

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2021

OR

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

Commission file number: 814-00866

MONROE CAPITAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

27-4895840
(I.R.S. Employer
Identification No.)

311 South Wacker Drive, Suite 6400
Chicago, Illinois
(Address of Principal Executive Office)

60606
(Zip Code)

(312) 258-8300

(Registrant's Telephone Number, Including Area Code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001 per share	MRCC	The Nasdaq Global Select Market

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

As of May 3, 2021, the registrant had 21,303,540 shares of common stock, \$0.001 par value, outstanding.

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Part I. Financial Information
Item 1. Consolidated Financial Statements

MONROE CAPITAL CORPORATION

CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except per share data)

	<u>March 31, 2021</u>	<u>December 31, 2020</u>
	<u>(unaudited)</u>	
ASSETS		
Investments, at fair value:		
Non-controlled/non-affiliate company investments	\$ 372,493	\$ 398,040
Non-controlled affiliate company investments	107,819	109,715
Controlled affiliate company investments	41,067	39,284
Total investments, at fair value (amortized cost of: \$565,821 and \$596,103, respectively)	521,379	547,039
Cash	7,723	6,769
Restricted cash	8,165	25,657
Unrealized gain on foreign currency forward contracts	221	—
Interest receivable	5,944	4,606
Other assets	1,041	1,052
Total assets	<u>544,473</u>	<u>585,123</u>
LIABILITIES		
Debt:		
Revolving credit facility	92,891	126,559
2023 Notes	—	109,000
2026 Notes	130,000	—
SBA debentures payable	86,900	115,000
Total debt	309,791	350,559
Less: Unamortized deferred financing costs	(7,715)	(7,052)
Total debt, less unamortized deferred financing costs	302,076	343,507
Interest payable	1,809	2,764
Unrealized loss on foreign currency forward contracts	—	113
Management fees payable	2,334	1,978
Incentive fees payable	193	—
Accounts payable and accrued expenses	1,863	2,327
Directors' fees payable	35	—
Total liabilities	<u>308,310</u>	<u>350,689</u>
Net assets	<u>\$ 236,163</u>	<u>\$ 234,434</u>
Commitments and contingencies (See Note 11)		
ANALYSIS OF NET ASSETS		
Common stock, \$0.001 par value, 100,000 shares authorized, 21,304 and 21,304 shares issued and outstanding, respectively	\$ 21	\$ 21
Capital in excess of par value	294,897	294,897
Accumulated undistributed (overdistributed) earnings	(58,755)	(60,484)
Total net assets	<u>\$ 236,163</u>	<u>\$ 234,434</u>
Net asset value per share	<u>\$ 11.08</u>	<u>\$ 11.00</u>

See Notes to Consolidated Financial Statements.

MONROE CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except per share data)

	Three months ended March 31,	
	2021	2020
Investment income:		
Non-controlled/non-affiliate company investments:		
Interest income	\$ 8,233	\$ 12,347
Payment-in-kind interest income	654	71
Dividend income	20	16
Fee income	477	198
Total investment income from non-controlled/non-affiliate company investments	9,384	12,632
Non-controlled affiliate company investments:		
Interest income	1,562	190
Payment-in-kind interest income	1,025	1,005
Dividend income	42	25
Total investment income from non-controlled affiliate company investments	2,629	1,220
Controlled affiliate company investments:		
Dividend income	1,200	1,150
Total investment income from controlled affiliate company investments	1,200	1,150
Total investment income	13,213	15,002
Operating expenses:		
Interest and other debt financing expenses	4,453	4,830
Base management fees	2,334	2,551
Incentive fees	830	—
Professional fees	226	215
Administrative service fees	356	338
General and administrative expenses	260	231
Directors' fees	35	35
Expenses before incentive fee waiver	8,494	8,200
Incentive fee waiver	(637)	—
Total expenses, net of incentive fee waiver	7,857	8,200
Net investment income before income taxes	5,356	6,802
Income taxes, including excise taxes	30	20
Net investment income	5,326	6,782
Net gain (loss):		
Net realized gain (loss):		
Non-controlled/non-affiliate company investments	58	94
Non-controlled affiliate company investments	(250)	—
Extinguishment of debt	(2,774)	—
Foreign currency forward contracts	(38)	(4)
Foreign currency and other transactions	(14)	(15)
Net realized gain (loss)	(3,018)	75
Net change in unrealized gain (loss):		
Non-controlled/non-affiliate company investments	4,641	(20,355)
Non-controlled affiliate company investments	(1,802)	(13,707)
Controlled affiliate company investments	1,783	(11,087)
Foreign currency forward contracts	334	98
Foreign currency and other transactions	(209)	1,344
Net change in unrealized gain (loss)	4,747	(43,707)
Net gain (loss)	1,729	(43,632)
Net increase (decrease) in net assets resulting from operations	\$ 7,055	\$ (36,850)
Per common share data:		
Net investment income per share - basic and diluted	\$ 0.25	\$ 0.33
Net increase (decrease) in net assets resulting from operations per share - basic and diluted	\$ 0.33	\$ (1.81)
Weighted average common shares outstanding - basic and diluted	21,304	20,445

See Notes to Consolidated Financial Statements.

MONROE CAPITAL CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(unaudited)
(in thousands)

	Common Stock		Capital in excess of par value	Accumulated undistributed	Total net assets
	Number of shares	Par value		(overdistributed) earnings	
Balances at December 31, 2019	20,445	\$ 20	\$ 288,850	\$ (39,513)	\$ 249,357
Net investment income	—	—	—	6,782	6,782
Net realized gain (loss)	—	—	—	75	75
Net change in unrealized gain (loss)	—	—	—	(43,707)	(43,707)
Distributions to stockholders	—	—	—	(7,155)	(7,155)
Balances at March 31, 2020	<u>20,445</u>	<u>\$ 20</u>	<u>\$ 288,850</u>	<u>\$ (83,518)</u>	<u>\$ 205,352</u>
Balances at December 31, 2020	21,304	\$ 21	\$ 294,897	\$ (60,484)	\$ 234,434
Net investment income	—	—	—	5,326	5,326
Net realized gain (loss)	—	—	—	(3,018)	(3,018)
Net change in unrealized gain (loss)	—	—	—	4,747	4,747
Distributions to stockholders	—	—	—	(5,326)	(5,326)
Balances at March 31, 2021	<u>21,304</u>	<u>\$ 21</u>	<u>\$ 294,897</u>	<u>\$ (58,755)</u>	<u>\$ 236,163</u>

See Notes to Consolidated Financial Statements.

MONROE CAPITAL CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Three months ended March 31,	
	2021	2020
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	\$ 7,055	\$ (36,850)
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net realized (gain) loss on investments	192	(94)
Net realized (gain) loss on extinguishment of debt	2,774	—
Net realized (gain) loss on foreign currency forward contracts	38	4
Net realized (gain) loss on foreign currency and other transactions	14	15
Net change in unrealized (gain) loss on investments	(4,622)	45,149
Net change in unrealized (gain) loss on foreign currency forward contracts	(334)	(98)
Net change in unrealized (gain) loss on foreign currency and other transactions	209	(1,344)
Payment-in-kind interest income	(1,679)	(1,076)
Net accretion of discounts and amortization of premiums	(352)	(344)
Purchases of investments	(43,744)	(71,088)
Proceeds from principal payments, sales of investments and settlement of forward contracts	75,827	52,843
Amortization of deferred financing costs	601	484
Changes in operating assets and liabilities:		
Interest receivable	(1,338)	(879)
Other assets	11	(264)
Interest payable	(955)	(956)
Management fees payable	356	(200)
Incentive fees payable	193	(1,374)
Accounts payable and accrued expenses	(464)	(320)
Directors' fees payable	35	35
Net cash provided by (used in) operating activities	33,817	(16,357)
Cash flows from financing activities:		
Borrowings on revolving credit facility	113,600	51,700
Repayments of revolving credit facility	(147,450)	(38,600)
Repayment of 2023 Notes	(109,000)	—
Proceeds from 2026 Notes	130,000	—
Repayment of SBA debentures	(28,100)	—
Payments of deferred financing costs	(4,038)	—
Stockholder distributions paid, net of stock issued under the dividend reinvestment plan of \$0 and \$0, respectively	(5,326)	(7,155)
Net cash provided by (used in) financing activities	(50,314)	5,945
Net increase (decrease) in Cash and Restricted cash	(16,497)	(10,412)
Effect of foreign currency exchange rates	(41)	(19)
Cash and Restricted cash, beginning of period	32,426	29,643
Cash and Restricted cash, end of period	\$ 15,888	\$ 19,212
Supplemental disclosure of cash flow information:		
Cash interest paid during the period	\$ 4,774	\$ 5,294
Cash paid (refund received) for income taxes, including excise taxes during the period	\$ 400	\$ 85

The following tables provide a reconciliation of cash and restricted cash reported on the Consolidated Statements of Assets and Liabilities that sum to the total of the same such amounts on the Consolidated Statements of Cash Flows:

	March 31, 2021	December 31, 2020
Cash	\$ 7,723	\$ 6,769
Restricted cash	8,165	25,657
Total cash and restricted cash shown on the Consolidated Statements of Cash Flows	\$ 15,888	\$ 32,426
	March 31, 2020	December 31, 2019
Cash	\$ 9,320	\$ 2,234
Restricted cash	9,892	27,409
Total cash and restricted cash shown on the Consolidated Statements of Cash Flows	\$ 19,212	\$ 29,643

See Notes to Consolidated Financial Statements.

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
(unaudited)
March 31, 2021
(in thousands, except for shares and units)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate	Acquisition Date ^(c)	Maturity	Principal	Amortized Cost	Fair Value ^(d)	% of Net Assets ^(e)
Non-Controlled/Non-Affiliate Company Investments								
Senior Secured Loans								
Automotive								
Hastings Manufacturing Company	L+7.75%	8.75%	4/24/2018	4/24/2023	2,783	\$ 2,757	\$ 2,783	1.2%
Magneto & Diesel Acquisition, Inc.	L+6.05%	7.10%	12/18/2018	12/18/2023	4,876	4,826	4,876	2.1%
Magneto & Diesel Acquisition, Inc.	L+6.05%	7.10%	7/6/2020	12/18/2023	1,918	1,888	1,944	0.8%
Magneto & Diesel Acquisition, Inc. (Revolver) ^(f)	L+5.50%	6.55%	12/18/2018	12/18/2023	500	—	—	0.0%
					10,077	9,471	9,603	4.1%
Banking, Finance, Insurance & Real Estate								
J2 BWA Funding, LLC (Delayed Draw) ^{(f) (g) (h)}	n/a	9.00%	12/24/2020	12/24/2026	2,750	267	265	0.1%
Liftforward SPV II, LLC ^(g)	L+10.75%	11.25%	11/10/2016	6/30/2021	1,586	1,586	1,495	0.6%
NCBP Property, LLC ^(g)	L+9.50%	10.50%	12/18/2020	12/16/2022	1,950	1,934	1,942	0.8%
Oceana Australian Fixed Income Trust ^{(g) (i) (j)}	n/a	11.50%	2/25/2021	2/25/2026	8,165	8,460	8,165	3.5%
StarCompliance MidCo, LLC	L+6.75%	7.75%	1/12/2021	1/11/2027	2,000	1,962	1,998	0.8%
StarCompliance MidCo, LLC (Revolver) ^(f)	L+6.75%	7.75%	1/12/2021	1/11/2027	322	—	—	0.0%
US Claims Litigation Funding, LLC (Revolver) ^{(f) (g)}	L+8.75%	9.75%	11/30/2020	11/29/2024	1,500	1,200	1,190	0.5%
W3 Monroe RE Debt LLC ^(g)	n/a	10.00%	2/5/2021	2/4/2028	2,725	2,725	2,725	1.2%
					20,998	18,134	17,780	7.5%
Beverage, Food & Tobacco								
LX/JT Intermediate Holdings, Inc. ^(k)	L+6.00%	7.50%	3/11/2020	3/11/2025	9,643	9,486	9,392	4.0%
LX/JT Intermediate Holdings, Inc. (Revolver) ^(f)	L+6.00%	7.50%	3/11/2020	3/11/2025	833	—	—	0.0%
Toojay's Management, LLC ^(l)	n/a	n/a ^(m)	10/26/2018	10/26/2022	1,448	1,407	—	0.0%
Toojay's Management, LLC ^(l)	n/a	n/a ^(m)	10/26/2018	10/26/2022	199	199	—	0.0%
Toojay's Management, LLC (Revolver) ^(l)	n/a	n/a ^(m)	10/26/2018	10/26/2022	66	66	—	0.0%
					12,189	11,158	9,392	4.0%
Capital Equipment								
MCP Shaw Acquisitionco, LLC ^(k)	L+6.50%	7.50%	2/28/2020	11/28/2025	9,899	9,736	9,800	4.1%
MCP Shaw Acquisitionco, LLC (Revolver) ^(f)	L+6.50%	7.50%	2/28/2020	11/28/2025	1,784	—	—	0.0%
					11,683	9,736	9,800	4.1%
Chemicals, Plastics & Rubber								
Midwest Composite Technologies, LLC ^(k)	L+6.75%	7.75%	12/2/2019	8/31/2023	14,888	14,686	14,903	6.3%
Midwest Composite Technologies, LLC	L+6.75%	7.75%	8/31/2018	8/31/2023	884	875	885	0.4%
Midwest Composite Technologies, LLC	L+6.75%	7.75%	8/31/2018	8/31/2023	508	508	509	0.2%
Midwest Composite Technologies, LLC (Revolver) ^(f)	L+6.75%	7.75%	8/31/2018	8/31/2023	90	—	—	0.0%
Valudor Products, LLC	L+7.50%	7.00% Cash/ 1.50% PIK	6/18/2018	6/19/2023	1,567	1,552	1,733	0.7%
Valudor Products, LLC ⁽ⁿ⁾	L+7.50%	8.50% PIK	6/18/2018	6/19/2023	222	219	—	0.0%
Valudor Products, LLC (Revolver) ^(f)	L+9.50%	10.50%	6/18/2018	6/19/2023	818	669	641	0.3%
					18,977	18,509	18,671	7.9%
Construction & Building								
Cali Bamboo, LLC	L+9.50%	8.00% Cash/ 2.50% PIK	7/10/2015	3/31/2022	6,902	6,902	6,902	2.9%
Cali Bamboo, LLC (Revolver) ^(f)	L+9.50%	8.00% Cash/ 2.50% PIK	7/10/2015	3/31/2022	2,165	—	—	0.0%
Dude Solutions Holdings, Inc.	L+7.50%	8.50%	6/14/2019	6/13/2025	9,963	9,793	9,953	4.2%
Dude Solutions Holdings, Inc. (Revolver) ^(f)	L+7.50%	8.50%	6/14/2019	6/13/2025	1,304	—	—	0.0%
					20,334	16,695	16,855	7.1%
Consumer Goods: Durable								
Parterre Flooring & Surface Systems, LLC ^(k)	L+9.00%	10.00% ^(m)	8/22/2017	8/22/2022	6,936	6,203	475	0.2%
					6,936	6,203	475	0.2%
Consumer Goods: Non-Durable								
Thrasio, LLC	L+7.00%	8.00%	12/18/2020	12/18/2026	1,496	1,461	1,498	0.6%
Thrasio, LLC (Delayed Draw) ^{(f) (h)}	L+7.00%	8.00%	12/18/2020	12/18/2026	990	—	—	0.0%
					2,486	1,461	1,498	0.6%
Environmental Industries								
Quest Resource Management Group, LLC	L+8.50%	9.75%	10/19/2020	10/20/2025	997	931	1,027	0.4%
Quest Resource Management Group, LLC (Delayed Draw) ^{(f) (h)}	L+8.50%	9.75%	10/19/2020	10/20/2025	1,087	—	—	0.0%
StormTrap, LLC	L+5.50%	6.50%	12/10/2018	12/8/2023	7,820	7,739	7,820	3.3%
StormTrap, LLC (Revolver) ^(f)	L+5.50%	6.50%	12/10/2018	12/8/2023	432	—	—	0.0%
Synergy Environmental Corporation ^(k)	L+6.00%	7.00%	4/29/2016	9/29/2023	2,877	2,867	2,880	1.2%
Synergy Environmental Corporation ^(k)	L+6.00%	7.00%	4/29/2016	9/29/2023	481	479	481	0.2%
Synergy Environmental Corporation	L+6.00%	7.00%	4/29/2016	9/29/2023	820	820	821	0.4%
Synergy Environmental Corporation (Revolver) ^(f)	L+6.00%	7.00%	4/29/2016	9/29/2023	671	67	67	0.0%
					15,185	12,903	13,096	5.5%
Healthcare & Pharmaceuticals								
American Optics Holdco, Inc. ^{(g) (i)}	L+6.50%	7.50%	9/13/2017	9/13/2022	2,143	2,129	2,143	0.9%
American Optics Holdco, Inc. ^{(g) (i)}	L+6.50%	7.50%	9/13/2017	9/13/2022	1,616	1,604	1,616	0.7%
American Optics Holdco, Inc. (Revolver) ^{(f) (g) (i)}	L+6.50%	7.50%	9/13/2017	9/13/2022	220	—	—	0.0%
American Optics Holdco, Inc. (Revolver) ^{(f) (g) (i)}	L+6.50%	7.50%	9/13/2017	9/13/2022	440	—	—	0.0%
Apotheco, LLC	L+8.50%	6.50% Cash/ 3.00% PIK	4/8/2019	4/8/2024	3,568	3,523	3,312	1.4%
Apotheco, LLC (Revolver)	L+8.50%	6.50% Cash/ 3.00% PIK	4/8/2019	4/8/2024	934	934	867	0.4%
Brickell Bay Acquisition Corp.	L+7.00%	8.00%	2/12/2021	2/12/2026	4,000	3,922	3,980	1.7%
Brickell Bay Acquisition Corp. (Delayed Draw) ^{(f) (h)}	L+7.00%	8.00%	2/12/2021	2/12/2026	800	—	—	0.0%
Rockdale Blackhawk, LLC	n/a	n/a ^(o)	3/31/2015	n/a ^(p)	—	—	1,592	0.7%
Seran BioScience, LLC	L+7.25%	8.25%	12/31/2020	12/31/2025	2,500	2,453	2,497	1.0%
Seran BioScience, LLC (Revolver) ^(f)	L+7.25%	8.25%	12/31/2020	12/31/2025	444	—	—	0.0%
					16,665	14,565	16,007	6.8%

