (e) suspension of employment, with or without pay; (f) termination of employment; or (g) referral to civil or governmental authorities for possible civil or criminal prosecution. I further understand that, to the extent I would otherwise be eligible for a discretionary bonus, if I violate the Compliance Manual this may reduce or eliminate the discretionary portion of my bonus.

***Date:*_______________________**

____
Signature

____
Print Name

SOLAR CAPITAL
INITIAL REPORT OF SECURITIES ACCOUNTS

In accordance with Solar Capital's policies and procedures, please indicate whether you maintain securities accounts over which you have influence or control and/or in which any securities are held in which you have a Beneficial Ownership Interest[3] ("Securities Accounts"). Securities Accounts include accounts of any kind held at a broker, bank, investment advisor, or money manager.

☐ I do maintain Securities Accounts.

☐ I do not maintain Securities Accounts.

If you indicated above that you do maintain Securities Accounts, please (1) complete the Personal Trading Account and/or Related Trading Account letters of direction (*enclosed*), (2) provide the information in the following table (*use additional paper if necessary*), and (3) attach a copy of the most recent account statement listing holdings for each account identified below:

Account Name	**Broker/Institution Name**	**Account Number**	**Broker/Institution's Address**	**Is this account managed by a 3rd party (such as an investment advisor) on a fully discretionary basis in which you do not direct any transactions? (Yes/No)**

I certify that this form is accurate and complete, and I have attached statements (if any) for all of my Securities Accounts.

____
Signature

____________________________ ____________________________
Date ***Print Name***

3 You will be considered to have a "Beneficial Ownership Interest" in a Security if: (i) you have a Pecuniary Interest in the Security; (ii) you have voting power with respect to the Security, meaning the power to vote or direct the voting of the Security; or (iii) you have the power to dispose, or direct the disposition of, the Security. You will be considered to have a "Pecuniary Interest" in a security if you, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, have the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the security. The term "Pecuniary Interest" is construed very broadly. The following examples illustrate this principle: (i) ordinarily, you will be deemed to have a "Pecuniary Interest" in all Securities owned by members of your Immediate Family who share the same household with you; (ii) if you are a general partner of a general or limited partnership, you will be deemed to have a "Pecuniary Interest" in all Securities held by the partnership; (iii) if you are a shareholder of a corporation or similar business entity, you will be deemed to have a "Pecuniary Interest" in all Securities held by the corporation if you are a controlling shareholder or have or share investment control over the corporation's investment portfolio; (iv) if you have the right to acquire equity Securities through the exercise or conversion of a derivative Security, you will be deemed to have a Pecuniary Interest in the Securities, whether or not your right is presently exercisable; (v) if you are the sole member or a manager of a limited liability company, you will be deemed to have a Pecuniary Interest in the Securities held by the limited liability company; and (vi) ordinarily, if you are a trustee or beneficiary of a trust, where either you or members of your Immediate Family have a vested interest in the principal or income of the trust, you will be deemed to have a Pecuniary Interest in all Securities held by that trust.

SOLAR CAPITAL
QUARTERLY BROKERAGE ACCOUNT
AND NON-BROKER TRANSACTION REPORT

Notes:

1. Capitalized terms not defined in this report are defined in the Code of Ethics of Solar Capital (the "Code").

2. You must cause each broker-dealer that maintains an account over which you have influence or control and holds Securities in which you have a Beneficial Ownership Interest to provide to the Chief Compliance Officer, on a timely basis, duplicate copies of confirmations of all transactions in the account and duplicate statements for the account and you must report to the Chief Compliance Officer, within 30 days of the end of each calendar quarter, all transactions effected without the use of a registered broker-dealer in Securities, other than transactions in Non-Reportable Securities.

The undersigned has requested that you receive duplicate statements and confirmations on his or her behalf from the following brokers:

Name	Broker	Account Number	Date	Date Account Opened
____________	____________	____________	____________	____________
____________	____________	____________	____________	____________
____________	____________	____________	____________	____________

The following are Securities transactions that have **not** been reported and/or executed through a broker-dealer, i.e. during the previous calendar quarter.