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
(unaudited)
March 31, 2021
(in thousands, except for shares and units)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate	Acquisition Date ^(c)	Maturity	Principal	Amortized Cost	Fair Value ^(d)	% of Net Assets ^(e)
High Tech Industries								
Arcstor Midco, LLC	L+7.00%	8.00%	3/16/2021	3/16/2027	4,500	\$ 4,410	\$ 4,500	1.9%
MarkLogic Corporation	L+8.00%	9.00%	10/20/2020	10/20/2025	3,491	3,411	3,561	1.5%
MarkLogic Corporation (Revolver) ^(f)	L+6.00%	7.00%	10/20/2020	10/20/2025	269	—	—	0.0%
Mindbody, Inc.	L+8.50%	8.00% Cash/ 1.50% PIK	2/15/2019	2/14/2025	6,413	6,327	6,201	2.6%
Mindbody, Inc. (Revolver) ^(f)	L+8.00%	9.00%	2/15/2019	2/14/2025	667	—	—	0.0%
Newforma, Inc. ^(k)	L+5.00%	6.00%	6/30/2017	6/30/2022	11,806	11,755	11,802	5.0%
Newforma, Inc. (Revolver) ^(f)	L+5.00%	6.00%	6/30/2017	6/30/2022	1,250	—	—	0.0%
Planful, Inc.	L+6.50%	7.50%	12/28/2018	12/30/2024	9,500	9,387	9,462	4.0%
Planful, Inc. (Delayed Draw) ^{(f) (h)}	L+6.50%	7.50%	1/11/2021	12/30/2024	1,325	442	440	0.2%
Planful, Inc. (Revolver) ^(f)	L+6.50%	7.50%	12/28/2018	12/30/2024	442	88	88	0.1%
RPL Bidco Limited ^{(g) (i) (q)}	L+7.00%	7.50%	11/9/2017	11/9/2023	14,488	13,821	14,485	6.1%
RPL Bidco Limited ^{(g) (i) (q)}	L+7.00%	7.50%	5/22/2018	11/9/2023	1,792	1,639	1,791	0.8%
RPL Bidco Limited ^{(g) (i) (q)}	L+7.00%	7.50%	3/3/2021	11/9/2023	1,240	1,256	1,240	0.5%
RPL Bidco Limited (Revolver) ^{(f) (g) (i) (q)}	L+7.00%	7.50%	11/9/2017	11/9/2023	551	—	—	0.0%
					57,734	52,536	53,570	22.7%
Hotels, Gaming & Leisure								
Equine Network, LLC	L+8.00%	9.00%	12/31/2020	12/31/2025	1,750	1,713	1,754	0.8%
Equine Network, LLC	L+8.00%	9.00%	1/29/2021	12/31/2025	794	778	796	0.3%
Equine Network, LLC (Delayed Draw) ^{(f) (h)}	L+8.00%	9.00%	12/31/2020	12/31/2025	427	—	—	0.0%
Equine Network, LLC (Revolver) ^(f)	L+8.00%	9.00%	12/31/2020	12/31/2025	171	—	—	0.0%
					3,142	2,491	2,550	1.1%
Media: Advertising, Printing & Publishing								
AdTheorent Holding Company, LLC	L+8.50%	9.00%	12/22/2016	12/22/2021	2,637	2,629	2,635	1.1%
Destination Media, Inc. ^(k)	L+5.50%	6.50%	4/7/2017	4/7/2022	4,225	4,209	4,225	1.8%
Destination Media, Inc. (Revolver) ^(f)	L+5.50%	6.50%	4/7/2017	4/7/2022	542	—	—	0.0%
North Haven USHC Acquisition, Inc.	L+6.50%	7.50%	10/30/2020	10/30/2025	2,494	2,449	2,519	1.1%
North Haven USHC Acquisition, Inc. (Delayed Draw) ^{(f) (h)}	L+6.50%	7.50%	3/12/2021	10/30/2025	721	—	—	0.0%
North Haven USHC Acquisition, Inc. (Revolver) ^(f)	L+6.50%	7.50%	10/30/2020	10/30/2025	240	—	—	0.0%
Relevate Health Group, LLC	L+6.25%	7.25%	11/20/2020	11/20/2025	1,500	1,472	1,530	0.6%
Relevate Health Group, LLC (Delayed Draw) ^{(f) (h)}	L+6.25%	7.25%	11/20/2020	11/20/2025	789	671	684	0.3%
Relevate Health Group, LLC (Revolver) ^(f)	L+6.25%	7.25%	11/20/2020	11/20/2025	316	—	—	0.0%
Stratus Unlimited, LLC	L+7.00%	8.00%	12/22/2017	8/30/2024	14,791	14,737	14,791	6.3%
Stratus Unlimited, LLC (Revolver) ^(f)	L+7.00%	8.00%	12/22/2017	8/30/2024	3,490	—	—	0.0%
XanEdu Publishing, Inc.	L+6.50%	7.50%	1/28/2020	1/28/2025	1,881	1,851	1,889	0.8%
XanEdu Publishing, Inc. (Revolver) ^(f)	L+6.50%	7.50%	1/28/2020	1/28/2025	495	—	—	0.0%
					34,121	28,018	28,273	12.0%
Media: Broadcasting & Subscription								
Vice Group Holding, Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	5/2/2019	11/2/2022	1,438	1,432	1,438	0.6%
Vice Group Holding, Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	11/4/2019	11/2/2022	276	273	276	0.1%
Vice Group Holding, Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	5/2/2019	11/2/2022	451	451	451	0.2%
Vice Group Holding, Inc.	L+12.00%	5.50% Cash/ 8.00% PIK	5/2/2019	11/2/2022	170	170	170	0.1%
					2,335	2,326	2,335	1.0%
Media: Diversified & Production								
Attom Intermediate Holdco, LLC	L+5.75%	6.75%	1/4/2019	1/4/2024	1,955	1,932	1,934	0.8%
Attom Intermediate Holdco, LLC	L+7.50%	8.75%	6/25/2020	1/4/2024	476	469	491	0.2%
Attom Intermediate Holdco, LLC (Revolver) ^(f)	L+5.75%	6.75%	1/4/2019	1/4/2024	320	—	—	0.0%
Crownpeak Technology, Inc.	L+6.25%	7.25%	2/28/2019	2/28/2024	4,000	3,951	3,998	1.7%
Crownpeak Technology, Inc.	L+6.25%	7.25%	2/28/2019	2/28/2024	60	60	60	0.0%
Crownpeak Technology, Inc. (Revolver) ^(f)	L+6.25%	7.25%	2/28/2019	2/28/2024	167	—	—	0.0%
					6,978	6,412	6,483	2.7%
Retail								
BLST Operating Company, LLC	L+9.00%	1.00% Cash/ 9.00% PIK ^(m)	8/28/2020	8/28/2025	1,259	1,223	1,039	0.4%
Forman Mills, Inc. ^(k)	L+9.50%	8.50% Cash/ 2.00% PIK	1/14/2020	12/30/2022	1,336	1,336	1,320	0.6%
Forman Mills, Inc. ^(k)	L+9.50%	8.50% Cash/ 2.00% PIK	10/4/2016	12/30/2022	760	758	751	0.3%
Forman Mills, Inc. ^(k)	L+9.50%	8.50% Cash/ 2.00% PIK	10/4/2016	12/30/2022	7,623	7,605	7,047	3.0%
LuLu's Fashion Lounge, LLC	L+9.50%	8.00% Cash/ 2.50% PIK	8/21/2017	8/29/2022	4,055	4,015	3,467	1.5%
The Worth Collection, Ltd. ^(k)	L+8.50%	9.00% ^(m)	9/29/2016	9/29/2021	10,587	10,248	120	0.0%
					25,620	25,185	13,744	5.8%

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
(unaudited)
March 31, 2021
(in thousands, except for shares and units)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate	Acquisition Date ^(c)	Maturity	Principal	Amortized Cost	Fair Value ^(d)	% of Net Assets ^(e)
Services: Business								
Atlas Sign Industries of FLA, LLC ^(k)	L+11.50%	11.50% Cash/ 1.00% PIK	5/14/2018	5/15/2023	3,572	\$ 3,377	\$ 3,561	1.5%
Burroughs, Inc. ^(k)	L+6.50%	7.50%	12/22/2017	12/22/2022	5,726	5,687	5,726	2.4%
Burroughs, Inc. (Revolver) ^(f)	L+6.50%	7.50%	12/22/2017	12/22/2022	1,220	—	—	0.0%
Certify, Inc.	L+5.75%	6.75%	2/28/2019	2/28/2024	9,000	8,916	9,000	3.8%
Certify, Inc.	L+5.75%	6.75%	2/28/2019	2/28/2024	1,227	1,227	1,227	0.5%
Certify, Inc. (Revolver) ^(f)	L+5.75%	6.75%	2/28/2019	2/28/2024	409	102	102	0.0%
HS4 Acquisitionco, Inc.	L+6.75%	7.75%	7/9/2019	7/9/2025	10,050	9,897	9,950	4.2%
HS4 Acquisitionco, Inc. (Revolver) ^(f)	L+6.75%	7.75%	7/9/2019	7/9/2025	817	—	—	0.0%
IT Global Holding, LLC	L+9.00%	10.00%	11/15/2018	11/10/2023	7,625	7,534	7,625	3.2%
IT Global Holding, LLC	L+9.00%	10.00%	7/19/2019	11/10/2023	2,843	2,801	2,843	1.2%
IT Global Holding, LLC (Revolver)	L+9.00%	10.00%	11/15/2018	11/10/2023	875	875	875	0.4%
RedZone Robotics, Inc.	L+7.25%	7.75% Cash/ 0.50% PIK	6/1/2018	6/5/2023	220	217	220	0.1%
RedZone Robotics, Inc. (Revolver) ^(f)	L+7.25%	7.75% Cash/ 0.50% PIK	6/1/2018	6/5/2023	158	—	—	0.0%
Security Services Acquisition Sub Corp. ^(k)	L+6.00%	7.00%	2/15/2019	2/15/2024	3,430	3,389	3,433	1.5%
Security Services Acquisition Sub Corp. ^(k)	L+6.00%	7.00%	2/15/2019	2/15/2024	2,467	2,467	2,470	1.1%
Security Services Acquisition Sub Corp. ^(k)	L+6.00%	7.00%	2/15/2019	2/15/2024	2,167	2,167	2,170	0.9%
Security Services Acquisition Sub Corp. ^(k)	L+6.00%	7.00%	2/15/2019	2/15/2024	1,559	1,559	1,560	0.7%
VPS Holdings, LLC	L+7.00%	8.00%	10/5/2018	10/4/2024	3,601	3,553	3,411	1.4%
VPS Holdings, LLC	L+7.00%	8.00%	10/5/2018	10/4/2024	2,939	2,939	2,784	1.2%
VPS Holdings, LLC (Revolver) ^(f)	L+7.00%	8.00%	10/5/2018	10/4/2024	1,000	100	95	0.1%
					<u>60,905</u>	<u>56,807</u>	<u>57,052</u>	<u>24.2%</u>
Services: Consumer								
Express Wash Acquisition Company, LLC	L+6.50%	7.50%	12/28/2020	12/26/2025	2,500	2,459	2,500	1.1%
Express Wash Acquisition Company, LLC (Revolver) ^(f)	L+6.50%	7.50%	12/28/2020	12/26/2025	1,000	150	150	0.1%
IDIG Parent, LLC	L+6.50%	7.50%	12/15/2020	12/15/2026	5,558	5,453	5,565	2.4%
IDIG Parent, LLC (Delayed Draw) ^{(f) (h)}	L+6.50%	7.50%	12/15/2020	12/15/2026	918	—	—	0.0%
IDIG Parent, LLC (Revolver) ^(f)	L+6.50%	7.50%	12/15/2020	12/15/2026	429	—	—	0.0%
Mammoth Holdings, LLC	L+6.00%	7.00%	10/16/2018	10/16/2023	1,955	1,933	1,957	0.8%
Mammoth Holdings, LLC	L+6.00%	7.00%	10/16/2018	10/16/2023	4,104	4,104	4,108	1.7%
Mammoth Holdings, LLC (Delayed Draw) ^{(f) (h)}	L+6.00%	7.00%	3/12/2021	10/16/2023	6,386	—	—	0.0%
Mammoth Holdings, LLC (Revolver) ^(f)	L+6.00%	7.00%	10/16/2018	10/16/2023	657	—	—	0.0%
					<u>23,507</u>	<u>14,099</u>	<u>14,280</u>	<u>6.1%</u>
Wholesale								
Nearly Natural, Inc. ^(k)	L+6.75%	7.75%	12/15/2017	12/15/2022	6,598	6,547	6,598	2.8%
Nearly Natural, Inc.	L+6.75%	7.75%	2/16/2021	12/15/2022	3,095	3,039	3,095	1.3%
Nearly Natural, Inc. ^(k)	L+6.75%	7.75%	9/22/2020	12/15/2022	1,706	1,681	1,706	0.7%
Nearly Natural, Inc. ^(k)	L+6.75%	7.75%	8/28/2019	12/15/2022	1,858	1,858	1,858	0.8%
Nearly Natural, Inc. (Revolver) ^(f)	L+6.75%	7.75%	12/15/2017	12/15/2022	2,397	639	639	0.3%
					<u>15,654</u>	<u>13,764</u>	<u>13,896</u>	<u>5.9%</u>
Total Non-Controlled/Non-Affiliate Senior Secured Loans					<u>365,526</u>	<u>320,473</u>	<u>305,360</u>	<u>129.3%</u>
Unitranche Secured Loans ^(f)								
Chemicals, Plastics & Rubber								
MFG Chemical, LLC ^(k)	L+9.00%	10.00%	6/23/2017	6/23/2022	9,232	9,192	9,232	3.9%
MFG Chemical, LLC	L+9.00%	10.00%	3/15/2018	6/23/2022	976	976	976	0.4%
					<u>10,208</u>	<u>10,168</u>	<u>10,208</u>	<u>4.3%</u>
Healthcare & Pharmaceuticals								
Priority Ambulance, LLC ^(s)	L+5.75%	6.75%	7/18/2018	4/12/2022	10,015	10,015	9,965	4.2%
Priority Ambulance, LLC ^(t)	L+5.75%	6.75%	4/12/2017	4/12/2022	1,253	1,244	1,247	0.5%
Priority Ambulance, LLC	L+5.75%	6.75%	12/13/2018	4/12/2022	668	668	665	0.3%
Priority Ambulance, LLC (Delayed Draw) ^{(f) (h)}	L+5.75%	6.75%	10/22/2020	4/12/2022	1,009	—	—	0.0%
					<u>12,945</u>	<u>11,927</u>	<u>11,877</u>	<u>5.0%</u>
High Tech Industries								
Energy Services Group, LLC	L+8.42%	9.42%	5/4/2017	5/4/2022	3,892	3,878	3,892	1.6%
Energy Services Group, LLC ^{(g) (q)}	L+8.42%	9.42%	5/4/2017	5/4/2022	4,832	4,639	4,832	2.0%
Energy Services Group, LLC	L+8.42%	9.42%	5/4/2017	5/4/2022	1,108	1,094	1,108	0.5%
WillowTree, LLC	L+5.50%	6.50%	10/9/2018	10/9/2023	7,790	7,713	7,716	3.3%
					<u>17,622</u>	<u>17,324</u>	<u>17,548</u>	<u>7.4%</u>
Telecommunications								
VB E1, LLC (Delayed Draw) ^{(f) (h)}	L+8.50%	9.00%	11/18/2020	11/18/2026	2,250	1,100	1,102	0.5%
					<u>2,250</u>	<u>1,100</u>	<u>1,102</u>	<u>0.5%</u>
Total Non-Controlled/Non-Affiliate Unitranche Secured Loans					<u>43,025</u>	<u>40,519</u>	<u>40,735</u>	<u>17.2%</u>
Junior Secured Loans								
Beverage, Food & Tobacco								
California Pizza Kitchen, Inc.	L+13.50%	1.00% Cash/ 14.00% PIK ^(m)	8/19/2016	5/23/2025	1,264	1,264	1,235	0.5%
CSM Bakery Solutions, LLC	L+10.00%	11.00%	5/23/2013	2/4/2022	6,116	6,116	6,065	2.6%
					<u>7,380</u>	<u>7,380</u>	<u>7,300</u>	<u>3.1%</u>
Capital Equipment								
ALTA Enterprises, LLC ^(g)	L+8.00%	9.80%	2/14/2020	8/13/2025	3,783	3,672	3,934	1.7%
					<u>3,783</u>	<u>3,672</u>	<u>3,934</u>	<u>1.7%</u>
Services: Consumer								
Education Corporation of America	L+11.00%	5.70% Cash/ 5.50% PIK ^(m)	9/3/2015	n/a ^(p)	833	831	765	0.3%
					<u>833</u>	<u>831</u>	<u>765</u>	<u>0.3%</u>
Total Non-Controlled/Non-Affiliate Junior Secured Loans					<u>11,996</u>	<u>11,883</u>	<u>11,999</u>	<u>5.1%</u>

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
(unaudited)
March 31, 2021
(in thousands, except for shares and units)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate	Acquisition Date ^(c)	Maturity	Principal	Amortized Cost	Fair Value ^(d)	% of Net Assets ^(e)
Equity Securities ^{(u) (ah)}								
Banking, Finance, Insurance & Real Estate								
J2 BWA Funding, LLC (0.7% profit sharing) ^{(g) (v)}	—	— ^(w)	12/24/2020	—	—	\$ —	\$ —	0.0%
PKS Holdings, LLC (5,680 preferred units) ^(g)	n/a	5.00% PIK	11/30/2017	—	—	58	222	0.1%
PKS Holdings, LLC (5,714 preferred units) ^(g)	n/a	5.00% PIK	11/30/2017	—	—	9	34	0.0%
PKS Holdings, LLC (132 preferred units) ^(g)	n/a	5.00% PIK	11/30/2017	—	—	1	5	0.0%
PKS Holdings, LLC (916 preferred units) ^(g)	n/a	5.00% PIK	11/30/2017	—	—	9	34	0.0%
						<u>77</u>	<u>295</u>	<u>0.1%</u>
Beverage, Food & Tobacco								
California Pizza Kitchen, Inc. (78,699 preferred units)	—	— ^(w)	8/19/2016	—	—	5,468	1,790	0.8%
						<u>5,468</u>	<u>1,790</u>	<u>0.8%</u>
Capital Equipment								
MCP Shaw Acquisitionco, LLC (118,906 Class A-2 units) ^(v)	—	— ^(w)	2/28/2020	—	—	119	156	0.1%
						<u>119</u>	<u>156</u>	<u>0.1%</u>
Chemicals, Plastics & Rubber								
Valudor Products, LLC (501,014 Class A-1 units) ^(v)	n/a	10.00% PIK ^(m)	6/18/2018	—	—	501	—	0.0%
						<u>501</u>	<u>—</u>	<u>0.0%</u>
Environmental Industries								
Quest Resource Holding Corporation (warrant to purchase up to 0.2% of the equity)	—	— ^(w)	10/19/2020	3/19/2028	—	67	122	0.1%
						<u>67</u>	<u>122</u>	<u>0.1%</u>
Healthcare & Pharmaceuticals								
Seran BioScience, LLC (33,333 common units) ^(v)	—	— ^(w)	12/31/2020	—	—	333	385	0.2%
						<u>333</u>	<u>385</u>	<u>0.2%</u>
High Tech Industries								
Answers Finance, LLC (76,539 shares of common stock)	—	— ^(w)	4/14/2017	—	—	2,284	43	0.0%
MarkLogic Corporation (290,239 Class A units)	—	— ^(w)	10/20/2020	—	—	290	465	0.2%
Planful, Inc. (473,082 Class A units)	n/a	8.00% PIK	12/28/2018	—	—	473	591	0.2%
Recorded Future, Inc. (80,486 Class A units) ^(x)	—	— ^(w)	7/3/2019	—	—	81	158	0.1%
						<u>3,128</u>	<u>1,257</u>	<u>0.5%</u>
Hotels, Gaming & Leisure								
Equine Network, LLC (99 Class A units) ^(v)	n/a	10.00% PIK	12/31/2020	—	—	99	101	0.0%
						<u>99</u>	<u>101</u>	<u>0.0%</u>
Media: Advertising, Printing & Publishing								
AdTheorent Holding Company, LLC (128,866 Class A voting units)	—	— ^(w)	12/22/2016	—	—	129	537	0.2%
InMobi Pte, Ltd. (warrant to purchase up to 2.8% of the equity) ^{(g) (i)}	—	— ^(w)	9/18/2015	9/18/2025	—	—	1,626	0.7%
Relevate Health Group, LLC (40 preferred units)	n/a	12.00% PIK	11/20/2020	—	—	40	40	0.0%
Relevate Health Group, LLC (40 Class B common units)	—	— ^(w)	11/20/2020	—	—	—	3	0.0%
Stratus Unlimited, LLC (686 shares of common units)	—	— ^(w)	8/30/2019	—	—	872	1,065	0.5%
XanEdu Publishing, Inc. (49,479 Class A units)	n/a	8.00% PIK	1/28/2020	—	—	49	79	0.0%
						<u>1,090</u>	<u>3,350</u>	<u>1.4%</u>
Media: Diversified & Production								
Attom Intermediate Holdco, LLC (297,197 Class A units) ^(v)	—	— ^(w)	1/4/2019	—	—	297	406	0.2%
						<u>297</u>	<u>406</u>	<u>0.2%</u>
Retail								
BLST Operating Company, LLC (139,883 Class A units) ^(v)	—	— ^(w)	8/28/2020	—	—	1,072	122	0.1%
Forman Mills, Inc. (warrant to purchase up to 2.6% of the equity)	—	— ^(w)	1/14/2020	1/14/2029	—	—	82	0.0%
The Tie Bar Operating Company, LLC - Class A preferred units (1,275 units)	—	— ^(w)	6/25/2013	—	—	87	4	0.0%
The Tie Bar Operating Company, LLC - Class B preferred units (1,275 units)	—	— ^(w)	6/25/2013	—	—	—	—	0.0%
						<u>1,159</u>	<u>208</u>	<u>0.1%</u>
Services: Business								
APCO Worldwide, Inc. (100 Class A voting common stock)	—	— ^(w)	11/1/2017	—	—	395	433	0.2%
Atlas Sign Industries of FLA, LLC (warrant to purchase up to 3.0% of the equity)	—	— ^(w)	5/14/2018	5/14/2026	—	125	179	0.1%
						<u>520</u>	<u>612</u>	<u>0.3%</u>
Services: Consumer								
IDIG Parent, LLC (245,958 shares of common stock) ^{(v) (y)}	—	— ^(w)	1/4/2021	—	—	248	268	0.0%
Education Corporation of America - Series G Preferred Stock (8,333 shares)	n/a	12.00% PIK ^(m)	9/3/2015	—	—	7,492	5,117	2.2%
Express Wash Acquisition Company, LLC (100,000 Class A units) ^(v)	n/a	8.00% PIK	12/28/2020	—	—	100	126	0.1%
						<u>7,840</u>	<u>5,511</u>	<u>2.3%</u>
Wholesale								
Nearly Natural, Inc. (152,174 Class A units)	—	— ^(w)	12/15/2017	—	—	152	206	0.1%
						<u>152</u>	<u>206</u>	<u>0.1%</u>
Total Non-Controlled/Non-Affiliate Equity Securities						<u>20,850</u>	<u>14,399</u>	<u>6.1%</u>
Total Non-Controlled/Non-Affiliate Company Investments						<u>\$ 393,725</u>	<u>\$ 372,493</u>	<u>157.7%</u>
Non-Controlled Affiliate Company Investments ^(z)								
Senior Secured Loans								
Banking, Finance, Insurance & Real Estate								
American Community Homes, Inc.	L+10.00%	11.50% PIK	7/22/2014	12/31/2021	9,585	\$ 9,585	\$ 9,585	4.1%
American Community Homes, Inc.	L+14.50%	16.00% PIK	7/22/2014	12/31/2021	4,212	4,212	4,212	1.8%
American Community Homes, Inc.	L+10.00%	11.50% PIK	5/24/2017	12/31/2021	581	581	581	0.3%
American Community Homes, Inc.	L+10.00%	11.50% PIK	8/10/2018	12/31/2021	2,136	2,136	3,131	1.3%
American Community Homes, Inc.	L+10.00%	11.50% PIK	3/29/2019	12/31/2021	3,955	3,955	3,997	1.7%
American Community Homes, Inc.	L+10.00%	11.50% PIK	9/30/2019	12/31/2021	19	19	19	0.0%
American Community Homes, Inc.	L+10.00%	11.50% PIK	12/30/2019	12/31/2021	91	91	91	0.0%
HFZ Capital Group, LLC ^{(g) (aa)}	L+12.50%	14.00% PIK	10/20/2017	n/a ^(p)	13,242	13,242	14,275	6.0%
HFZ Capital Group, LLC ^{(g) (aa)}	L+12.50%	14.00% PIK	10/20/2017	n/a ^(p)	4,758	4,758	5,129	2.2%
MC Asset Management (Corporate), LLC ^(g)	L+15.00%	16.00% PIK	1/26/2021	1/26/2024	6,423	6,423	6,423	2.7%
MC Asset Management (Industrial), LLC ^{(g) (aa)}	L+17.00%	18.00% PIK	6/11/2019	10/30/2024	10,799	10,793	11,579	4.9%
					<u>55,801</u>	<u>55,795</u>	<u>59,022</u>	<u>25.0%</u>

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
(unaudited)
March 31, 2021
(in thousands, except for shares and units)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate	Acquisition Date ^(c)	Maturity	Principal	Amortized Cost	Fair Value ^(d)	% of Net Assets ^(e)
Beverage, Food & Tobacco								
TJ Management HoldCo, LLC (Revolver) ^{(f) (l)}	L+5.50%	6.50%	9/9/2020	6/30/2024	795	\$ —	\$ —	0.0%
					<u>795</u>	<u>—</u>	<u>—</u>	<u>0.0%</u>
Healthcare & Pharmaceuticals								
Ascent Midco, LLC ^(k)	L+5.50%	6.50%	2/5/2020	2/5/2025	6,912	6,803	6,981	3.0%
Ascent Midco, LLC (Delayed Draw) ^{(f) (h) (k)}	L+5.50%	6.50%	2/5/2020	2/5/2025	2,838	—	—	0.0%
Ascent Midco, LLC (Revolver) ^(f)	L+5.50%	6.50%	2/5/2020	2/5/2025	1,129	—	—	0.0%
SHI Holdings, Inc. ^(k)	L+10.75%	10.90% PIK ^(m)	7/10/2014	n/a ^(p)	2,899	2,897	115	0.0%
SHI Holdings, Inc. (Revolver) ^(f)	L+10.75%	10.90% PIK ^(m)	7/10/2014	n/a ^(p)	4,667	4,585	182	0.1%
					<u>18,445</u>	<u>14,285</u>	<u>7,278</u>	<u>3.1%</u>
High Tech Industries								
Mnine Holdings, Inc.	L+8.00%	4.00% Cash/ 5.00% PIK	11/2/2018	12/30/2022	11,915	11,823	12,511	5.3%
					<u>11,915</u>	<u>11,823</u>	<u>12,511</u>	<u>5.3%</u>
Retail								
Luxury Optical Holdings Co.	L+8.00%	9.00% PIK ^(m)	9/12/2014	12/15/2021	1,481	1,481	1,442	0.6%
Luxury Optical Holdings Co. (Delayed Draw) ^{(f) (h)}	L+11.50%	12.50% ^(m)	9/29/2017	12/15/2021	3,565	1,461	1,506	0.7%
Luxury Optical Holdings Co. (Revolver)	L+8.00%	9.00% PIK ^(m)	9/12/2014	12/15/2021	68	68	66	0.0%
					<u>5,114</u>	<u>3,010</u>	<u>3,014</u>	<u>1.3%</u>
Services: Business								
Curion Holdings, LLC ^(k)	n/a	14.00% PIK ^(m)	5/2/2017	5/2/2022	4,226	4,189	3,585	1.5%
Curion Holdings, LLC (Revolver) ^(f)	n/a	14.00% PIK ^(m)	5/2/2017	5/2/2022	871	836	822	0.4%
					<u>5,097</u>	<u>5,025</u>	<u>4,407</u>	<u>1.9%</u>
Services: Consumer								
NECB Collections, LLC (Revolver) ^(f)	L+11.00%	12.00% PIK ^(m)	6/25/2019	6/30/2021	1,356	1,312	807	0.4%
					<u>1,356</u>	<u>1,312</u>	<u>807</u>	<u>0.4%</u>
Total Non-Controlled Affiliate Senior Secured Loans					<u>98,523</u>	<u>91,250</u>	<u>87,039</u>	<u>36.9%</u>
Unitranche Secured Loans ^(r)								
Consumer Goods: Non-Durable								
Incipio, LLC ^(ab)	L+8.50%	9.50% PIK ^(m)	12/26/2014	8/22/2022	14,701	14,677	—	0.0%
Incipio, LLC ^(ac)	L+8.50%	9.50% PIK ^(m)	3/9/2018	8/22/2022	4,326	4,326	2,088	0.9%
Incipio, LLC	L+8.50%	9.50% PIK ^(m)	7/6/2018	8/22/2022	1,833	1,833	1,741	0.7%
Incipio, LLC	L+8.50%	9.50% PIK ^(m)	1/15/2020	8/22/2022	1,543	1,543	1,465	0.6%
Incipio, LLC	L+8.50%	9.50% PIK ^(m)	4/17/2019	8/22/2022	772	772	734	0.3%
Incipio, LLC	L+8.50%	9.50% PIK ^(m)	7/8/2020	8/22/2022	1,615	1,615	1,535	0.7%
					<u>24,790</u>	<u>24,766</u>	<u>7,563</u>	<u>3.2%</u>
Total Non-Controlled Affiliate Unitranche Secured Loans					<u>24,790</u>	<u>24,766</u>	<u>7,563</u>	<u>3.2%</u>
Junior Secured Loans								
Consumer Goods: Non-Durable								
Incipio, LLC ^(ad)	n/a	10.70% PIK ^(m)	6/18/2018	8/22/2022	3,766	—	—	0.0%
Incipio, LLC ^(ae)	n/a	10.70% PIK ^(m)	6/18/2018	8/22/2022	7,194	—	—	0.0%
					<u>10,960</u>	<u>—</u>	<u>—</u>	<u>0.0%</u>
Services: Business								
Curion Holdings, LLC ^(k)	n/a	15.00% PIK ^(m)	8/17/2018	1/2/2023	1,720	1	—	0.0%
Curion Holdings, LLC ^(k)	n/a	15.00% PIK ^(m)	8/17/2018	1/2/2023	44	—	—	0.0%
					<u>1,764</u>	<u>1</u>	<u>—</u>	<u>0.0%</u>
Total Non-Controlled Affiliate Company Junior Secured Loans					<u>12,724</u>	<u>1</u>	<u>—</u>	<u>0.0%</u>
Equity Securities ^{(z) (ah)}								
Banking, Finance, Insurance & Real Estate								
American Community Homes, Inc. (warrant to purchase up to 22.3% of the equity)	—	— ^(w)	10/9/2014	12/18/2024	—	—	286	0.1%
MC Asset Management (Corporate), LLC (15.9% of interests) ^{(g) (v) (aa)}	—	— ^(w)	6/11/2019	—	—	793	576	0.3%
					<u>—</u>	<u>793</u>	<u>862</u>	<u>0.4%</u>
Beverage, Food & Tobacco								
TJ Management HoldCo, LLC (16 shares of common stock) ^{(l) (v)}	—	— ^(w)	9/9/2020	—	—	2,386	3,285	1.4%
					<u>—</u>	<u>2,386</u>	<u>3,285</u>	<u>1.4%</u>
Consumer Goods: Non-Durable								
Incipio, LLC (1,774 shares of Series C common units) ^(v)	—	— ^(w)	7/6/2018	—	—	—	—	0.0%
					<u>—</u>	<u>—</u>	<u>—</u>	<u>0.0%</u>
Healthcare & Pharmaceuticals								
Ascent Midco, LLC (2,032,258 Class A units) ^(v)	n/a	8.00% PIK	2/5/2020	—	—	2,032	3,282	1.4%
Familia Dental Group Holdings, LLC (1,052 Class A units) ^{(v) (af)}	—	— ^(w)	4/8/2016	—	—	3,602	3,350	1.4%
SHI Holdings, Inc. (24 shares of common stock)	—	— ^(w)	12/14/2016	—	—	27	—	0.0%
					<u>—</u>	<u>5,661</u>	<u>6,632</u>	<u>2.8%</u>
High Tech Industries								
Mnine Holdings, Inc. (6,400 Class B units)	—	— ^(w)	6/30/2020	—	—	—	—	0.0%
					<u>—</u>	<u>—</u>	<u>—</u>	<u>0.0%</u>
Retail								
Luxury Optical Holdings Co. (91 preferred units)	n/a	15.00% PIK ^(m)	9/12/2014	—	—	3,631	2,438	1.0%
Luxury Optical Holdings Co. (86 shares of common stock)	—	— ^(w)	9/29/2017	—	—	—	—	0.0%
					<u>—</u>	<u>3,631</u>	<u>2,438</u>	<u>1.0%</u>
Services: Business								
Curion Holdings, LLC (58,779 shares of common stock)	—	— ^(w)	8/17/2018	—	—	—	—	0.0%
					<u>—</u>	<u>—</u>	<u>—</u>	<u>0.0%</u>
Services: Consumer								
NECB Collections, LLC (20.8% of units) ^(v)	—	— ^(w)	6/21/2019	—	—	1,458	—	0.0%
					<u>—</u>	<u>1,458</u>	<u>—</u>	<u>0.0%</u>
Total Non-Controlled Affiliate Equity Securities					<u>13,929</u>	<u>13,217</u>	<u>5.6%</u>	
Total Non-Controlled Affiliate Company Investments					<u>\$ 129,946</u>	<u>\$ 107,819</u>	<u>45.7%</u>	
Controlled Affiliate Company Investments ^(ag)								
Equity Securities								
Investment Funds & Vehicles								
MRCC Senior Loan Fund I, LLC (50.0% of the equity interests) ^(g)	—	—	10/31/2017	—	—	\$ 42,150	\$ 41,067	17.4%
Total Controlled Affiliate Equity Securities					<u>42,150</u>	<u>41,067</u>	<u>17.4%</u>	
Total Controlled Affiliate Company Investments					<u>\$ 42,150</u>	<u>\$ 41,067</u>	<u>17.4%</u>	
TOTAL INVESTMENTS					<u>\$ 565,821</u>	<u>\$ 521,379</u>	<u>220.8%</u>	

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
(unaudited)
March 31, 2021
(in thousands, except for shares and units)

Derivative Instruments

Foreign currency forward contracts

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Counterparty	Settlement Date	Unrealized Gain (Loss)
Foreign currency forward contract	\$ 103	£ 84	Bannockburn Global Forex, LLC	4/2/2021	\$ (13)
Foreign currency forward contract	\$ 271	£ 212	Bannockburn Global Forex, LLC	6/1/2021	(21)
Foreign currency forward contract	\$ 33	£ 26	Bannockburn Global Forex, LLC	6/1/2021	(3)
Foreign currency forward contract	\$ 23	£ 16	Bannockburn Global Forex, LLC	6/3/2021	—
Foreign currency forward contract	\$ 103	£ 83	Bannockburn Global Forex, LLC	7/2/2021	(12)
Foreign currency forward contract	\$ 1,256	£ 900	Bannockburn Global Forex, LLC	7/2/2021	16
Foreign currency forward contract	\$ 102	£ 83	Bannockburn Global Forex, LLC	10/4/2021	(12)
Foreign currency forward contract	\$ 101	£ 82	Bannockburn Global Forex, LLC	1/3/2022	(12)
Foreign currency forward contract	\$ 97	£ 79	Bannockburn Global Forex, LLC	4/4/2022	(12)
Foreign currency forward contract	\$ 36	£ 29	Bannockburn Global Forex, LLC	5/6/2022	(4)
Foreign currency forward contract	\$ 137	AUD 173	Bannockburn Global Forex, LLC	4/20/2021	5
Foreign currency forward contract	\$ 75	AUD 95	Bannockburn Global Forex, LLC	5/18/2021	3
Foreign currency forward contract	\$ 86	AUD 108	Bannockburn Global Forex, LLC	6/17/2021	3
Foreign currency forward contract	\$ 77	AUD 98	Bannockburn Global Forex, LLC	7/16/2021	3
Foreign currency forward contract	\$ 80	AUD 102	Bannockburn Global Forex, LLC	8/17/2021	3
Foreign currency forward contract	\$ 85	AUD 108	Bannockburn Global Forex, LLC	9/16/2021	3
Foreign currency forward contract	\$ 83	AUD 105	Bannockburn Global Forex, LLC	10/19/2021	3
Foreign currency forward contract	\$ 75	AUD 95	Bannockburn Global Forex, LLC	11/16/2021	3
Foreign currency forward contract	\$ 85	AUD 108	Bannockburn Global Forex, LLC	12/16/2021	3
Foreign currency forward contract	\$ 91	AUD 115	Bannockburn Global Forex, LLC	1/19/2022	3
Foreign currency forward contract	\$ 75	AUD 95	Bannockburn Global Forex, LLC	2/16/2022	3
Foreign currency forward contract	\$ 75	AUD 95	Bannockburn Global Forex, LLC	3/16/2022	3
Foreign currency forward contract	\$ 83	AUD 105	Bannockburn Global Forex, LLC	4/19/2022	3
Foreign currency forward contract	\$ 77	AUD 98	Bannockburn Global Forex, LLC	5/17/2022	3
Foreign currency forward contract	\$ 88	AUD 112	Bannockburn Global Forex, LLC	6/17/2022	3
Foreign currency forward contract	\$ 77	AUD 98	Bannockburn Global Forex, LLC	7/18/2022	3
Foreign currency forward contract	\$ 77	AUD 98	Bannockburn Global Forex, LLC	8/16/2022	2
Foreign currency forward contract	\$ 88	AUD 112	Bannockburn Global Forex, LLC	9/16/2022	3
Foreign currency forward contract	\$ 88	AUD 112	Bannockburn Global Forex, LLC	10/19/2022	3
Foreign currency forward contract	\$ 74	AUD 95	Bannockburn Global Forex, LLC	11/16/2022	2
Foreign currency forward contract	\$ 80	AUD 102	Bannockburn Global Forex, LLC	12/16/2022	2
Foreign currency forward contract	\$ 87	AUD 112	Bannockburn Global Forex, LLC	1/18/2023	3
Foreign currency forward contract	\$ 77	AUD 98	Bannockburn Global Forex, LLC	2/16/2023	2
Foreign currency forward contract	\$ 74	AUD 95	Bannockburn Global Forex, LLC	3/16/2023	2
Foreign currency forward contract	\$ 93	AUD 118	Bannockburn Global Forex, LLC	4/20/2023	3
Foreign currency forward contract	\$ 63	AUD 81	Bannockburn Global Forex, LLC	5/16/2023	2
Foreign currency forward contract	\$ 90	AUD 115	Bannockburn Global Forex, LLC	6/19/2023	2
Foreign currency forward contract	\$ 77	AUD 98	Bannockburn Global Forex, LLC	7/18/2023	2
Foreign currency forward contract	\$ 82	AUD 105	Bannockburn Global Forex, LLC	8/16/2023	2
Foreign currency forward contract	\$ 82	AUD 105	Bannockburn Global Forex, LLC	9/18/2023	2
Foreign currency forward contract	\$ 84	AUD 108	Bannockburn Global Forex, LLC	10/18/2023	2
Foreign currency forward contract	\$ 77	AUD 98	Bannockburn Global Forex, LLC	11/16/2023	2
Foreign currency forward contract	\$ 79	AUD 102	Bannockburn Global Forex, LLC	12/18/2023	2
Foreign currency forward contract	\$ 84	AUD 108	Bannockburn Global Forex, LLC	1/17/2024	2
Foreign currency forward contract	\$ 79	AUD 102	Bannockburn Global Forex, LLC	2/16/2024	2
Foreign currency forward contract	\$ 76	AUD 98	Bannockburn Global Forex, LLC	3/18/2024	2
Foreign currency forward contract	\$ 8,365	AUD 10,746	Bannockburn Global Forex, LLC	3/18/2024	200
					<u>\$ 221</u>