Date	Buy/Sell	Security Name	Amount	Price	Broker/Issuer
____________	______	____________	______	______	__________
____________	______	____________	______	______	__________
____________	______	____________	______	______	__________

By signing this document, I am certifying that I have caused duplicate confirmations and duplicate statements to be sent to the Chief Compliance Officer of Solar Capital for every brokerage account that trades in Securities.

______________________________ ____

Date ***Signature***

1. *Transactions required to be reported*. You should report every transaction in which you acquired or disposed of any Security in which you had a Pecuniary Interest during the calendar quarter. The term "Beneficial Ownership Interest" is the subject of a long history of opinions and releases issued by the Securities and Exchange Commission and generally means that you would receive the pecuniary benefits of owning a Security. The term includes, but is not limited to the following cases and any other examples in the Code:

   (A) Where the Security is held for your benefit by others, such as brokers, custodians, banks and pledgees;

   (B) Where the Security is held for the benefit of members of your Immediate Family sharing the same household;

   (C) Where Securities are held by a corporation, partnership, limited liability company, investment club or other entity in which you have an equity interest if you are a controlling equityholder or you have or share investment control over the Securities held by the entity;

   (D) Where Securities are held in a trust for which you are a trustee and under which either you or any member of your Immediate Family have a vested interest in the principal or income; and

   (E) Where Securities are held in a trust for which you are the settlor, unless the consent of all of the beneficiaries is required in order for you to revoke the trust.

   Notwithstanding the foregoing, the following transactions are not required to be reported:

   (A) Transactions in Securities which are direct obligations of the United States;

   (B) Transactions effected in any account over which you have no direct or indirect influence or control; or

   (C) Shares of registered open-end investment companies.

2. *Security Name*. State the name of the issuer and the class of the Security, e.g., common stock, preferred stock or designated issue of debt securities, including the interest rate, principal amount and maturity date, if applicable. In the case of the acquisition or disposition of a futures contract, put, call option or other right, referred to as "options," state the title of the Security subject to the option and the expiration date of the option.

3. *Futures Transactions*. Please remember that duplicates of all Confirmations, Purchase and Sale Reports, and month-end Statements must be sent to Adviser by your broker. Please double check to be sure this occurs if you report a future transaction.

4. *Transaction Date*. In the case of a market transaction, state the trade date, not the settlement date.

5. *Nature of Transaction (Buy or Sale)*. State the character of the transaction, e.g., purchase or sale of Security, purchase or sale of option, or exercise of option.

6. *Amount of Security Involved (No. of Shares)*. State the number of shares of stock, the face amount of debt Securities or other units of other Securities. For options, state the amount of Securities subject to the option. If your ownership interest was through a spouse, relative or other natural person or through a partnership, trust, other entity, state the entire amount of Securities involved in the transaction. In such cases, you may also indicate, if you wish, the extent of your interest in the transaction.

7. *Purchase or Sale Price*. State the purchase or sale price per share or other unit, exclusive of brokerage commissions or other costs of execution. In the case of an option, state the price at which it is currently exercisable. No price need be reported for transactions not involving cash.

8. *Broker, Dealer or Bank Effecting Transaction*. State the name of the broker, dealer or bank with or through whom the transaction was effected.

9. *Signature*. Sign the form in the space provided.

10. *Filing of Report*. This report should be filed NO LATER THAN 30 CALENDAR DAYS following the end of each calendar quarter.

SOLAR CAPITAL
PERSONAL TRADING ACCOUNT
LETTER OF DIRECTION

To Whom This May Concern:

I, ______________________________ (print name), currently maintain an investment account with your institution, and hereby request that duplicate trade confirmations and monthly account statements be disseminated to my employer, Solar Capital, at the following address:

Attn: Chief *C*ompliance Officer
Solar Capital
500 Park Avenue, 5th Floor
New York, NY 10022

If you should have any questions, please do not hesitate to contact me. Thank you for your cooperation.