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
(unaudited)
March 31, 2021
(in thousands, except for shares and units)

- (a) All of the Company's investments are issued by eligible portfolio companies, as defined in the Investment Company Act of 1940 (the "1940 Act"), unless otherwise noted. All of the Company's investments are issued by U.S. portfolio companies unless otherwise noted.
- (b) The majority of the investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR" or "L") or Prime Rate ("Prime" or "P") which reset daily, monthly, quarterly, or semiannually. For each such investment, the Company has provided the spread over LIBOR or Prime and the current contractual interest rate in effect at March 31, 2021. Certain investments are subject to a LIBOR or Prime interest rate floor, or rate cap. Certain investments contain a payment-in-kind ("PIK") provision.
- (c) Except as otherwise noted, all of the Company's portfolio company investments, which as of March 31, 2021 represented 220.8% of the Company's net assets or 95.8% of the Company's total assets, are subject to legal restrictions on sales.
- (d) Because there is no readily available market value for these investments, the fair value of these investments is determined in good faith using significant unobservable inputs by the Company's board of directors as required by the 1940 Act. (See Note 4 in the accompanying notes to the consolidated financial statements.)
- (e) Percentages are based on net assets of \$236,163 as of March 31, 2021.
- (f) All or a portion of this commitment was unfunded at March 31, 2021. As such, interest is earned only on the funded portion of this commitment.
- (g) This investment is treated as a non-qualifying investment under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of March 31, 2021, non-qualifying assets totaled 23.3% of the Company's total assets.
- (h) This delayed draw loan requires that certain financial covenants be met by the portfolio company prior to any fundings.
- (i) This loan is denominated in Australian dollars and is translated into U.S. dollars as of the valuation date.
- (j) This is an international company.
- (k) All of this loan is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (l) During the three months ended September 30, 2020, the senior secured lender group of Toojay's Management, LLC ("Toojay's OldCo") established TJ Management HoldCo, LLC ("Toojay's NewCo") in order to acquire certain of the assets of Toojay's OldCo as part of a bankruptcy restructuring. The Company owns 15.9% of the equity in Toojay's NewCo. Toojay's NewCo credit bid a portion of the senior secured debt in Toojay's OldCo to acquire certain assets of Toojay's OldCo which constitute the ongoing operations of the portfolio company. The Company's portion of this credit bid was \$2,386, and as such the Company's outstanding senior secured debt investment in Toojay's OldCo was reduced by the amount of the credit bid and the Company's cost basis of its new equity investment in Toojay's NewCo was increased by the amount of the credit bid. While the Company still has loans outstanding at Toojay's OldCo, the Company has valued these positions at zero as of March 31, 2021.
- (m) This position was on non-accrual status as of March 31, 2021, meaning that the Company has ceased accruing interest income on the position. See Note 2 in the accompanying notes to the consolidated financial statements for additional information on the Company's accounting policies.
- (n) This investment represents a note convertible to preferred shares of the borrower.
- (o) In May 2020, an arbitrator issued a final award in favor of the estate of Rockdale Blackhawk, LLC (the "Estate") in the legal proceeding between the Estate and a national insurance carrier. The Company's share of the net proceeds from the award exceeded the contractual obligations due to the Company as a result of the Company's right to receive excess proceeds pursuant to the terms of a sharing agreement between the lenders and the Estate. As of March 31, 2021, the Company has this remaining investment in Rockdale associated with residual proceeds currently expected from the Estate. This investment is a non-income producing security.
- (p) This is a demand note with no stated maturity.
- (q) This loan is denominated in Great Britain pounds and is translated into U.S. dollars as of the valuation date.
- (r) The Company structures its unitranche secured loans as senior secured loans. The Company obtains security interests in the assets of these portfolio companies that serve as collateral in support of the repayment of these loans. This collateral may take the form of first-priority liens on the assets of a portfolio company. Generally, the Company syndicates a "first out" portion of the loan to an investor and retains a "last out" portion of the loan, in which case the "first out" portion of the loan will generally receive priority with respect to payments of principal, interest and any other amounts due thereunder. Unitranche structures combine characteristics of traditional first lien senior secured as well as second lien and subordinated loans and the Company's unitranche secured loans will expose the Company to the risks associated with second lien and subordinated loans and may limit the Company's recourse or ability to recover collateral upon a portfolio company's bankruptcy. Unitranche secured loans typically provide for moderate loan amortization in the initial years of the facility, with the majority of the amortization deferred until loan maturity. Unitranche secured loans generally allow the borrower to make a large lump sum payment of principal at the end of the loan term, and there is a risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity. In many cases the Company, together with its affiliates, are the sole or majority lender of these unitranche secured loans, which can afford the Company additional influence with a borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.
- (s) A portion of this loan (principal of \$9,258) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (t) A portion of this loan (principal of \$525) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (u) Represents less than 5% ownership of the portfolio company's voting securities.
- (v) Investment is held by a taxable subsidiary of the Company. See Note 2 in the accompanying notes to the consolidated financial statements for additional information on the Company's wholly-owned taxable subsidiaries.
- (w) Represents a non-income producing security.
- (x) As of March 31, 2021, the Company was party to a subscription agreement with a commitment to fund an additional equity investment of \$16.
- (y) As of March 31, 2021, the Company was party to a subscription agreement with a commitment to fund an equity investment of \$43.
- (z) As defined in the 1940 Act, the Company is deemed to be an "Affiliated Person" of the portfolio company as it owns 5% or more of the portfolio company's voting securities. See Note 5 in the accompanying notes to the consolidated financial statements for additional information on transactions in which the issuer was an Affiliated Person (but not a portfolio company that the Company is deemed to control).
- (aa) The Company restructured its investments in HFZ Capital Group LLC ("HFZ") and HFZ Member RB portfolio, LLC ("Member RB") during the three months ended December 31, 2020. As part of the restructuring of HFZ, the Company obtained a 15.9% equity interest in MC Asset Management (Corporate), LLC ("Corporate"). As part of the Member RB restructuring, the Company exchanged its loan in Member RB for a promissory note in MC Asset Management (Industrial), LLC ("Industrial"). Corporate owns 100% of the equity of Industrial. In conjunction with these restructurings, the Company participated \$4,758 of principal of its loan to HFZ as an equity contribution to Industrial. This participation did not qualify for sale accounting under ASC Topic 860 – *Transfers and Servicing* because the sale did not meet the definition of a "participating interest", as defined in the guidance, in order for sale treatment to be allowed. As a result, the Company continues to reflect its full investment in HFZ but has split the loan into two investments.
- (ab) A portion of this loan (principal of \$5,390) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (ac) A portion of this loan (principal of \$55) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (ad) A portion of this loan (principal of \$1,015) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (ae) A portion of this loan (principal of \$1,938) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (af) As of March 31, 2021, the Company was party to a subscription agreement with a commitment to fund an additional equity investment of \$611.
- (ag) As defined in the 1940 Act, the Company is deemed to be both an "Affiliated Person" of and to "Control" this portfolio company as it owns more than 25% of the portfolio company's voting securities. See Note 5 in the accompanying notes to the consolidated financial statements for additional information on transactions in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to control.
- (ah) Ownership of certain equity investments may occur through a holding company or partnership.

n/a - not applicable

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2020
(in thousands, except for shares and units)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate	Acquisition Date ^(c)	Maturity	Principal	Amortized Cost	Fair Value ^(d)	% of Net Assets ^(e)
Non-Controlled/Non-Affiliate Company Investments								
Senior Secured Loans								
Automotive								
Hastings Manufacturing Company	L+8.25%	9.25%	4/24/2018	4/24/2023	2,820	\$ 2,790	\$ 2,829	1.2%
Magneto & Diesel Acquisition, Inc.	L+6.05%	7.10%	12/18/2018	12/18/2023	4,876	4,820	4,876	2.1%
Magneto & Diesel Acquisition, Inc.	L+6.05%	7.10%	7/6/2020	12/18/2023	1,918	1,885	1,932	0.8%
Magneto & Diesel Acquisition, Inc. (Revolver) ^(f)	L+6.05%	7.10%	12/18/2018	12/18/2023	500	—	—	0.0%
					10,114	9,495	9,637	4.1%
Banking, Finance, Insurance & Real Estate								
777 SPV I, LLC ^(g)	L+8.50%	10.25%	4/15/2019	4/14/2023	4,665	4,628	4,760	2.0%
J2 BWA Funding, LLC (Delayed Draw) ^{(f) (g) (h)}	n/a	10.00%	12/24/2020	12/24/2026	2,750	—	—	0.0%
Liftforward SPV II, LLC ^(g)	L+10.75%	11.25%	11/10/2016	6/30/2021	2,057	2,057	1,929	0.8%
NCBP Property, LLC ^(g)	L+9.50%	10.50%	12/18/2020	12/16/2022	1,950	1,931	1,931	0.8%
US Claims Litigation Funding, LLC (Revolver) ^{(f) (g)}	L+8.75%	9.75%	11/30/2020	11/29/2024	1,500	850	850	0.4%
					12,922	9,466	9,470	4.0%
Beverage, Food & Tobacco								
LX/JT Intermediate Holdings, Inc. ⁽ⁱ⁾	L+6.00%	7.50%	3/11/2020	3/11/2025	9,732	9,564	9,567	4.1%
LX/JT Intermediate Holdings, Inc. (Revolver) ^(f)	L+6.00%	7.50%	3/11/2020	3/11/2025	833	—	—	0.0%
Toojay's Management, LLC ^(k)	n/a	n/a(l)	10/26/2018	10/26/2022	1,448	1,407	—	0.0%
Toojay's Management, LLC ^(k)	n/a	n/a(l)	10/26/2018	10/26/2022	199	199	—	0.0%
Toojay's Management, LLC (Revolver) ^(k)	n/a	n/a(l)	10/26/2018	10/26/2022	66	66	—	0.0%
					12,278	11,236	9,567	4.1%
Capital Equipment								
MCP Shaw Acquisitionco, LLC ^(j)	L+6.50%	7.50%	2/28/2020	11/28/2025	9,924	9,752	9,721	4.2%
MCP Shaw Acquisitionco, LLC (Revolver) ^(f)	L+6.50%	7.50%	2/28/2020	11/28/2025	1,784	—	—	0.0%
					11,708	9,752	9,721	4.2%
Chemicals, Plastics & Rubber								
Midwest Composite Technologies, LLC ^(j)	L+6.75%	7.75%	12/2/2019	8/31/2023	14,925	14,701	14,926	6.4%
Midwest Composite Technologies, LLC	L+6.75%	7.75%	8/31/2018	8/31/2023	887	876	887	0.4%
Midwest Composite Technologies, LLC (Delayed Draw) ^{(f) (h)}	L+6.75%	7.75%	8/31/2018	8/31/2023	509	179	179	0.1%
Midwest Composite Technologies, LLC (Revolver) ^(f)	L+6.75%	7.75%	8/31/2018	8/31/2023	90	—	—	0.0%
		7.00% Cash / 1.50% PIK						
Valudor Products, LLC	L+7.50%	8.50% PIK	6/18/2018	6/19/2023	1,561	1,543	1,702	0.7%
Valudor Products, LLC ^(m)	L+7.50%	8.50% PIK	6/18/2018	6/19/2023	217	214	—	0.0%
Valudor Products, LLC (Revolver) ^(f)	L+9.50%	10.50%	6/18/2018	6/19/2023	818	549	521	0.2%
					19,007	18,062	18,215	7.8%
Construction & Building								
Cali Bamboo, LLC	L+9.50%	8.00% Cash / 2.50% PIK	7/10/2015	3/31/2022	6,859	6,857	6,859	2.9%
Cali Bamboo, LLC (Revolver) ^(f)	L+9.50%	8.00% Cash / 2.50% PIK	7/10/2015	3/31/2022	2,165	—	—	0.0%
Dude Solutions Holdings, Inc.	L+7.50%	8.50%	6/14/2019	6/13/2025	9,975	9,794	9,950	4.3%
Dude Solutions Holdings, Inc. (Revolver) ^(f)	L+7.50%	8.50%	6/14/2019	6/13/2025	1,304	—	—	0.0%
					20,303	16,651	16,809	7.2%
Consumer Goods: Durable								
Franchise Group Intermediate Holdco, LLC	L+8.00%	9.50%	2/24/2020	2/14/2025	3,425	3,366	3,382	1.4%
Nova Wildcat Amerock, LLC	L+5.25%	6.25%	10/12/2018	10/12/2023	9,009	8,897	9,009	3.9%
Nova Wildcat Amerock, LLC (Revolver) ^(f)	L+5.25%	6.25%	10/12/2018	10/12/2023	931	—	—	0.0%
Parterre Flooring & Surface Systems, LLC ⁽ⁱ⁾	L+9.00%	10.00% ^(l)	8/22/2017	8/22/2022	7,613	7,533	2,351	1.0%
Parterre Flooring & Surface Systems, LLC (Revolver)	L+9.00%	10.00% ^(l)	8/22/2017	8/22/2022	696	696	215	0.1%
					21,674	20,492	14,957	6.4%
Consumer Goods: Non-Durable								
Thrasio, LLC	L+7.00%	8.00%	12/18/2020	12/18/2026	1,500	1,463	1,463	0.6%
Thrasio, LLC (Delayed Draw) ^{(f) (h)}	L+7.00%	8.00%	12/18/2020	12/18/2026	990	—	—	0.0%
					2,490	1,463	1,463	0.6%
Environmental Industries								
Quest Resource Management Group, LLC	L+8.50%	9.75%	10/19/2020	10/20/2025	1,000	933	979	0.4%
Quest Resource Management Group, LLC (Delayed Draw) ^{(f) (h)}	L+8.50%	9.75%	10/19/2020	10/20/2025	1,087	—	—	0.0%
StormTrap, LLC	L+5.50%	6.50%	12/10/2018	12/8/2023	7,840	7,751	7,840	3.4%
StormTrap, LLC (Revolver) ^(f)	L+5.50%	6.50%	12/10/2018	12/8/2023	432	—	—	0.0%
Synergy Environmental Corporation ⁽ⁱ⁾	L+6.00%	7.00%	4/29/2016	9/29/2023	2,885	2,874	2,888	1.2%
Synergy Environmental Corporation ⁽ⁱ⁾	L+6.00%	7.00%	4/29/2016	9/29/2023	482	481	483	0.2%
Synergy Environmental Corporation	L+6.00%	7.00%	4/29/2016	9/29/2023	823	823	824	0.4%
Synergy Environmental Corporation (Revolver) ^(f)	L+6.00%	7.00%	4/29/2016	9/29/2023	671	67	67	0.0%
					15,220	12,929	13,081	5.6%

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Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate	Acquisition Date ^(c)	Maturity	Principal	Amortized Cost	Fair Value ^(d)	% of Net Assets ^(e)
Healthcare & Pharmaceuticals								
American Optics Holdco, Inc. ^{(g) (n)}	L+6.50%	7.50%	9/13/2017	9/13/2022	2,165	\$ 2,148	\$ 2,165	0.9%
American Optics Holdco, Inc. ^{(g) (n)}	L+6.50%	7.50%	9/13/2017	9/13/2022	1,637	1,622	1,637	0.7%
American Optics Holdco, Inc. (Revolver) ^{(f) (g) (n)}	L+6.50%	7.50%	9/13/2017	9/13/2022	220	—	—	0.0%
American Optics Holdco, Inc. (Revolver) ^{(f) (g) (n)}	L+6.50%	7.50%	9/13/2017	9/13/2022	440	—	—	0.0%
Apotheco, LLC	L+8.50%	6.50% Cash / 3.00% PIK	4/8/2019	4/8/2024	3,541	3,491	3,315	1.4%
Apotheco, LLC (Revolver)	L+8.50%	6.50% Cash / 3.00% PIK	4/8/2019	4/8/2024	927	927	868	0.4%
Rockdale Blackhawk, LLC	n/a	n/a ^(o)	3/31/2015	n/a ⁽ⁱ⁾	—	—	1,592	0.7%
Seran BioScience, LLC	L+7.25%	8.25%	12/31/2020	12/31/2025	2,500	2,450	2,450	1.0%
Seran BioScience, LLC (Revolver) ^(f)	L+7.25%	8.25%	12/31/2020	12/31/2025	444	—	—	0.0%
					11,874	10,638	12,027	5.1%
High Tech Industries								
MarkLogic Corporation	L+8.00%	9.00%	10/20/2020	10/20/2025	3,500	3,415	3,544	1.5%
MarkLogic Corporation (Revolver) ^(f)	L+8.00%	9.00%	10/20/2020	10/20/2025	269	—	—	0.0%
Mindbody, Inc.	L+8.50%	8.00% Cash / 1.50% PIK	2/15/2019	2/14/2025	6,389	6,297	6,143	2.6%
Mindbody, Inc. (Revolver) ^(f)	L+8.00%	9.00%	2/15/2019	2/14/2025	667	—	—	0.0%
Newforma, Inc. ⁽ⁱ⁾	L+5.00%	6.00%	6/30/2017	6/30/2022	11,899	11,836	11,899	5.1%
Newforma, Inc. (Revolver) ^(f)	L+5.00%	6.00%	6/30/2017	6/30/2022	1,250	—	—	0.0%
Planful, Inc. (fka Host Analytics, Inc.)	L+6.00%	7.00%	12/28/2018	12/28/2023	9,500	9,375	9,443	4.0%
Planful, Inc. (fka Host Analytics, Inc.) (Revolver) ^(f)	L+6.00%	7.00%	12/28/2018	12/28/2023	442	88	88	0.0%
RPL Bidco Limited ^{(g) (n) (p)}	L+7.50%	8.00%	11/9/2017	11/9/2023	14,429	13,867	14,429	6.2%
RPL Bidco Limited ^{(g) (n) (p)}	L+7.50%	8.00%	5/22/2018	11/9/2023	1,777	1,639	1,777	0.8%
RPL Bidco Limited (Revolver) ^{(f) (g) (n) (p)}	L+7.50%	8.00%	11/9/2017	11/9/2023	547	—	—	0.0%
					50,669	46,517	47,323	20.2%
Hotels, Gaming & Leisure								
Equine Network, LLC	L+8.00%	9.00%	12/31/2020	12/31/2025	1,750	1,711	1,711	0.7%
Equine Network, LLC (Delayed Draw) ^{(f) (h)}	L+8.00%	9.00%	12/31/2020	12/31/2025	427	—	—	0.0%
Equine Network, LLC (Revolver) ^(f)	L+8.00%	9.00%	12/31/2020	12/31/2025	171	—	—	0.0%
					2,348	1,711	1,711	0.7%
Media: Advertising, Printing & Publishing								
AdTheorent Holding Company, LLC	L+8.50%	9.00%	12/22/2016	12/22/2021	2,700	2,687	2,683	1.2%
Destination Media, Inc. ⁽ⁱ⁾	L+5.50%	6.50%	4/7/2017	4/7/2022	4,324	4,304	4,315	1.8%
Destination Media, Inc. (Revolver)	L+5.50%	6.50%	4/7/2017	4/7/2022	542	542	542	0.2%
North Haven USHC Acquisition, Inc.	L+6.50%	7.50%	10/30/2020	10/30/2025	2,500	2,451	2,525	1.1%
North Haven USHC Acquisition, Inc. (Revolver) ^(f)	L+6.50%	7.50%	10/30/2020	10/30/2025	240	—	—	0.0%
Relevate Health Group, LLC	L+6.25%	7.25%	11/20/2020	11/20/2025	1,500	1,470	1,506	0.6%
Relevate Health Group, LLC (Delayed Draw) ^{(f) (h)}	L+6.25%	7.25%	11/20/2020	11/20/2025	789	671	674	0.3%
Relevate Health Group, LLC (Revolver) ^(f)	L+6.25%	7.25%	11/20/2020	11/20/2025	316	—	—	0.0%
Stratus Unlimited, LLC (fka MC Sign Lessor Corp.)	L+7.00%	8.00%	12/22/2017	8/30/2024	15,563	15,498	15,465	6.6%
Stratus Unlimited, LLC (fka MC Sign Lessor Corp.) (Revolver) ^(f)	L+7.00%	8.00%	12/22/2017	8/30/2024	3,490	—	—	0.0%
XanEdu Publishing, Inc.	L+6.50%	7.50%	1/28/2020	1/28/2025	1,886	1,854	1,890	0.8%
XanEdu Publishing, Inc. (Revolver) ^(f)	L+6.50%	7.50%	1/28/2020	1/28/2025	495	197	197	0.1%
					34,345	29,674	29,797	12.7%
Media: Broadcasting & Subscription								
Vice Group Holding, Inc.	L+12.00%	5.50% Cash / 8.00% PIK	5/2/2019	11/2/2022	1,355	1,348	1,372	0.6%
Vice Group Holding, Inc.	L+12.00%	5.50% Cash / 8.00% PIK	11/4/2019	11/2/2022	260	257	263	0.1%
Vice Group Holding, Inc.	L+12.00%	5.50% Cash / 8.00% PIK	5/2/2019	11/2/2022	425	425	430	0.2%
Vice Group Holding, Inc.	L+12.00%	5.50% Cash / 8.00% PIK	5/2/2019	11/2/2022	160	160	162	0.1%
					2,200	2,190	2,227	1.0%
Media: Diversified & Production								
Attom Intermediate Holdco, LLC	L+5.75%	6.75%	1/4/2019	1/4/2024	1,960	1,935	1,927	0.8%
Attom Intermediate Holdco, LLC	L+7.50%	8.75%	6/25/2020	1/4/2024	478	469	492	0.2%
Attom Intermediate Holdco, LLC (Revolver) ^(f)	L+5.75%	6.75%	1/4/2019	1/4/2024	320	—	—	0.0%
Crownpeak Technology, Inc.	L+6.25%	7.25%	2/28/2019	2/28/2024	4,000	3,946	3,962	1.7%
Crownpeak Technology, Inc.	L+6.25%	7.25%	2/28/2019	2/28/2024	60	60	59	0.0%
Crownpeak Technology, Inc. (Revolver) ^(f)	L+6.25%	7.25%	2/28/2019	2/28/2024	167	—	—	0.0%
					6,985	6,410	6,440	2.7%
Retail								
BLST Operating Company, LLC (fka Bluestem Brands, Inc.)	L+8.50%	1.00% Cash / 9.00% PIK ^(l)	8/28/2020	8/28/2025	1,259	1,254	1,039	0.4%
Forman Mills, Inc. ⁽ⁱ⁾	L+9.50%	8.50% Cash / 2.00% PIK	1/14/2020	12/30/2022	1,308	1,308	1,292	0.5%
Forman Mills, Inc. ⁽ⁱ⁾	L+9.50%	8.50% Cash / 2.00% PIK	10/4/2016	12/30/2022	744	741	735	0.3%
Forman Mills, Inc. ⁽ⁱ⁾	L+9.50%	8.50% Cash / 2.00% PIK	10/4/2016	12/30/2022	7,459	7,429	6,944	3.0%
LuLu's Fashion Lounge, LLC	L+9.50%	8.00% Cash / 2.50% PIK	8/21/2017	8/29/2022	4,123	4,074	3,525	1.5%
The Worth Collection, Ltd. ⁽ⁱ⁾	L+8.50%	9.00% ^(l)	9/29/2016	9/29/2021	10,587	10,248	120	0.1%
					25,480	25,054	13,655	5.8%

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(in thousands, except for shares and units)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate	Acquisition Date ^(c)	Maturity	Principal	Amortized Cost	Fair Value ^(d)	% of Net Assets ^(e)
Services: Business								
Arcserve (USA), LLC	L+6.00%	7.00%	5/1/2019	5/1/2024	4,634	\$ 4,567	\$ 4,644	2.0%
Atlas Sign Industries of FLA, LLC ⁽ⁱ⁾	L+11.50%	11.50% Cash/ 1.00% PIK	5/14/2018	5/15/2023	3,563	3,368	3,324	1.4%
Burroughs, Inc. ⁽ⁱ⁾	L+7.50%	8.50%	12/22/2017	12/22/2022	5,726	5,681	5,726	2.4%
Burroughs, Inc. (Revolver) ^(f)	L+7.50%	8.50%	12/22/2017	12/22/2022	1,220	170	170	0.1%
Certify, Inc.	L+5.75%	6.75%	2/28/2019	2/28/2024	9,000	8,907	9,000	3.8%
Certify, Inc.	L+5.75%	6.75%	2/28/2019	2/28/2024	1,227	1,227	1,227	0.5%
Certify, Inc. (Revolver) ^(f)	L+5.75%	6.75%	2/28/2019	2/28/2024	409	102	102	0.0%
HS4 Acquisitionco, Inc.	L+6.75%	7.75%	7/9/2019	7/9/2025	10,050	9,887	9,929	4.2%
HS4 Acquisitionco, Inc. (Revolver) ^(f)	L+6.75%	7.75%	7/9/2019	7/9/2025	817	—	—	0.0%
IT Global Holding, LLC	L+9.00%	10.00%	11/15/2018	11/10/2023	9,975	9,845	9,794	4.2%
IT Global Holding, LLC	L+9.00%	10.00%	7/19/2019	11/10/2023	3,719	3,661	3,651	1.6%
IT Global Holding, LLC (Revolver)	L+9.00%	10.00%	11/15/2018	11/10/2023	875	875	875	0.4%
Madison Logic, Inc. ⁽ⁱ⁾	L+7.50%	8.00%	11/30/2016	11/30/2021	9,080	9,037	9,080	3.9%
Madison Logic, Inc. (Revolver) ^(f)	L+7.50%	8.00%	11/30/2016	11/30/2021	988	—	—	0.0%
RedZone Robotics, Inc.	L+7.25%	7.75% Cash/ 0.50% PIK	6/1/2018	6/5/2023	591	585	556	0.2%
RedZone Robotics, Inc. (Revolver) ^(f)	L+6.75%	7.75%	6/1/2018	6/5/2023	158	—	—	0.0%
Security Services Acquisition Sub Corp. ⁽ⁱ⁾	L+6.00%	7.00%	2/15/2019	2/15/2024	3,439	3,394	3,442	1.5%
Security Services Acquisition Sub Corp. ⁽ⁱ⁾	L+6.00%	7.00%	2/15/2019	2/15/2024	2,473	2,473	2,476	1.1%
Security Services Acquisition Sub Corp. ⁽ⁱ⁾	L+6.00%	7.00%	2/15/2019	2/15/2024	2,180	2,180	2,182	0.9%
Security Services Acquisition Sub Corp.	L+6.00%	7.00%	2/15/2019	2/15/2024	1,563	1,563	1,564	0.7%
VPS Holdings, LLC	L+7.00%	8.00%	10/5/2018	10/4/2024	3,663	3,611	3,469	1.5%
VPS Holdings, LLC	L+7.00%	8.00%	10/5/2018	10/4/2024	2,989	2,989	2,831	1.2%
VPS Holdings, LLC (Revolver) ^(f)	L+7.00%	8.00%	10/5/2018	10/4/2024	1,000	100	95	0.0%
					79,339	74,222	74,137	31.6%
Services: Consumer								
Express Wash Acquisition Company, LLC	L+6.50%	7.50%	12/28/2020	12/26/2025	2,500	2,456	2,456	1.0%
Express Wash Acquisition Company, LLC (Revolver) ^(f)	L+6.50%	7.50%	12/28/2020	12/26/2025	1,000	—	—	0.0%
IDIG Parent, LLC ^(q)	L+6.50%	7.50%	12/15/2020	12/15/2026	10,200	9,997	9,996	4.3%
IDIG Parent, LLC (Delayed Draw) ^{(f) (h)}	L+6.50%	7.50%	12/15/2020	12/15/2026	1,684	—	—	0.0%
IDIG Parent, LLC (Revolver) ^(f)	L+6.50%	7.50%	12/15/2020	12/15/2026	723	—	—	0.0%
Mammoth Holdings, LLC	L+6.00%	7.00%	10/16/2018	10/16/2023	1,960	1,936	1,949	0.8%
Mammoth Holdings, LLC	L+6.00%	7.00%	10/16/2018	10/16/2023	4,115	4,115	4,092	1.8%
Mammoth Holdings, LLC (Revolver) ^(f)	L+6.00%	7.00%	10/16/2018	10/16/2023	500	—	—	0.0%
					22,682	18,504	18,493	7.9%
Wholesale								
Nearly Natural, Inc. ⁽ⁱ⁾	L+6.75%	7.75%	12/15/2017	12/15/2022	6,685	6,625	6,650	2.9%
Nearly Natural, Inc. ⁽ⁱ⁾	L+6.75%	7.75%	9/22/2020	12/15/2022	1,728	1,698	1,719	0.7%
Nearly Natural, Inc. ⁽ⁱ⁾	L+6.75%	7.75%	8/28/2019	12/15/2022	1,882	1,882	1,872	0.8%
Nearly Natural, Inc. (Revolver) ^(f)	L+6.75%	7.75%	12/15/2017	12/15/2022	2,397	959	959	0.4%
					12,692	11,164	11,200	4.8%
Total Non-Controlled/Non-Affiliate Senior Secured Loans					374,330	335,630	319,930	136.5%
Unitranche Secured Loans ^(r)								
Banking, Finance, Insurance & Real Estate								
Kudu Investment Holdings, LLC ^(g)	L+5.75%	6.75%	12/23/2019	12/23/2025	7,932	7,849	7,971	3.4%
Kudu Investment Holdings, LLC (Delayed Draw) ^{(f) (g) (h)}	L+5.75%	6.75%	12/23/2019	12/23/2025	2,357	448	451	0.2%
					10,289	8,297	8,422	3.6%
Chemicals, Plastics & Rubber								
MFG Chemical, LLC ⁽ⁱ⁾	L+6.00%	6.50%	6/23/2017	6/23/2022	9,232	9,184	8,627	3.7%
MFG Chemical, LLC	L+6.00%	6.50%	3/15/2018	6/23/2022	976	976	912	0.4%
					10,208	10,160	9,539	4.1%
Consumer Goods: Durable								
RugsUSA, LLC	L+6.00%	7.00%	5/2/2018	4/28/2023	3,937	3,918	3,936	1.7%
					3,937	3,918	3,936	1.7%
Healthcare & Pharmaceuticals								
Priority Ambulance, LLC ^(s)	L+6.50%	7.50%	7/18/2018	4/12/2022	10,015	10,015	9,930	4.2%
Priority Ambulance, LLC ^(t)	L+6.50%	7.50%	4/12/2017	4/12/2022	1,253	1,242	1,243	0.5%
Priority Ambulance, LLC	L+6.50%	7.50%	12/13/2018	4/12/2022	672	672	666	0.3%
Priority Ambulance, LLC (Delayed Draw) ^{(f) (h)}	L+6.50%	7.50%	10/22/2020	4/12/2022	1,009	—	—	0.0%
					12,949	11,929	11,839	5.0%
High Tech Industries								
Energy Services Group, LLC	L+8.42%	9.42%	5/4/2017	5/4/2022	3,948	3,930	3,948	1.7%
Energy Services Group, LLC ^{(g) (p)}	L+8.42%	9.42%	5/4/2017	5/4/2022	4,861	4,699	4,861	2.0%
Energy Services Group, LLC	L+8.42%	9.42%	5/4/2017	5/4/2022	1,124	1,110	1,124	0.5%
WillowTree, LLC	L+5.50%	6.50%	10/9/2018	10/9/2023	7,840	7,755	7,707	3.3%
					17,773	17,494	17,640	7.5%
Telecommunications								
VB E1, LLC (Delayed Draw) ^{(f) (h)}	L+8.50%	9.00%	11/18/2020	11/18/2026	2,250	1,100	1,100	0.5%
					2,250	1,100	1,100	0.5%
Total Non-Controlled/Non-Affiliate Unitranche Secured Loans					57,406	52,898	52,476	22.4%

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
December 31, 2020
(in thousands, except for shares and units)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate	Acquisition Date ^(c)	Maturity	Principal	Amortized Cost	Fair Value ^(d)	% of Net Assets ^(e)
Junior Secured Loans								
Beverage, Food & Tobacco								
California Pizza Kitchen, Inc.	L+12.50%	1.00% Cash/ 14.00% PIK ^(l)	8/19/2016	5/23/2025	1,264	\$ 1,264	\$ 1,011	0.4%
CSM Bakery Solutions, LLC	L+7.75%	8.75%	5/23/2013	2/4/2022	5,954	5,954	5,909	2.5%
					7,218	7,218	6,920	2.9%
Capital Equipment								
ALTA Enterprises, LLC ^(g)	L+8.00%	9.80%	2/14/2020	8/13/2025	3,850	3,732	3,886	1.7%
					3,850	3,732	3,886	1.7%
High Tech Industries								
Micro Holdings Corp.	L+7.50%	7.65%	8/16/2017	8/18/2025	3,000	2,981	3,024	1.3%
					3,000	2,981	3,024	1.3%
Services: Consumer								
Education Corporation of America	L+11.00%	5.75% Cash/ 5.50% PIK ^(l)	9/3/2015	n/a ⁽ⁱ⁾	833	831	762	0.3%
					833	831	762	0.3%
Total Non-Controlled/Non-Affiliate Junior Secured Loans					14,901	14,762	14,592	6.2%
Equity Securities ^{(u) (v)}								
Banking, Finance, Insurance & Real Estate								
J2 BWA Funding, LLC (0.7% profit sharing) ^(g)	—	— ^(w)	12/24/2020	—	—	—	—	0.0%
PKS Holdings, LLC (5,680 preferred units) ^(g)	n/a	5.00% PIK	11/30/2017	—	—	58	214	0.1%
PKS Holdings, LLC (5,714 preferred units) ^(g)	n/a	5.00% PIK	11/30/2017	—	—	9	33	0.0%
PKS Holdings, LLC (132 preferred units) ^(g)	n/a	5.00% PIK	11/30/2017	—	—	1	5	0.0%
PKS Holdings, LLC (916 preferred units) ^(g)	n/a	5.00% PIK	11/30/2017	—	—	9	33	0.0%
						77	285	0.1%
Beverage, Food & Tobacco								
California Pizza Kitchen, Inc. (78,699 preferred units)	—	— ^(w)	8/19/2016	—	—	5,468	866	0.4%
						5,468	866	0.4%
Capital Equipment								
MCP Shaw Acquisitionco, LLC (118,906 Class A-2 units)	—	— ^(w)	2/28/2020	—	—	119	143	0.1%
						119	143	0.1%
Chemicals, Plastics & Rubber								
Valudor Products, LLC (501,014 Class A-1 units)	n/a	10.00% PIK ^(l)	6/18/2018	—	—	501	—	0.0%
						501	—	0.0%
Environmental Industries								
Quest Resource Holding Corporation (warrant to purchase up to 0.2% of the equity)	—	— ^(w)	10/19/2020	3/19/2028	—	67	87	0.0%
						67	87	0.0%
Healthcare & Pharmaceuticals								
Seran BioScience, LLC (33,333 common units)	—	— ^(w)	12/31/2020	—	—	333	333	0.1%
						333	333	0.1%
High Tech Industries								
Answers Finance, LLC (76,539 shares of common stock)	—	— ^(w)	4/14/2017	—	—	2,344	54	0.0%
MarkLogic Corporation (289,941 Class A units)	—	— ^(w)	10/20/2020	—	—	290	286	0.1%
Planful, Inc. (fka Host Analytics, Inc.) (473,082 Class A units)	n/a	8.00% PIK	12/28/2018	—	—	473	603	0.3%
Recorded Future, Inc. (80,486 Class A units) ^(x)	—	— ^(w)	7/3/2019	—	—	81	131	0.1%
						3,188	1,074	0.5%
Hotels, Gaming & Leisure								
Equine Network, LLC (60 Class A units)	n/a	10.00% PIK	12/31/2020	—	—	60	60	0.0%
						60	60	0.0%
Media: Advertising, Printing & Publishing								
AdTheorent Holding Company, LLC (128,866 Class A voting units)	—	— ^(w)	12/22/2016	—	—	129	445	0.2%
InMobi Pte, Ltd. (warrant to purchase up to 2.8% of the equity) ^{(g) (n)}	—	— ^(w)	9/18/2015	9/18/2025	—	—	203	0.1%
Relevate Health Group, LLC (40 preferred units)	n/a	12.00% PIK	11/20/2020	—	—	40	40	0.0%
Relevate Health Group, LLC (40 Class B common units)	—	— ^(w)	11/20/2020	—	—	—	1	0.0%
Stratus Unlimited, LLC (fka MC Sign Lessor Corp.) (686 shares of common units)	—	— ^(w)	8/30/2019	—	—	872	996	0.4%
XanEdu Publishing, Inc. (49,479 Class A units)	n/a	8.00% PIK	1/28/2020	—	—	49	71	0.0%
						1,090	1,756	0.7%
Media: Diversified & Production								
Attom Intermediate Holdco, LLC (297,197 Class A units)	—	— ^(w)	1/4/2019	—	—	297	371	0.2%
						297	371	0.2%
Retail								
BLST Operating Company, LLC (fka Bluestem Brands, Inc.) (139,883 Class A units)	—	— ^(w)	8/28/2020	—	—	1,072	140	0.1%
Forman Mills, Inc. (warrant to purchase up to 2.6% of the equity)	—	— ^(w)	1/14/2020	1/14/2029	—	—	48	0.0%
The Tie Bar Operating Company, LLC - Class A preferred units (1,275 units)	—	— ^(w)	6/25/2013	—	—	87	4	0.0%
The Tie Bar Operating Company, LLC - Class B preferred units (1,275 units)	—	— ^(w)	6/25/2013	—	—	—	—	0.0%
						1,159	192	0.1%
Services: Business								
APCO Worldwide, Inc. (100 Class A voting common stock)	—	— ^(w)	11/1/2017	—	—	395	433	0.2%
Atlas Sign Industries of FLA, LLC (warrant to purchase up to 0.8% of the equity)	—	— ^(w)	5/14/2018	5/14/2026	—	125	35	0.0%
						520	468	0.2%
Services: Consumer								
Education Corporation of America - Series G preferred stock (8,333 shares)	n/a	12.00% PIK ^(l)	9/3/2015	—	—	7,492	5,117	2.2%
Express Wash Acquisition Company, LLC (100,000 Class A units)	n/a	8.00% PIK	12/28/2020	—	—	100	100	0.0%