Sincerely,

NAME: ________________________

DATE: ________________________

PHONE:________________________

SOLAR CAPITAL
RELATED TRADING ACCOUNT
LETTER OF DIRECTION

To Whom This May Concern:

I, ____________________________ (print your name), currently maintain an investment account with your institution. Due to my relationship with _____________________ (print employee's name), who is an employee of Solar Capital, I hereby request that duplicate trade confirmations and monthly account statements be disseminated to the following address:

Attn: Chief *C*ompliance Officer
Solar Capital
500 Park Avenue, 5th Floor
New York, NY 10022

If you should have any questions, please do not hesitate to contact me. Thank you for your cooperation.

Sincerely,

NAME: _____________________

DATE: _____________________

PHONE: ____________________

SOLAR CAPITAL
INITIAL REPORT OF PRIVATE INVESTMENTS

In accordance with Solar Capital policies and procedures, please indicate whether you maintain private investments over which you have influence or control and in which any private investments are held in which you have a Beneficial Ownership Interest.[1] The term private investment is typically defined as an intangible investment and is very broadly construed by Solar Capital. Examples of private investments may include equity in a business or company, a loan to a business or company, an investment in a hedge fund or limited partnership, or securities held in your home or in a safe deposit box. Examples of investments that generally are not considered private investments are your primary residence, vacation home, automobiles, artwork, jewelry, antiques, stamps, and coins.

☐ I do maintain private investments.

☐ I do not maintain private investments.

If you indicated above that you do maintain private investments, please provide the information in the following table (*use additional paper if necessary*):

Description of Private Investment	Value of Private Investment	Approximate Acquisition Date	Does the private investment involve a company that has publicly traded debt or equity? (Yes/No)

I certify that this form and any attachments are accurate and complete and constitute all of my private investments.

Signature

Date

Print Name

1 You will be considered to have a "Beneficial Ownership Interest" in an investment if: (i) you have a Pecuniary Interest in the investment; (ii) you have voting power with respect to the investment, meaning the power to vote or direct the voting of the investment; or (iii) you have the power to dispose, or direct the disposition of, the investment. You will be considered to have a "Pecuniary Interest" in an investment if you, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, have the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the investment. The term "Pecuniary Interest" is construed very broadly. The following examples illustrate this principle: (i) ordinarily, you will be deemed to have a "Pecuniary Interest" in all investments owned by members of your Immediate Family who share the same household with you; (ii) if you are a general partner of a general or limited partnership, you will be deemed to have a "Pecuniary Interest" in all investments held by the partnership; (iii) if you are a shareholder of a corporation or similar business entity, you will be deemed to have a "Pecuniary Interest" in all investments held by the corporation if you are a controlling shareholder or have or share investment control over the corporation's investment portfolio; (iv) if you have the right to acquire equity security through the exercise or conversion of a derivative investment, you will be deemed to have a Pecuniary Interest in the investment, whether or not your right is presently exercisable; (v) if you are the sole member or a manager of a limited liability company, you will be deemed to have a Pecuniary Interest in the investments held by the limited liability company; and (vi) ordinarily, if you are a trustee or beneficiary of a trust, where either you or members of your Immediate Family have a vested interest in the principal or income of the trust, you will be deemed to have a Pecuniary Interest in all investments held by that trust.

INSIDER TRADING POLICIES AND PROCEDURES

I. BACKGROUND

All personal securities trades are subject to these Insider Trading Policies and Procedures. However, compliance with the trading restrictions imposed by these procedures by no means assures full compliance with the prohibition on trading while in the possession of inside information, as defined in these procedures.

Insider trading — trading Securities while in possession of material, nonpublic information or improperly communicating such information to others — may expose a person to stringent penalties. Criminal sanctions may include a fine of up to $1,000,000 and/or ten years' imprisonment. The Commission may recover the profits gained, or losses avoided, through insider trading, obtain a penalty of up to three times the illicit gain or avoided loss, and/or issue an order permanently barring any person engaging in insider trading from the securities industry. In addition, investors may sue seeking to recover damages for insider trading violations.

These Insider Trading Policies and Procedures are drafted broadly and will be applied and interpreted in a similar manner. Regardless of whether a federal inquiry occurs, Solar Capital views seriously any violation of these Insider Trading Policies and Procedures. Any violation constitutes grounds for disciplinary sanctions, including dismissal and/or referral to civil or governmental authorities for possible civil or criminal prosecution.

The law of insider trading is complex; a Supervised Person legitimately may be uncertain about the application of these Insider Trading Policies and Procedures in a particular circumstance. A question could forestall disciplinary action or complex legal problems. Supervised Persons should direct any questions relating to these Insider Trading Policies and Procedures to a Compliance Officer. A Supervised Person must also notify a Compliance Officer immediately if he or she knows or has reason to believe that a violation of these Insider Trading Policies and Procedures has occurred or is about to occur.

Any capitalized terms used but not defined in the Insider Trading Policies and Procedures shall have their respective meanings as defined in the Code of Ethics of Solar Capital.

II. STATEMENT OF FIRM POLICY

A. At all times, the interests of Solar Capital's Clients must prevail over the individual's interest.

B. Buying or selling Securities in the public markets on the basis of material, nonpublic information is prohibited. Similarly, buying and selling securities in a private transaction on the basis of material, nonpublic information is prohibited, except in the limited circumstance in which the information is obtained in connection with a private transaction with an issuer of securities, in which case the private transaction itself is permitted. A prohibited transaction would include purchasing or selling (i) for a Supervised Person's own account or one in which the Supervised Person has direct or indirect influence or control, (ii) for a Client's account, or (iii) for Adviser's inventory account. If any Supervised Person is uncertain as to whether information is "material" or "nonpublic," he or she should consult the Chief Compliance Officer.

C. Disclosing material, nonpublic information to inappropriate personnel, whether or not for consideration, i.e., "tipping," is prohibited. Material, nonpublic information must be disseminated on a "need to know basis" only to appropriate personnel. This would include any confidential discussions between the issuer and personnel of Adviser. The Chief Compliance Officer should be consulted should a question arise as to who is privy to material, nonpublic information.

D. Assisting anyone transacting business on the basis of material, nonpublic information through a third party is prohibited.

E. In view of the Gabelli & Co./GAMCO Investments, Inc. SEC proceeding, it is clear that when a portfolio manager is in a position, due to his official duties at an issuer, to have access to inside information on a relatively continuous basis, self-reporting procedures are not adequate to detect and prevent insider trading. Accordingly, neither Adviser nor an Adviser employee may trade in any securities issued by any company of which any Adviser employee is an employee or insider. ***All Supervised Persons must report to the Chief Compliance Officer or designee any affiliation or business relationship they may have with any issuer (a form of which is attached as Appendix A hereto.)***

F. Supervised Persons should understand that if Solar Capital becomes aware of material, nonpublic information about the issuer of the underlying securities, even if the particular Supervised Person in question does not himself or herself have such knowledge, or enters into certain transactions for clients, Solar Capital will not bear any losses resulting in personal accounts through the implementation of these Insider Trading Policies and Procedures.

G. It is the Company's policy that Supervised Persons may purchase or sell Company securities only during the "window period" that generally begins on the second business day after the Company publicly releases quarterly or annual financial results and extends until the 15th day of the last calendar month of the quarter in which the results are announced (or such shorter time that may be designated by the Chief Executive Officer of the BDC ("CEO") or the Chief Operating Officer of the BDC ("COO") and the CCO). However, the ability of a Supervised Person to engage in transactions in Company securities during window periods is not automatic or absolute. Circumstances may prevent or delay the opening of the window period or cause the window period to be shortened. Further, no trades may be made even during a window period by an individual who possesses material, nonpublic information, other than in accordance with a previously approved Trading Plan.

Notwithstanding the foregoing, Supervised Persons may also purchase or sell Company securities pursuant to a Trading Plan. As used herein, the term "Trading Plan" shall mean a pre-arranged trading plan adopted in accordance with and meeting all of the requirements of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended, that has been approved by the Company's Chief Compliance Officer. A Trading Plan may only be entered into, modified or terminated (i) prior to expiration by Supervised Persons at a time they would otherwise be permitted to purchase or sell Company securities, and (ii) with the prior approval of the Company's Chief Compliance Officer. Each Supervised Person shall be responsible for ensuring compliance with the requirements of Rule 10b5-1(c) with respect to any Trading Plan they may enter into, modify or terminate prior to expiration, notwithstanding the prior approval thereof by the Company's Chief Compliance Officer.