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Portfolio Company (a)	Spread Above Index (b)	Interest Rate	Acquisition Date (c)	Maturity	Principal	Amortized Cost	Fair Value (d)	% of Net Assets (e)
Wholesale								
Nearly Natural, Inc. (152,174 Class A units)	—	—(w)	12/15/2017	—	—	\$ 152	\$ 190	0.1%
						152	190	0.1%
Total Non-Controlled/Non-Affiliate Equity Securities						20,623	11,042	4.7%
Total Non-Controlled/Non-Affiliate Company Investments						\$ 423,913	\$ 398,040	169.8%
Non-Controlled Affiliate Company Investments (y)								
Senior Secured Loans								
Banking, Finance, Insurance & Real Estate								
American Community Homes, Inc.	L+10.00%	11.50% PIK	7/22/2014	2/26/2021	9,401	\$ 9,401	\$ 9,401	4.0%
American Community Homes, Inc.	L+14.50%	16.00% PIK	7/22/2014	2/26/2021	6,239	6,239	6,239	2.7%
American Community Homes, Inc.	L+14.50%	16.00% PIK	3/17/2016	2/26/2021	825	825	825	0.4%
American Community Homes, Inc.	L+10.00%	11.50% PIK	5/24/2017	2/26/2021	570	570	570	0.2%
American Community Homes, Inc.	L+14.50%	16.00% PIK	5/24/2017	2/26/2021	335	335	335	0.2%
American Community Homes, Inc.	L+10.00%	11.50% PIK	8/10/2018	2/26/2021	2,095	2,095	2,915	1.2%
American Community Homes, Inc.	L+10.00%	11.50% PIK	3/29/2019	2/26/2021	3,879	3,879	3,879	1.7%
American Community Homes, Inc.	L+10.00%	11.50% PIK	9/30/2019	2/26/2021	18	18	18	0.0%
American Community Homes, Inc.	L+10.00%	11.50% PIK	12/30/2019	2/26/2021	89	89	89	0.0%
HFZ Capital Group, LLC (g) (af)	L+12.50%	14.00% PIK	10/20/2017	n/a(i)	13,242	13,242	13,106	5.6%
HFZ Capital Group, LLC (g) (af)	L+12.50%	14.00% PIK	10/20/2017	n/a(i)	4,758	4,758	4,709	2.0%
MC Asset Management (Industrial), LLC (g) (af)	L+17.00%	18.00% PIK	6/11/2019	10/30/2024	10,702	10,695	11,579	4.9%
					<u>52,153</u>	<u>52,146</u>	<u>53,665</u>	<u>22.9%</u>
Beverage, Food & Tobacco								
TJ Management HoldCo, LLC (Revolver) (f) (k)	L+5.50%	6.50%	9/9/2020	9/8/2023	795	—	—	0.0%
					<u>795</u>	<u>—</u>	<u>—</u>	<u>0.0%</u>
Containers, Packaging & Glass								
Summit Container Corporation	L+8.00%	9.00%	12/5/2013	3/31/2021	3,259	3,269	3,204	1.4%
Summit Container Corporation (Revolver) (f)	L+8.00%	9.00%	6/15/2018	3/31/2021	6,015	1,657	1,654	0.7%
					<u>9,274</u>	<u>4,926</u>	<u>4,858</u>	<u>2.1%</u>
Healthcare & Pharmaceuticals								
Ascent Midco, LLC (j)	L+5.50%	6.50%	2/5/2020	2/5/2025	6,930	6,814	6,997	3.0%
Ascent Midco, LLC (Delayed Draw) (f) (h) (j)	L+5.50%	6.50%	2/5/2020	2/5/2025	2,838	—	—	0.0%
Ascent Midco, LLC (Revolver) (f)	L+5.50%	6.50%	2/5/2020	2/5/2025	1,129	—	—	0.0%
SHI Holdings, Inc. (j)	L+10.75%	10.90% PIK(l)	7/10/2014	n/a(i)	2,899	2,897	188	0.1%
SHI Holdings, Inc. (Revolver) (f)	L+10.75%	10.90% PIK(l)	7/10/2014	n/a(i)	4,667	4,585	297	0.1%
					<u>18,463</u>	<u>14,296</u>	<u>7,482</u>	<u>3.2%</u>
High Tech Industries								
Mnine Holdings, Inc.	L+8.00%	4.00% Cash/ 5.00% PIK	11/2/2018	12/30/2022	11,768	11,665	12,356	5.3%
					<u>11,768</u>	<u>11,665</u>	<u>12,356</u>	<u>5.3%</u>
Retail								
Luxury Optical Holdings Co.	L+8.00%	9.00% PIK(l)	9/12/2014	12/15/2021	1,481	1,481	1,430	0.6%
Luxury Optical Holdings Co. (Delayed Draw) (f) (h)	L+11.50%	12.50%(l)	9/29/2017	12/15/2021	3,565	624	624	0.3%
Luxury Optical Holdings Co. (Revolver)	L+8.00%	9.00% PIK(l)	9/12/2014	12/15/2021	68	68	66	0.0%
					<u>5,114</u>	<u>2,173</u>	<u>2,120</u>	<u>0.9%</u>
Services: Business								
Curion Holdings, LLC (j)	n/a	14.00% PIK(l)	5/2/2017	5/2/2022	4,226	4,189	3,159	1.4%
Curion Holdings, LLC (Revolver) (f)	n/a	14.00% PIK(l)	5/2/2017	5/2/2022	871	836	820	0.3%
					<u>5,097</u>	<u>5,025</u>	<u>3,979</u>	<u>1.7%</u>
Services: Consumer								
NECB Collections, LLC (Revolver) (f)	L+11.00%	12.00% PIK(l)	6/25/2019	6/30/2021	1,356	1,312	834	0.3%
					<u>1,356</u>	<u>1,312</u>	<u>834</u>	<u>0.3%</u>
Total Non-Controlled Affiliate Senior Secured Loans					104,020	91,543	85,294	36.4%
Unitranche Secured Loans (r)								
Consumer Goods: Non-Durable								
Incipio, LLC (z)	L+8.50%	9.50% PIK(l)	12/26/2014	8/22/2022	14,701	14,677	1,764	0.8%
Incipio, LLC (aa)	L+8.50%	9.50% PIK	3/9/2018	8/22/2022	4,278	4,278	4,227	1.8%
Incipio, LLC	L+8.50%	9.50% PIK	7/6/2018	8/22/2022	1,818	1,818	1,805	0.8%
Incipio, LLC	L+8.50%	9.50% PIK	1/15/2020	8/22/2022	1,530	1,530	1,519	0.6%
Incipio, LLC	L+8.50%	9.50% PIK	4/17/2019	8/22/2022	766	766	761	0.3%
Incipio, LLC (Delayed Draw) (f) (h)	L+8.50%	9.50% PIK	7/8/2020	8/22/2022	2,525	1,498	1,488	0.6%
					<u>25,618</u>	<u>24,567</u>	<u>11,564</u>	<u>4.9%</u>
Total Non-Controlled Affiliate Unitranche Secured Loans					25,618	24,567	11,564	4.9%
Junior Secured Loans								
Consumer Goods: Non-Durable								
Incipio, LLC (ab)	n/a	10.70% PIK(l)	6/18/2018	8/22/2022	3,766	—	—	0.0%
Incipio, LLC (ac)	n/a	10.70% PIK(l)	6/18/2018	8/22/2022	7,194	—	—	0.0%
					<u>10,960</u>	<u>—</u>	<u>—</u>	<u>0.0%</u>

MONROE CAPITAL CORPORATION
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
December 31, 2020
(in thousands, except for shares and units)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate	Acquisition Date ^(c)	Maturity	Principal	Amortized Cost	Fair Value ^(d)	% of Net Assets ^(e)
Services: Business								
Curion Holdings, LLC ^(j)	n/a	15.00% PIK ^(l)	8/17/2018	1/2/2023	1,720	\$ 1	\$ —	0.0%
Curion Holdings, LLC ⁽ⁱ⁾	n/a	15.00% PIK ^(l)	8/17/2018	1/2/2023	44	—	—	0.0%
					<u>1,764</u>	<u>1</u>	<u>—</u>	<u>0.0%</u>
Total Non-Controlled Affiliate Company Junior Secured Loans					12,724	1	—	0.0%
Equity Securities ^(v) (y)								
Banking, Finance, Insurance & Real Estate								
American Community Homes, Inc. (warrant to purchase up to 22.3% of the equity)	—	—(w)	10/9/2014	12/18/2024	—	—	—	0.0%
MC Asset Management (Corporate), LLC (15.9% of interests) ^(g) ^(af)	—	—(w)	6/11/2019	—	—	793	785	0.3%
						<u>793</u>	<u>785</u>	<u>0.3%</u>
Beverage, Food & Tobacco								
TJ Management HoldCo, LLC (16 shares of common stock) ^(k)	—	—(w)	9/9/2020	—	—	2,386	3,323	1.4%
						<u>2,386</u>	<u>3,323</u>	<u>1.4%</u>
Consumer Goods: Non-Durable								
Incipio, LLC (1,774 shares of Series C common units)	—	—(w)	7/6/2018	—	—	—	—	0.0%
						<u>—</u>	<u>—</u>	<u>0.0%</u>
Containers, Packaging & Glass								
Summit Container Corporation (warrant to purchase up to 19.5% of the equity)	—	—(w)	1/6/2014	1/6/2024	—	—	139	0.1%
						<u>—</u>	<u>139</u>	<u>0.1%</u>
Healthcare & Pharmaceuticals								
Ascent Midco, LLC (2,032,258 Class A units)	n/a	8.00% PIK	2/5/2020	—	—	2,032	3,016	1.3%
Familia Dental Group Holdings, LLC (1,052 Class A units) ^(ad)	—	—(w)	4/8/2016	—	—	3,602	3,118	1.3%
SHI Holdings, Inc. (24 shares of common stock)	—	—(w)	12/14/2016	—	—	27	—	0.0%
						<u>5,661</u>	<u>6,134</u>	<u>2.6%</u>
High Tech Industries								
Mnine Holdings, Inc. (6,400 Class B units)	—	—(w)	6/30/2020	—	—	—	—	0.0%
						<u>—</u>	<u>—</u>	<u>0.0%</u>
Retail								
Luxury Optical Holdings Co. (91 preferred units)	n/a	15.00% PIK ^(l)	9/12/2014	—	—	3,631	2,476	1.1%
Luxury Optical Holdings Co. (86 shares of common stock)	—	—(w)	9/29/2017	—	—	—	—	0.0%
						<u>3,631</u>	<u>2,476</u>	<u>1.1%</u>
Services: Business								
Curion Holdings, LLC (58,779 shares of common stock)	—	—(w)	8/17/2018	—	—	—	—	0.0%
						<u>—</u>	<u>—</u>	<u>0.0%</u>
Services: Consumer								
NECB Collections, LLC (20.8% of units)	—	—(w)	6/21/2019	—	—	1,458	—	0.0%
						<u>1,458</u>	<u>—</u>	<u>0.0%</u>
Total Non-Controlled Affiliate Equity Securities						13,929	12,857	5.5%
Total Non-Controlled Affiliate Company Investments						\$ 130,040	\$ 109,715	46.8%
Controlled Affiliate Company Investments ^(ae)								
Equity Securities								
Investment Funds & Vehicles								
MRCC Senior Loan Fund I, LLC (50.0% of the equity interests) ^(g)	—	—	10/31/2017	—	—	\$ 42,150	\$ 39,284	16.7%
						<u>42,150</u>	<u>39,284</u>	<u>16.7%</u>
Total Controlled Affiliate Equity Securities						42,150	39,284	16.7%
Total Controlled Affiliate Company Investments						\$ 42,150	\$ 39,284	16.7%
TOTAL INVESTMENTS						\$ 596,103	\$ 547,039	233.3%

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CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
December 31, 2020
(in thousands, except for shares and units)

Derivative Instruments

Foreign currency forward contracts

Description	Notional Amount to be Purchased	Notional Amount to be Sold	Counterparty	Settlement Date	Unrealized Gain (Loss)
Foreign currency forward contract	\$ 107	£ 87	Bannockburn Global Forex, LLC	1/4/2021	\$ (12)
Foreign currency forward contract	\$ 264	£ 206	Bannockburn Global Forex, LLC	3/3/2021	(18)
Foreign currency forward contract	\$ 33	£ 26	Bannockburn Global Forex, LLC	3/3/2021	(2)
Foreign currency forward contract	\$ 103	£ 84	Bannockburn Global Forex, LLC	4/2/2021	(12)
Foreign currency forward contract	\$ 271	£ 212	Bannockburn Global Forex, LLC	6/1/2021	(19)
Foreign currency forward contract	\$ 33	£ 26	Bannockburn Global Forex, LLC	6/1/2021	(2)
Foreign currency forward contract	\$ 103	£ 83	Bannockburn Global Forex, LLC	7/2/2021	(11)
Foreign currency forward contract	\$ 102	£ 83	Bannockburn Global Forex, LLC	10/4/2021	(11)
Foreign currency forward contract	\$ 101	£ 82	Bannockburn Global Forex, LLC	1/3/2022	(11)
Foreign currency forward contract	\$ 97	£ 79	Bannockburn Global Forex, LLC	4/4/2022	(11)
Foreign currency forward contract	\$ 36	£ 29	Bannockburn Global Forex, LLC	5/6/2022	(4)
					<u>\$ (113)</u>

- (a) All of the Company's investments are issued by eligible portfolio companies, as defined in the Investment Company Act of 1940 (the "1940 Act"), unless otherwise noted. All of the Company's investments are issued by U.S. portfolio companies unless otherwise noted.
- (b) The majority of the investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR" or "L") or Prime Rate ("Prime" or "P") which reset daily, monthly, quarterly, or semiannually. For each such investment, the Company has provided the spread over LIBOR or Prime and the current contractual interest rate in effect at December 31, 2020. Certain investments are subject to a LIBOR or Prime interest rate floor, or rate cap. Certain investments contain a payment-in-kind ("PIK") provision.
- (c) Except as otherwise noted, all of the Company's portfolio company investments, which as of December 31, 2020 represented 233.3% of the Company's net assets or 93.5% of the Company's total assets, are subject to legal restrictions on sales.
- (d) Because there is no readily available market value for these investments, the fair value of these investments is determined in good faith using significant unobservable inputs by the Company's board of directors as required by the 1940 Act. (See Note 4 in the accompanying notes to the consolidated financial statements.)
- (e) Percentages are based on net assets of \$234,434 as of December 31, 2020.
- (f) All or a portion of this commitment was unfunded at December 31, 2020. As such, interest is earned only on the funded portion of this commitment.
- (g) This investment is treated as a non-qualifying investment under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of December 31, 2020, non-qualifying assets totaled 19.9% of the Company's total assets.
- (h) This delayed draw loan requires that certain financial covenants be met by the portfolio company prior to any fundings.
- (i) This is a demand note with no stated maturity.
- (j) All of this loan is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (k) During the three months ended September 30, 2020, the senior secured lender group of Toojay's Management, LLC ("Toojay's OldCo") established TJ Management HoldCo, LLC ("Toojay's NewCo") in order to acquire certain of the assets of Toojay's OldCo as part of a bankruptcy restructuring. The Company owns 15.9% of the equity in Toojay's NewCo. Toojay's NewCo credit bid a portion of the senior secured debt in Toojay's OldCo to acquire certain assets of Toojay's OldCo which constitute the ongoing operations of the portfolio company. The Company's portion of this credit bid was \$2,386, and as such the Company's outstanding senior secured debt investment in Toojay's OldCo was reduced by the amount of the credit bid and the Company's cost basis of its new equity investment in Toojay's NewCo was increased by the amount of the credit bid. While the Company still has loans outstanding at Toojay's OldCo, the Company has valued these positions at zero as of December 31, 2020.
- (l) This position was on non-accrual status as of December 31, 2020, meaning that the Company has ceased accruing interest income on the position. See Note 2 in the accompanying notes to the consolidated financial statements for additional information on the Company's accounting policies.
- (m) This investment represents a note convertible to preferred shares of the borrower.
- (n) This is an international company.
- (o) In May 2020, an arbitrator issued a final award in favor of the estate of Rockdale Blackhawk, LLC (the "Estate") in the legal proceeding between the Estate and a national insurance carrier. The Company's share of the net proceeds from the award exceeded the contractual obligations due to the Company as a result of the Company's right to receive excess proceeds pursuant to the terms of a sharing agreement between the lenders and the Estate. In June 2020, the Company received \$33,135 as an initial payment of proceeds from the legal proceedings from the Estate, of which \$19,540 was recorded as a reduction in the cost basis of the Company's investment in Rockdale, \$3,878 was recorded as the collection of previously accrued interest, \$7,378 was recorded as investment income for previously unaccrued interest and fees and \$2,339 was recorded as realized gains. Additionally, as an offset, the Company recorded net change in unrealized (loss) of (\$8,243) primarily as a result of the reversal associated with the collection of proceeds from the Estate. Total net income associated with the Company's investment in Rockdale was \$1,887 during the year ended December 31, 2020. As of December 31, 2020, the Company has this remaining investment in Rockdale associated with residual proceeds currently expected from the Estate. This investment is a non-income producing security.
- (p) This loan is denominated in Great Britain pounds and is translated into U.S. dollars as of the valuation date.
- (q) As of December 31, 2020, the Company was party to a subscription agreement with a commitment to fund an equity investment of \$289.
- (r) The Company structures its unitranche secured loans as senior secured loans. The Company obtains security interests in the assets of these portfolio companies that serve as collateral in support of the repayment of these loans. This collateral may take the form of first-priority liens on the assets of a portfolio company. Generally, the Company syndicates a "first out" portion of the loan to an investor and retains a "last out" portion of the loan, in which case the "first out" portion of the loan will generally receive priority with respect to payments of principal, interest and any other amounts due thereunder. Unitranche structures combine characteristics of traditional first lien senior secured as well as second lien and subordinated loans and the Company's unitranche secured loans will expose the Company to the risks associated with second lien and subordinated loans and may limit the Company's recourse or ability to recover collateral upon a portfolio company's bankruptcy. Unitranche secured loans typically provide for moderate loan amortization in the initial years of the facility, with the majority of the amortization deferred until loan maturity. Unitranche secured loans generally allow the borrower to make a large lump sum payment of principal at the end of the loan term, and there is a risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity. In many cases the Company, together with its affiliates, are the sole or majority lender of these unitranche secured loans, which can afford the Company additional influence with a borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.
- (s) A portion of this loan (principal of \$9,258) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (t) A portion of this loan (principal of \$525) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (u) Represents less than 5% ownership of the portfolio company's voting securities.
- (v) Ownership of certain equity investments may occur through a holding company or partnership.
- (w) Represents a non-income producing security.
- (x) As of December 31, 2020, the Company was party to a subscription agreement with a commitment to fund an additional equity investment of \$16.
- (y) As defined in the 1940 Act, the Company is deemed to be an "Affiliated Person" of the portfolio company as it owns 5% or more of the portfolio company's voting securities. See Note 5 in the accompanying notes to the consolidated financial statements for additional information on transactions in which the issuer was an Affiliated Person (but not a portfolio company that the Company is deemed to control).
- (z) A portion of this loan (principal of \$5,390) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (aa) A portion of this loan (principal of \$54) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (ab) A portion of this loan (principal of \$1,015) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (ac) A portion of this loan (principal of \$1,938) is held in the Company's wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP, and is therefore not collateral to the Company's revolving credit facility.
- (ad) As of December 31, 2020, the Company was party to a subscription agreement with a commitment to fund an additional equity investment of \$611.
- (ae) As defined in the 1940 Act, the Company is deemed to be both an "Affiliated Person" of and to "Control" this portfolio company as it owns more than 25% of the portfolio company's voting securities. See Note 5 in the accompanying notes to the consolidated financial statements for additional information on transactions in which the issuer was both an Affiliated Person and a portfolio company that the Company is deemed to control.
- (af) The Company restructured its investments in HFZ Capital Group LLC ("HFZ") and HFZ Member RB portfolio, LLC ("Member RB") during the three months ended December 31, 2020. As part of the restructuring of HFZ, the Company obtained a 15.9% equity interest in MC Asset Management (Corporate), LLC ("Corporate"). As part of the Member RB restructuring, the Company exchanged its loan in Member RB for a promissory note in MC Asset Management (Industrial), LLC ("Industrial"). Corporate owns 100% of the equity of Industrial. In conjunction with these restructurings, the Company participated \$4,758 of principal of its loan to HFZ as an equity contribution to Industrial. This participation did not qualify for sale accounting under ASC Topic 860 – *Transfers and Servicing* because the sale did not meet the definition of a "participating interest", as defined in the guidance, in order for sale treatment to be allowed. As a result, the Company continues to reflect its full investment in HFZ but has split the loan into two investments.