In addition, the Adviser may, subject to regulatory restrictions, award Restricted Stock Units ("RSUs") representing discretionary bonuses as part of an employee deferred compensation plan (the "award") during a closed window period provided that (1) the Adviser, the CEO and the COO are not in possession of material non-public information ("MNPI"); (2) the award does not require a purchase of Company securities on the open market but instead represents a transfer or potential transfer of Company securities then held by the Adviser; and (3) the CCO approves the award in advance. To the extent an award represents non-discretionary compensation, the RSUs may only be awarded in open window periods at a time when the Adviser, the CEO and the COO are not in possession of MNPI.

H. The following reviews principles important to these Insider Trading Policies and Procedures:

1. What is "Material" Information?

Information is "material" when there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions. Generally, information is material if its disclosure will have a substantial effect on the price of a company's Securities. No simple "bright line" test exists to determine whether information is material; assessments of materiality involve highly fact-specific inquiries. ***However, if the***

information you have received is or could be a factor in your trading decision, you must assume that the information is material. Supervised Persons should direct any questions regarding the materiality of information to the Chief Compliance Officer or designee.

Material information often relates to a company's results and operations, including, for example, dividend changes, earnings results, changes in previously released earnings estimates, significant merger or acquisition proposals or agreements, major litigation, liquidation problems, and extraordinary management developments. Material information may also relate to the market for a Security. Information about a significant order to purchase or sell Securities, in some contexts, may be deemed material; similarly, prepublication information regarding reports in the financial press may also be deemed material.

2. What is "Nonpublic" Information?

Information is "nonpublic" until it has been disseminated broadly to investors in the marketplace. Tangible evidence of this dissemination is the best indication that the information is public. For example, information is public after it has become available to the general public through a public filing with the Commission or some other government agency, or available to the Dow Jones "tape" or The Wall Street Journal or some other general circulation publication, and after sufficient time has passed so that the information has been disseminated widely. ***If you believe that you have information concerning an issuer which gives you an advantage over other investors, the information is, in all likelihood, non-public.***

3. Identifying Inside Information.

Before executing any trade for oneself or others, including Clients, a Supervised Person must determine whether he or she has access to material, nonpublic information. If a Supervised Person believes he or she might have access to material, nonpublic information, he or she should:

a. Immediately alert the Chief Compliance Officer or designee, so that the applicable Security is placed on the Restricted List.

b. Not purchase or sell the Securities on his or her behalf or for others, including Clients (except in the limited circumstance in which the information is obtained in connection with a private transaction with an issuer of securities, in which case the private transaction itself is permitted).

c. Not communicate the information inside or outside of Adviser, other than to the Chief Compliance Officer or designee (or, in the limited circumstance of a private transaction with an issuer of securities, to Supervised Persons within Adviser involved in the transaction with a need to know the information).

The Chief Compliance Officer will review the issue, determine whether the information is material and nonpublic, and, if so, what action Adviser should take.

4. Contacts With Public Companies.

Contacts with public companies may represent part of Adviser's research efforts and Adviser may make investment decisions on the basis of its conclusions formed through these contacts and analysis of publicly available information. Difficult legal issues may arise, however, when a Supervised Person, in the course of these contacts, becomes aware of material, nonpublic information. For example, a company's Chief Financial Officer could prematurely disclose quarterly results, or an investor relations representative could make a selective disclosure of adverse news to certain investors. In these situations, Adviser must make a judgment about its further conduct. To protect oneself, Clients, and Adviser, a Supervised Person should immediately contact the Chief Compliance Officer if he or she believes he or she may have received material, nonpublic information.

5. Tender Offers.

Tender offers represent a particular concern in the law of insider trading for two reasons. First, tender offer activity often produces extraordinary movement in the price of the target company's securities. Trading during this time is more likely to attract regulatory attention, and produces a disproportionate percentage of insider trading cases. Second, the Commission has adopted a rule expressly forbidding trading and "tipping" while in possession of material, nonpublic information regarding a tender offer received from the company making the tender offer, the target company, or anyone acting on behalf of either. Supervised Persons must exercise particular caution any time they become aware of nonpublic information relating to a tender offer.