n/a - not applicable

MONROE CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(in thousands, except share and per share data)

Note 1. Organization and Principal Business

Monroe Capital Corporation (together with its subsidiaries, the “Company”) is an externally managed, non-diversified, closed-end management investment company and has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company’s investment objective is to maximize the total return to its stockholders in the form of current income and capital appreciation through investment in senior secured, junior secured and unitranche secured (a combination of senior secured and junior secured debt in the same facility in which the Company syndicates a “first out” portion of the loan to an investor and retains a “last out” portion of the loan) debt and, to a lesser extent, unsecured subordinated debt and equity investments. The Company is managed by Monroe Capital BDC Advisors, LLC (“MC Advisors”), a registered investment adviser under the Investment Advisers Act of 1940, as amended. In addition, for U.S. federal income 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 28, 2014, the Company’s wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP (“MRCC SBIC”), a Delaware limited partnership, received a license from the Small Business Administration (“SBA”) to operate as a Small Business Investment Company (“SBIC”) under Section 301(c) of the Small Business Investment Act of 1958, as amended. MRCC SBIC commenced operations on September 16, 2013. See Note 7 for additional information.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The accompanying consolidated financial statements of the Company and related financial information have been prepared pursuant to the requirements for reporting on Form 10-Q and Articles 6 and 10 of Regulation S-X. The Company has determined it meets the definition of an investment company and follows the accounting and reporting guidance in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946 – *Financial Services – Investment Companies* (“ASC Topic 946”).

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Consolidation

As permitted under ASC Topic 946, the Company will generally not consolidate its investment in a portfolio company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Accordingly, the Company consolidated the results of the Company’s wholly-owned subsidiaries, including MRCC SBIC and its wholly-owned general partner MCC SBIC GP, LLC, and the Company’s wholly-owned taxable subsidiaries (the “Taxable Subsidiaries”) in its consolidated financial statements. The purpose of the Taxable Subsidiaries is to permit the Company to hold equity investments in portfolio companies that are taxed as partnerships for U.S. federal income tax purposes while complying with the “source of income” requirements contained in the RIC tax provisions. The Taxable Subsidiaries are not consolidated with the Company for U.S. federal corporate income tax purposes, and each Taxable Subsidiary is subject to U.S. federal corporate income tax on its taxable income. All intercompany balances and transactions have been eliminated. The Company does not consolidate its non-controlling interest in MRCC Senior Loan Fund I, LLC (“SLF”). See further description of the Company’s investment in SLF in Note 3.

Fair Value of Financial Instruments

The Company applies fair value to substantially all of its financial instruments in accordance with ASC Topic 820 – *Fair Value Measurements and Disclosures* (“ASC Topic 820”). ASC Topic 820 defines fair value, establishes a framework used to measure fair value, and requires disclosures for fair value measurements, including the categorization of financial instruments into a three-level hierarchy based on the transparency of valuation inputs. See Note 4 for further discussion regarding the fair value measurements and hierarchy.

ASC Topic 820 requires disclosure of the fair value of financial instruments for which it is practical to estimate such value. The Company believes that the carrying amounts of its other financial instruments such as cash, receivables and payables approximate the fair value of such items due to the short maturity of such instruments.

Revenue Recognition

The Company’s revenue recognition policies are as follows:

Investments and related investment income: Interest and dividend income is recorded on the accrual basis to the extent that the Company expects to collect such amounts. Interest income is accrued based upon the outstanding principal amount and contractual terms of debt and preferred equity investments. Interest is accrued on a daily basis. The Company records fees on loans based on the determination of whether the fee is considered a yield enhancement or payment for a service. If the fee is considered a yield enhancement associated with a funding of cash on a loan, the fee is generally deferred and recognized into interest income using the effective interest method if captured in the cost basis or using the straight-line method if the loan is unfunded and therefore there is no cost basis. If the fee is not considered a yield enhancement because a service was provided, and the fee is payment for that service, the fee is deemed earned and recognized as fee income in the period the service has been completed.

Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies. Each distribution received from limited liability company (“LLC”) and limited partnership (“LP”) investments is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company will not record distributions from equity investments in LLCs and LPs as dividend income unless there are sufficient accumulated tax-basis earnings and profits in the LLC or LP prior to the applicable distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment. For the three months ended March 31, 2021 and 2020, the Company received return of capital distributions from its equity investments and its investment in LLC equity interest in SLF of \$60 and zero, respectively.

The Company has certain investments in its portfolio that contain a payment-in-kind (“PIK”) provision, which represents contractual interest or dividends that are added to the principal balance and recorded as income. The Company stops accruing PIK interest or PIK dividends when it is determined that PIK interest or PIK dividends are no longer collectible. To maintain RIC tax treatment, and to avoid incurring corporate U.S. federal income tax, substantially all of this income must be paid out to stockholders in the form of distributions, even though the Company has not yet collected the cash.

Loan origination fees, original issue discount and market discount or premiums are capitalized, and the Company then amortizes such amounts using the effective interest method as interest income over the life of the investment. Unamortized discounts and loan origination fees totaled \$4,263 and \$4,844 as of March 31, 2021 and December 31, 2020, respectively. Upfront loan origination and closing fees received for the three months ended March 31, 2021 and 2020, totaled \$465 and \$975, respectively. Upon the prepayment of a loan or debt security, any unamortized premium or discount or loan origination fees are recorded as interest income.

The components of the Company’s investment income were as follows:

	Three months ended March 31,	
	2021	2020
Interest income	\$ 8,961	\$ 11,979
PIK interest income	1,679	1,076
Dividend income ⁽¹⁾	1,262	1,191
Fee income	477	198
Prepayment gain (loss)	482	214
Accretion of discounts and amortization of premium	352	344
Total investment income	\$ 13,213	\$ 15,002

(1) Includes PIK dividends of \$62 and \$41, respectively.

Investment transactions are recorded on a trade-date basis. Realized gains or losses on portfolio investments are calculated based upon the difference between the net proceeds from the disposition and the amortized cost basis of the investment, without regard to unrealized gains or losses previously recognized. Realized gains and losses are recorded within net realized gain (loss) on investments on the consolidated statements of operations. Changes in the fair value of investments from the prior period, as determined by the Company’s board of directors (the “Board”) through the application of the Company’s valuation policy, are included within net change in unrealized gain (loss) on investments on the consolidated statements of operations.

Non-accrual: Loans or preferred equity securities are placed on non-accrual status when principal, interest or dividend payments become materially past due, or when there is reasonable doubt that principal, interest or dividends will be collected. Additionally, any original issue discount and market discount are no longer accreted to interest income as of the date the loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management’s judgment. Non-accrual loans are restored to accrual status when past due principal, interest, or dividends are paid, and, in management’s judgment are likely to remain current. The fair value of the Company’s investments on non-accrual status totaled \$27,277 and \$22,273 at March 31, 2021 and December 31, 2020, respectively.

Distributions

Distributions to common stockholders are recorded on the applicable record date. The amount, if any, to be distributed to common stockholders is determined by the Board each quarter and is generally based upon the Company’s earnings estimated by management. Net realized capital gains, if any, are generally distributed at least annually.

The determination of the tax attributes for the Company’s distributions is made annually, based upon its taxable income for the full year and distributions paid for the full year. Ordinary dividend distributions from a RIC do not qualify for the preferential tax rate on qualified dividend income from domestic corporations and qualified foreign corporations, except to the extent that the RIC received the income in the form of qualifying dividends from domestic corporations and qualified foreign corporations. The tax attributes for distributions will generally include both ordinary income and capital gains, but may also include qualified dividends or return of capital.

In October 2012, the Company adopted a dividend reinvestment plan (“DRIP”) that provides for the reinvestment of dividends on behalf of its stockholders, unless a stockholder has elected to receive dividends in cash. When the Company declares a cash dividend, the Company’s stockholders who have not “opted out” of the DRIP at least three days prior to the dividend payment date will have their cash dividend automatically reinvested into additional shares of the Company’s common stock. The Company has the option to satisfy the share requirements of the DRIP through the issuance of new shares of common stock or through open market purchases of common stock by the DRIP plan administrator. Newly issued shares are valued based upon the final closing price of the Company’s common stock on a date determined by the Board. Shares purchased in the open market to satisfy the DRIP requirements will be valued based upon the average price of the applicable shares purchased by the DRIP plan administrator, before any associated brokerage or other costs. See Note 9 for additional information on the Company’s distributions.

Segments

In accordance with ASC Topic 280 – *Segment Reporting*, the Company has determined that it has a single reporting segment and operating unit structure.

Cash

The Company deposits its cash in a financial institution and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Restricted Cash

Restricted cash includes amounts held within MRCC SBIC. Cash held within an SBIC is generally restricted to the originations of new loans from the SBIC and the payment of SBA debentures and related interest expense.

Unamortized Deferred Financing Costs

Deferred financing costs represent fees and other direct incremental costs incurred in connection with the Company's borrowings. As of March 31, 2021 and December 31, 2020, the Company had unamortized deferred financing costs of \$7,715 and \$7,052 respectively, presented as a direct reduction of the carrying amount of debt on the consolidated statements of assets and liabilities. These amounts are amortized and included in interest and other debt financing expenses on the consolidated statements of operations over the estimated average life of the borrowings. Amortization of deferred financing costs for the three months ended March 31, 2021 and 2020 was \$601 and \$484, respectively.

Offering Costs

Offering costs include, among other things, fees paid in relation to legal, accounting, regulatory and printing work completed in preparation of debt and equity offerings. Offering costs from equity offerings are charged against the proceeds from the offering within the consolidated statements of changes in net assets. Offering costs from debt offerings are reclassified to unamortized deferred financing costs on the consolidated statements of assets and liabilities as noted above. As of March 31, 2021 and December 31, 2020, other assets on the consolidated statements of assets and liabilities included \$143 and \$562, respectively, of deferred offering costs which will be charged against the proceeds from future debt or equity offerings when completed.

Investments Denominated in Foreign Currency

As of March 31, 2021, the Company held investments in two portfolio companies that were denominated in Great Britain pounds and one portfolio company that was denominated in Australian dollars. As of December 31, 2020, the Company held investments in two portfolio companies that were denominated in Great Britain pounds.

At each balance sheet date, portfolio company investments denominated in foreign currencies are translated into U.S. dollars using the spot exchange rate on the last business day of the period. Purchases and sales of foreign portfolio company investments, and any income from such investments, are translated into U.S. dollars using the rates of exchange prevailing on the respective dates of such transactions.

Although the fair values of foreign portfolio company investments and the fluctuation in such fair values are translated into U.S. dollars using the applicable foreign exchange rates described above, the Company does not isolate the portion of the change in fair value resulting from foreign currency exchange rates fluctuations from the change in fair value of the underlying investment. All fluctuations in fair value are included in net change in unrealized gain (loss) on investments on the Company's consolidated statements of operations.

Investments denominated in foreign currencies and foreign currency transactions may involve certain consideration and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign currency relative to the U.S. dollar.

Derivative Instruments

The Company may enter into foreign currency forward contracts to reduce the Company's exposure to foreign currency exchange rate fluctuations. In a foreign currency forward contract, the Company agrees to receive or deliver a fixed quantity of one currency for another, at a pre-determined price at a future date. Foreign currency forward contracts are marked-to-market based on the difference between the forward rate and the exchange rate at the current period end. Unrealized gain (loss) on foreign currency forward contracts are recorded on the Company's consolidated statements of assets and liabilities by counterparty on a net basis.

The Company does not utilize hedge accounting and as such values its foreign currency forward contracts at fair value with the change in unrealized gain or loss recorded in net change in unrealized gain (loss) on foreign currency forward contracts and the realized gain or loss recorded in net realized gain (loss) on foreign currency forward contracts on the Company's consolidated statements of operations.

Income Taxes

The Company has elected to be treated as a RIC under Subchapter M of the Code and operates in a manner so as to qualify for the tax treatment available to RICs. To maintain qualification as a RIC, the Company must, among other things, meet certain source-of-income and asset diversification requirements and distribute to stockholders, for each taxable year, at least 90% of the Company's "investment company taxable income," which is generally the Company's net ordinary income plus the excess, if any, of realized net short-term capital gains over realized net long-term capital losses. If the Company qualifies as a RIC and satisfies the annual distribution requirement, the Company will not have to pay corporate-level federal income taxes on any income that the Company distributes to its stockholders. The Company intends to make distributions in an amount sufficient to maintain RIC status each year and to avoid any federal income taxes on income. The Company is also subject to nondeductible federal excise taxes if the Company does not distribute at least 98% of net ordinary income, 98.2% of any capital gain net income, if any, and any recognized and undistributed income from prior years for which it paid no federal income taxes. To the extent that the Company determines that its estimated current year annual taxable income may exceed estimated current year dividend distributions, the Company accrues excise tax, calculated as 4% of the estimated excess taxable income, if any, as taxable income is earned. For the three months ended March 31, 2021 and 2020, the Company recorded a net expense on the consolidated statements of operations of \$30 and \$20, respectively, for U.S. federal excise tax. As of March 31, 2021 and December 31, 2020, the Company had a receivable of \$64 and a payable of \$306 for excise taxes, respectively, which were included in accounts payable and accrued expenses on the Company's consolidated statements of assets and liabilities.

The Company's consolidated Taxable Subsidiaries may be subject to U.S. federal and state corporate-level income taxes. For both the three months ended March 31, 2021 and 2020, the Company did not record a net tax expense on the consolidated statements of operations for these Taxable Subsidiaries. As of both March 31, 2021 and December 31, 2020, no payables for corporate-level income taxes were accrued.

The Company accounts for income taxes in conformity with ASC Topic 740 — *Income Taxes* ("ASC Topic 740"). ASC Topic 740 provides guidelines for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. ASC Topic 740 requires the evaluation of tax positions taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. It is the Company's policy to recognize accrued interest and penalties related to uncertain tax benefits in income tax expense. The Company did not take any material uncertain income tax positions through March 31, 2021. The 2017 through 2020 tax years remain subject to examination by U.S. federal and state tax authorities.

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. There have been no subsequent events that occurred during such period that would require disclosure in this Form 10-Q or would be required to be recognized in the consolidated financial statements as of and for the three months ended March 31, 2021.

Recent Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform* (“ASU 2020-04”). The amendments in ASU 2020-04 provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The standard is effective as of March 12, 2020 through December 31, 2022. Management is currently evaluating the impact of the optional guidance on the Company’s consolidated financial statements and disclosures. The Company did not utilize the optional expedients and exceptions provided by ASU 2020-04 during the three months ended March 31, 2021.

Note 3. Investments

The following tables show the composition of the Company's investment portfolio, at amortized cost and fair value (with corresponding percentage of total portfolio investments):

	March 31, 2021		December 31, 2020	
Amortized Cost:				
Senior secured loans	\$ 411,723	72.8%	\$ 427,173	71.7%
Unitranche secured loans	65,285	11.5	77,465	13.0
Junior secured loans	11,884	2.1	14,763	2.4
LLC equity interest in SLF	42,150	7.5	42,150	7.1
Equity securities	34,779	6.1	34,552	5.8
Total	<u>\$ 565,821</u>	<u>100.0%</u>	<u>\$ 596,103</u>	<u>100.0%</u>

	March 31, 2021		December 31, 2020	
Fair Value:				
Senior secured loans	\$ 392,399	75.2%	\$ 405,224	74.1%
Unitranche secured loans	48,298	9.3	64,040	11.7
Junior secured loans	11,999	2.3	14,592	2.6
LLC equity interest in SLF	41,067	7.9	39,284	7.2
Equity securities	27,616	5.3	23,899	4.4
Total	<u>\$ 521,379</u>	<u>100.0%</u>	<u>\$ 547,039</u>	<u>100.0%</u>

The following tables show the composition of the Company's investment portfolio by geographic region, at amortized cost and fair value (with corresponding percentage of total portfolio investments). The geographic composition is determined by the location of the corporate headquarters of the portfolio company, which may not be indicative of the primary source of the portfolio company's business:

	March 31, 2021		December 31, 2020	
Amortized Cost:				
International	\$ 28,909	5.1%	\$ 19,276	3.2%
Midwest	144,718	25.6	149,468	25.1
Northeast	127,036	22.5	139,553	23.4
Southeast	129,177	22.8	142,721	24.0
Southwest	25,434	4.5	23,857	4.0
West	110,547	19.5	121,228	20.3
Total	<u>\$ 565,821</u>	<u>100.0%</u>	<u>\$ 596,103</u>	<u>100.0%</u>

	March 31, 2021		December 31, 2020	
Fair Value:				
International	\$ 29,440	5.6%	\$ 20,008	3.7%
Midwest	142,285	27.3	144,261	26.4
Northeast	112,437	21.6	123,349	22.5
Southeast	126,011	24.2	138,406	25.3
Southwest	27,535	5.3	25,557	4.7
West	83,671	16.0	95,458	17.4
Total	<u>\$ 521,379</u>	<u>100.0%</u>	<u>\$ 547,039</u>	<u>100.0%</u>

The following tables show the composition of the Company's investment portfolio by industry, at amortized cost and fair value (with corresponding percentage of total portfolio investments):

	March 31, 2021		December 31, 2020	
Amortized Cost:				
Automotive	\$ 9,471	1.7%	\$ 9,495	1.6%
Banking, Finance, Insurance & Real Estate	74,799	13.2	70,779	11.9
Beverage, Food & Tobacco	26,392	4.7	26,308	4.4
Capital Equipment	13,527	2.4	13,603	2.3
Chemicals, Plastics & Rubber	29,178	5.1	28,723	4.8
Construction & Building	16,695	3.0	16,651	2.8
Consumer Goods: Durable	6,203	1.1	24,410	4.1
Consumer Goods: Non-Durable	26,227	4.6	26,030	4.3
Containers, Packaging & Glass	—	—	4,926	0.8
Environmental Industries	12,970	2.3	12,996	2.2
Healthcare & Pharmaceuticals	46,771	8.3	42,857	7.2
High Tech Industries	84,811	15.0	81,845	13.7
Hotels, Gaming & Leisure	2,590	0.5	1,771	0.3
Investment Funds & Vehicles	42,150	7.4	42,150	7.1
Media: Advertising, Printing & Publishing	29,108	5.1	30,764	5.1
Media: Broadcasting & Subscription	2,326	0.4	2,190	0.4
Media: Diversified & Production	6,709	1.2	6,707	1.1
Retail	32,985	5.8	32,017	5.4
Services: Business	62,353	11.0	79,768	13.4