III. INSIDER TRADING PROCEDURES APPLICABLE TO ALL SUPERVISED PERSONS

The following procedures have been established to aid Supervised Persons in avoiding insider trading, and to aid Adviser in preventing, detecting and imposing sanctions against insider trading. Every Supervised Person must follow these procedures or risk serious sanctions, including dismissal, substantial personal liability and criminal penalties. If a Supervised Person has any questions about these procedures, he or she should consult the Chief Compliance Officer or designee.

A. Responsibilities of Supervised Persons.

All Supervised Persons must make a diligent effort to ensure that a violation of these Insider Trading Policies and Procedures does not either intentionally or inadvertently occur. In this regard, all Supervised Persons (other than Disinterested Directors) are responsible for:

(a) Reading, understanding and consenting to comply with these Insider Trading Policies and Procedures. Supervised Persons will be required to sign an acknowledgment that they have read and understood the Compliance Manual and therefore their responsibilities under the Code;

(b) Ensuring that no trading occurs for their account, for any account over which they have direct or indirect influence or control or for any Client's account in Securities included on the Restricted List, or as to which they possess material, nonpublic information, regardless of the Securities being included on the Restricted List (except in the limited circumstance in which the information is obtained in connection with a private transaction with an issuer of securities, in which case the private transaction itself is permitted);

(c) Not disclosing inside information obtained from any source whatsoever to inappropriate persons. Disclosure to family, friends or acquaintances will be grounds for immediate termination and/or referral to civil or governmental authorities for possible civil or criminal prosecution;

(d) Consulting the Chief Compliance Officer or designee when questions arise regarding insider trading or when potential violations of these Insider Trading Policies and Procedures are suspected;

(e) Ensuring that Adviser receives copies of confirmations and statements from both internal and external brokerage firms for accounts of Supervised Persons and members of the Immediate Family of such Supervised Persons sharing the same household;

(f) Advising the Chief Compliance Officer or designee of all outside business activities, directorships, or ownership of over 5% of the shares of a public company. No Supervised Person may engage in any outside business activities as employee, proprietor, partner, consultant, trustee officer or director without prior written consent of the Chief Compliance Officer, or a designee of the Chief Compliance Officer (a form of which is attached as ***Appendix A*** hereto); and

(g) Being aware of, and monitoring, any Clients who are shareholders, directors, and/or senior officers of public companies. Any unusual activity including a purchase or sale of restricted stock must be brought to the attention of the Chief Compliance Officer or designee.

B. Security.

In order to prevent accidental dissemination of material, nonpublic information, personnel must adhere to the following guidelines:

1. Inform management when unauthorized personnel enter the premises.

2. Lock doors at all times in areas that have confidential and secure files.

3. Refrain from discussing sensitive information in public areas.

4. Refrain from leaving confidential information on message devices.

5. Maintain control of sensitive documents, including handouts and copies, intended for internal dissemination only.

6. Ensure that faxes and e-mail messages containing sensitive information are properly sent, and confirm that the recipient has received the intended message.

7. Do not allow passwords to be given to unauthorized personnel.

IV. SUPERVISORY PROCEDURES

Supervisory procedures can be divided into two classifications — prevention of insider trading and detection of insider trading.

A. Prevention of Insider Trading

To prevent insider trading, the Chief Compliance Officer or designee should:

1. Maintain a Restricted List which includes the name of any company, whether or not a client of Adviser, as to which one or more individuals at Adviser has a fiduciary relationship or may have material information which has not been publicly disclosed. The Restricted List is maintained by the Chief Compliance Officer and his or her designees. The Chief Compliance Officer or such other Compliance Officer as may be designated shall be responsible for: (i) determining whether any particular securities should be included on the Restricted List; (ii) determining when Securities should be removed from the Restricted List; and (iii) ensuring that Securities are timely added to and removed from the Restricted List, as appropriate, no less frequently than on a quarterly basis.

2. Answer questions regarding Solar Capital's policies and procedures;

3. Resolve issues of whether information received by an officer, director or employee of Solar Capital constitutes Inside Information and determine what action, if any, should be taken;

4. Review these Insider Trading Policies and Procedures on a regular basis and update them as necessary;

5. When it has been determined that a Supervised Person has Inside Information:

(a) Implement measures to prevent dissemination of such information other than to appropriate Supervised Persons on a "need to know" basis, and

(b) Not permit any Solar Capital employee to execute any transaction in any securities of the issuer in question (except in the limited circumstance in which the information is obtained in connection with a private transaction with an issuer of securities, in which case the private transaction itself is permitted);

6. Implement a program of periodic "reminder" notices regarding insider trading;

7. Confirm with each trader no less frequently than quarterly whether there are any issuers for whom Adviser has Inside Information; and

8. Compile and maintain the Restricted List of securities in which no Supervised Person may trade because Adviser as an entity is deemed to have Inside Information concerning the issuers of such securities and determine when to remove securities from the Restricted List.

B. Detection of Insider Trading

To detect insider trading, the Chief Compliance Officer or designee should:

1. Review daily confirmations and quarterly trading activity reports filed by Supervised Persons; and

2. Promptly investigate all reports of any possible violations of these Insider Trading Policies and Procedures.

C. Special Reports to Management

Promptly upon learning of a potential violation of Solar Capital's Insider Trading Policies and Procedures, the Chief Compliance Officer or designee shall prepare a written report to management providing full details, which may include (1) the name of particular securities involved, if any, (2) the date(s) Solar Capital learned of the potential violation and began investigating; (3) the accounts and individuals involved; (4) actions taken as a result of the investigation, if any; and (5) recommendations for further action.

D. General Reports to Management

At least yearly, the Chief Compliance Officer will prepare a written report to the management of Adviser setting forth some or all of the following:

1. A summary of existing procedures to detect and prevent insider trading;

2. A summary of changes in procedures made in the last year;

3. Full details of any investigation, whether internal or by a regulatory agency, since the last report regarding any suspected insider trading, the results of the investigation and a description of any changes in procedures promptly by any such investigation; and

4. An evaluation of the current procedures and a description of anticipated changes in procedures.

SOLAR CAPITAL
INITIAL REPORT OF OUTSIDE BUSINESS ACTIVITIES

In accordance with Solar Capital policies and procedures, please indicate whether you engage in any outside business activities. Outside business activities include, but are not limited to, serving as owner, partner, trustee, officer, director, finder, referrer, or employee of another business organization for compensation, or any activity for compensation outside my usual responsibilities at Solar Capital.[1]

☐ I do engage in outside business activities

☐ I do not engage in any outside business activities

If you indicated above that you do engage in outside business activities, please complete the following table (*use additional paper if necessary*):

Name of Business Entity	Summary of Outside Business Activity	Summary of Compensation	Is the Business Entity Related to a Publicly Traded Company? (Yes/No)

I certify that this form and any attachments are accurate and complete and constitute all of my outside business activities.

____
Signature

____________________ ______________________________
Date ***Print Name***

1 Compensation includes salaries, director's fees, referral fees, stock options, finder's fees, and anything of present or future value.

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael S. Gross, Chief Executive Officer of Solar Capital Ltd., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Solar Capital Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 6th day of May, 2019

/S/ MICHAEL S. GROSS

Michael S. Gross

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard L. Peteka, Chief Financial Officer of Solar Capital Ltd., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Solar Capital Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 6th day of May, 2019

/S/ RICHARD L. PETEKA

Richard L. Peteka

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2019 (the “Report”) of Solar Capital Ltd. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, MICHAEL S. GROSS, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/S/ MICHAEL S. GROSS

Name: **Michael S. Gross**
Date: **May 6, 2019**

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2019 (the “Report”) of Solar Capital Ltd. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, RICHARD L. PETEKA, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/S/ RICHARD L. PETEKA

Name: **Richard L. Peteka**
Date: **May 6, 2019**