Services: Consumer	25,540	4.5	29,697	5.0
Telecommunications	1,100	0.2	1,100	0.2
Wholesale	13,916	2.5	11,316	1.9
Total	<u>\$ 565,821</u>	<u>100.0%</u>	<u>\$ 596,103</u>	<u>100.0%</u>

	March 31, 2021		December 31, 2020	
Fair Value:				
Automotive	\$ 9,603	1.9%	\$ 9,637	1.8%
Banking, Finance, Insurance & Real Estate	77,959	15.0	72,627	13.3
Beverage, Food & Tobacco	21,767	4.2	20,676	3.8
Capital Equipment	13,890	2.7	13,750	2.5
Chemicals, Plastics & Rubber	28,879	5.5	27,754	5.1
Construction & Building	16,855	3.2	16,809	3.0
Consumer Goods: Durable	475	0.1	18,893	3.4
Consumer Goods: Non-Durable	9,061	1.7	13,027	2.4
Containers, Packaging & Glass	—	—	4,997	0.9
Environmental Industries	13,218	2.5	13,168	2.4
Healthcare & Pharmaceuticals	42,179	8.1	37,815	6.9
High Tech Industries	84,886	16.3	81,417	14.9
Hotels, Gaming & Leisure	2,651	0.5	1,771	0.3
Investment Funds & Vehicles	41,067	7.9	39,284	7.2
Media: Advertising, Printing & Publishing	31,623	6.1	31,553	5.8
Media: Broadcasting & Subscription	2,335	0.4	2,227	0.4
Media: Diversified & Production	6,889	1.3	6,811	1.2
Retail	19,404	3.7	18,443	3.4
Services: Business	62,071	11.9	78,584	14.4
Services: Consumer	21,363	4.1	25,306	4.6
Telecommunications	1,102	0.2	1,100	0.2
Wholesale	14,102	2.7	11,390	2.1
Total	<u>\$ 521,379</u>	<u>100.0%</u>	<u>\$ 547,039</u>	<u>100.0%</u>

MRCC Senior Loan Fund I, LLC

The Company co-invests with Life Insurance Company of the Southwest (“LSW”) in senior secured loans through SLF, an unconsolidated Delaware LLC. SLF is capitalized as underlying investment transactions are completed, taking into account available debt and equity commitments available for funding these investments. All portfolio and investment decisions in respect to SLF must be approved by the SLF investment committee, consisting of one representative from the Company and one representative from LSW. SLF may cease making new investments upon notification of either member but operations will continue until all investments have been sold or paid-off in the normal course of business. Investments held by SLF are measured at fair value using the same valuation methodologies as described in Note 4. The Company’s investment is illiquid in nature as SLF does not allow for withdrawal from the LLC or the sale of a member’s interest unless approved by the board members of SLF. The full withdrawal of a member would result in an orderly wind-down of SLF.

SLF’s profits and losses are allocated to the Company and LSW in accordance with their respective ownership interests. As of both March 31, 2021 and December 31, 2020, the Company and LSW each owned 50.0% of the LLC equity interests of SLF. As of both March 31, 2021 and December 31, 2020, SLF had \$100,000 in equity commitments from its members (in the aggregate), of which \$84,300 was funded.

As of both March 31, 2021 and December 31, 2020, the Company had committed to fund \$50,000 of LLC equity interest subscriptions to SLF. As of both March 31, 2021 and December 31, 2020, \$42,150 of the Company’s LLC equity interest subscriptions to SLF had been called and contributed, net of return of capital distributions subject to recall.

For the three months ended March 31, 2021 and 2020, the Company received \$1,200 and \$1,150 of dividend income from its LLC equity interest in SLF, respectively.

SLF has a senior secured revolving credit facility (as amended, the “SLF Credit Facility”) with Capital One, N.A., through its wholly-owned subsidiary MRCC Senior Loan Fund I Financing SPV, LLC (“SLF SPV”), which as of March 31, 2021 allowed SLF SPV to borrow up to \$170,000 at any one time, subject to leverage and borrowing base restrictions. Borrowings under the SLF Credit Facility bear interest at an annual rate of LIBOR (three-month) plus 2.25%. The maturity date on the SLF Credit Facility is March 22, 2023.

SLF does not pay any fees to MC Advisors or its affiliates; however, SLF has entered into an administration agreement with Monroe Capital Management Advisors, LLC (“MC Management”), pursuant to which certain loan servicing and administrative functions are delegated to MC Management. SLF may reimburse MC Management for its allocable share of overhead and other expenses incurred by MC Management. For the three months ended March 31, 2021 and 2020, SLF incurred \$58 and \$56, of allocable expenses, respectively. There are no agreements or understandings by which the Company guarantees any SLF obligations.

As of March 31, 2021 and December 31, 2020, SLF had total assets at fair value of \$202,560 and \$209,666, respectively. As of March 31, 2021 and December 31, 2021, SLF had one portfolio company investment on non-accrual status with a fair value of \$1,076 and \$1,031, respectively. The portfolio companies in SLF are in industries and geographies similar to those in which the Company may invest directly. Additionally, as of March 31, 2021 and December 31, 2020, SLF had \$563 and \$839, respectively, in outstanding commitments to fund investments under undrawn revolvers and delayed draw commitments.

Below is a summary of SLF’s portfolio, followed by a listing of the individual investments in SLF’s portfolio as of March 31, 2021 and December 31, 2020:

	As of	
	March 31, 2021	December 31, 2020
Senior secured loans ⁽¹⁾	203,382	214,389
Weighted average current interest rate on senior secured loans ⁽²⁾	5.9%	5.8%

Number of borrowers in SLF	55	57
Largest portfolio company investment ⁽¹⁾	6,772	6,790
Total of five largest portfolio company investments ⁽¹⁾	27,037	27,064

(1) Represents outstanding principal amount, excluding unfunded commitments.

(2) Computed as the (a) annual stated interest rate on accruing senior secured loans divided by (b) total senior secured loans at outstanding principal amount.

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
(unaudited)
March 31, 2021

Portfolio Company ^(a)	Spread Above Index (b)	Interest Rate ^(b)	Maturity	Principal	Fair Value
Non-Controlled/Non-Affiliate Company Investments					
Senior Secured Loans					
Aerospace & Defense					
Bromford Industries Limited ^(c)	L+5.25%	6.25%	11/5/2025	2,765	\$ 2,707
Bromford Industries Limited ^(c)	L+5.25%	6.25%	11/5/2025	1,843	1,805
Trident Maritime SH, Inc.	L+5.50%	6.50%	2/26/2027	2,485	2,481
Trident Maritime SH, Inc. (Revolver) ^(d)	L+5.50%	6.50%	2/26/2027	265	41
				7,358	7,034
Automotive					
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	1,722	1,720
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	255	255
Wheel Pros, LLC	L+5.25%	6.25%	11/10/2027	2,993	2,993
				4,970	4,968
Banking, Finance, Insurance & Real Estate					
Avison Young (USA), Inc. ^(c)	L+5.00%	5.20%	1/30/2026	4,888	4,881
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.)	L+5.25%	6.25%	12/13/2024	4,641	4,576
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.)	L+5.25%	6.25%	12/13/2024	103	102
Lighbox Intermediate, L.P.	L+5.00%	5.20%	5/11/2026	4,913	4,863
Minotaur Acquisition, Inc.	L+5.00%	5.11%	3/27/2026	2,940	2,941
				17,485	17,363
Beverage, Food & Tobacco					
CBC Restaurant Corp.	n/a	5.00% PIK ^(e)	4/28/2022	1,116	1,076
SW Ingredients Holdings, LLC	L+4.00%	5.00%	7/3/2025	3,647	3,645
				4,763	4,721
Capital Equipment					
Analogic Corporation	L+5.25%	6.25%	6/24/2024	4,788	4,788
				4,788	4,788
Chemicals, Plastics & Rubber					
Polymer Solutions Group	L+7.00%	8.00%	6/30/2021	1,206	1,177
				1,206	1,177
Construction & Building					
The Cook & Boardman Group, LLC	L+5.75%	6.75%	10/20/2025	2,933	2,864
				2,933	2,864
Consumer Goods: Durable					
International Textile Group, Inc.	L+5.00%	5.26%	5/1/2024	1,746	1,646
				1,746	1,646
Consumer Goods: Non-Durable					
PH Beauty Holdings III, Inc.	L+5.00%	5.19%	9/26/2025	2,436	2,328
				2,436	2,328
Containers, Packaging & Glass					
Liqui-Box Holdings, Inc.	L+4.50%	5.50%	2/26/2027	4,301	4,107
Polychem Acquisition, LLC	L+5.00%	5.11%	3/17/2025	2,940	2,936
Port Townsend Holdings Company, Inc.	L+6.75%	5.75% Cash/ 2.00% PIK	4/3/2024	4,716	4,291
PVHC Holding Corp.	L+4.75%	5.75%	8/5/2024	3,242	2,837
				15,199	14,171
Energy: Oil & Gas					
Drilling Info Holdings, Inc.	L+4.25%	4.36%	7/30/2025	4,551	4,483
Offen, Inc.	L+5.00%	5.11%	6/22/2026	2,406	2,384
Offen, Inc.	L+5.00%	5.11%	6/22/2026	883	875
				7,840	7,742

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS – (continued)
(unaudited)
March 31, 2021

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate ^(b)	Maturity	Principal	Fair Value
Healthcare & Pharmaceuticals					
LSCS Holdings, Inc.	L+4.25%	4.45%	3/17/2025	2,293	\$ 2,270
LSCS Holdings, Inc.	L+4.25%	4.45%	3/17/2025	592	586
Radiology Partners, Inc.	L+4.25%	4.36%	7/9/2025	4,760	4,731
				7,645	7,587
High Tech Industries					
Corel, Inc. ^(c)	L+5.00%	5.19%	7/2/2026	3,875	3,863
LW Buyer, LLC	L+5.00%	5.11%	12/30/2024	4,912	4,888
TGG TS Acquisition Company	L+6.50%	6.61%	12/12/2025	3,679	3,698
				12,466	12,449
Hotels, Gaming & Leisure					
Excel Fitness Holdings, Inc.	L+5.25%	6.25%	10/7/2025	4,197	4,020
North Haven Spartan US Holdco, LLC	L+5.00%	6.00%	6/6/2025	2,315	1,998
Tait, LLC	L+5.00%	5.20%	3/28/2025	4,157	3,695
Tait, LLC (Revolver)	P+4.00%	7.25%	3/28/2025	769	715
				11,438	10,428
Media: Advertising, Printing & Publishing					
Cadent, LLC	L+5.25%	6.25%	9/11/2023	4,728	4,716
Cadent, LLC (Revolver) ^(d)	L+5.25%	6.25%	9/11/2023	167	—
Digital Room Holdings, Inc.	L+5.00%	5.20%	5/21/2026	4,351	4,284
Monotype Imaging Holdings, Inc.	L+5.50%	6.50%	10/9/2026	4,875	4,865
				14,121	13,865
Media: Diversified & Production					
Research Now Group, Inc. and Survey Sampling International, LLC	L+5.50%	6.50%	12/20/2024	6,772	6,723
Stats Intermediate Holding, LLC	L+5.25%	5.45%	7/10/2026	4,937	4,937
The Octave Music Group, Inc.	L+6.00%	6.25% Cash/ 0.75% PIK	5/29/2025	4,828	4,580
				16,537	16,240
Services: Business					
AQ Carver Buyer, Inc.	L+5.00%	6.00%	9/23/2025	4,938	4,925
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	1,997	1,867
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	421	394
Eliassen Group, LLC	L+4.25%	4.36%	11/5/2024	3,013	2,968
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	4,309	4,285
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	777	773
Engage2Excel, Inc. (Revolver) ^(d)	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	550	373
GI Revelation Acquisition, LLC	L+5.00%	5.11%	4/16/2025	1,362	1,366
Legility, LLC	L+6.00%	7.00%	12/17/2025	4,875	4,719
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	2,450	2,460
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	1,892	1,900
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	553	555
Output Services Group, Inc.	L+4.50%	5.50%	3/27/2024	4,852	4,124
SIRVA Worldwide, Inc.	L+5.50%	5.70%	8/4/2025	1,887	1,746
Teneo Holdings, LLC	L+5.25%	6.25%	7/11/2025	4,925	4,929
The Kleinfelder Group, Inc.	L+5.25%	6.25%	11/29/2024	2,444	2,444
				41,245	39,828
Services: Consumer					
Cambium Learning Group, Inc.	L+4.50%	5.25%	12/18/2025	4,516	4,527
LegalZoom.com, Inc.	L+4.50%	4.61%	11/21/2024	2,687	2,688
				7,203	7,215
Telecommunications					
Intermedia Holdings, Inc.	L+6.00%	7.00%	7/21/2025	1,792	1,796
Mavenir Systems, Inc.	L+6.00%	7.00%	5/8/2025	3,890	3,897
				5,682	5,693
Transportation: Cargo					
GlobalTranz Enterprises, LLC	L+5.00%	5.11%	5/15/2026	3,254	3,129
				3,254	3,129
Utilities: Oil & Gas					
NGS US Finco, LLC	L+4.25%	5.25%	10/1/2025	1,708	1,640
NGS US Finco, LLC	L+5.25%	6.25%	10/1/2025	249	245
				1,957	1,885
Wholesale					
BMC Acquisition, Inc.	L+5.25%	6.25%	12/30/2024	4,837	4,816
HALO Buyer, Inc.	L+4.50%	5.50%	6/30/2025	4,862	4,704
PT Intermediate Holdings III, LLC	L+5.50%	6.50%	10/15/2025	1,975	1,958
				11,674	11,478
TOTAL INVESTMENTS					\$ 198,599

(a) All investments are U.S. companies unless otherwise noted.

(b) The majority of investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR" or "L") or Prime ("P") which reset daily, monthly, quarterly or semiannually. For each such investment, the Company has provided the spread over LIBOR or Prime and the current contractual rate of interest in effect at March 31, 2021. Certain investments are subject to a LIBOR or Prime interest rate floor, or rate cap.

(c) This is an international company.

(d) All or a portion of this commitment was unfunded as of March 31, 2021. As such, interest is earned only on the funded portion of this commitment. Principal reflects the commitment outstanding.

(e) This position was on non-accrual status as of March 31, 2021, meaning that the Company has ceased accruing interest income on the position.

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2020

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate ^(b)	Maturity	Principal	Fair Value
Non-Controlled/Non-Affiliate Company Investments					
Senior Secured Loans					
Aerospace & Defense					
Bromford Industries Limited ^(c)	L+5.25%	6.25%	11/5/2025	2,772	\$ 2,685
Bromford Industries Limited ^(c)	L+5.25%	6.25%	11/5/2025	1,848	1,790
Trident Maritime SH, Inc.	L+4.75%	5.75%	6/4/2024	4,401	4,363
Trident Maritime SH, Inc. (Revolver) ^(d)	L+4.75%	5.75%	6/4/2024	340	—
				9,361	8,838
Automotive					
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	1,726	1,716
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	256	254
Wheel Pros, LLC	L+5.25%	6.25%	11/10/2027	3,000	2,961
				4,982	4,931
Banking, Finance, Insurance & Real Estate					
Avison Young (USA), Inc. ^(c)	L+5.00%	5.25%	1/30/2026	4,900	4,659
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.)	L+5.25%	6.25%	12/13/2024	4,653	4,585
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.) (Delayed Draw) ^(d)	L+5.25%	6.25%	12/13/2024	264	102
Lightbox Intermediate, L.P.	L+5.00%	5.15%	5/11/2026	4,925	4,777
Minotaur Acquisition, Inc.	L+5.00%	5.15%	3/27/2026	2,947	2,900
				17,689	17,023
Beverage, Food & Tobacco					
CBC Restaurant Corp.	n/a	5.00% PIK(e)	4/28/2022	1,117	1,031
SW Ingredients Holdings, LLC	L+4.00%	5.00%	7/3/2025	3,656	3,647
				4,773	4,678
Capital Equipment					
Analogic Corporation	L+5.25%	6.25%	6/24/2024	4,800	4,800
				4,800	4,800
Chemicals, Plastics & Rubber					
Polymer Solutions Group	L+7.00%	8.00%	6/30/2021	1,216	1,189
				1,216	1,189
Construction & Building					
ISC Purchaser, LLC	L+4.00%	5.00%	7/11/2025	4,937	4,896
The Cook & Boardman Group, LLC	L+5.75%	6.75%	10/20/2025	2,940	2,811
				7,877	7,707
Consumer Goods: Durable					
International Textile Group, Inc.	L+5.00%	5.37%	5/1/2024	1,758	1,597
				1,758	1,597
Consumer Goods: Non-Durable					
PH Beauty Holdings III, Inc.	L+5.00%	5.23%	9/26/2025	2,442	2,149
				2,442	2,149
Containers, Packaging & Glass					
Liqui-Box Holdings, Inc.	L+4.50%	5.50%	2/26/2027	4,312	3,848
Polychem Acquisition, LLC	L+5.00%	5.15%	3/17/2025	2,948	2,948
Port Townsend Holdings Company, Inc.	L+6.75%	5.75% Cash/ 2.00% PIK	4/3/2024	4,683	4,263
PVHC Holding Corp.	L+4.75%	5.75%	8/5/2024	3,250	2,844
				15,193	13,903
Energy: Oil & Gas					
Drilling Info Holdings, Inc.	L+4.25%	4.40%	7/30/2025	4,563	4,429
Offen, Inc.	L+5.00%	5.15%	6/22/2026	2,412	2,343
Offen, Inc.	L+5.00%	5.15%	6/22/2026	885	860
				7,860	7,632
Healthcare & Pharmaceuticals					
LSCS Holdings, Inc.	L+4.25%	4.51%	3/17/2025	2,299	2,253
LSCS Holdings, Inc.	L+4.25%	4.51%	3/17/2025	593	582
Radiology Partners, Inc.	L+4.25%	4.40%	7/9/2025	4,760	4,692
				7,652	7,527

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS - (continued)
December 31, 2020

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate ^(b)	Maturity	Principal	Fair Value
High Tech Industries					
AQA Acquisition Holding, Inc.	L+4.25%	5.25%	5/24/2023	3,257	\$ 3,257
Corel, Inc. ^(c)	L+5.00%	5.23%	7/2/2026	3,900	3,844
LW Buyer, LLC	L+5.00%	5.15%	12/30/2024	4,925	4,900
TGG TS Acquisition Company	L+6.50%	6.65%	12/12/2025	3,753	3,720
				<u>15,835</u>	<u>15,721</u>
Hotels, Gaming & Leisure					
Excel Fitness Holdings, Inc.	L+5.25%	6.25%	10/7/2025	4,207	3,878
North Haven Spartan US Holdco, LLC	L+5.00%	6.00%	6/6/2025	2,321	1,979
Tait, LLC	L+5.00%	5.23%	3/28/2025	4,167	3,669
Tait, LLC (Revolver)	P+4.00%	7.25%	3/28/2025	769	711
				<u>11,464</u>	<u>10,237</u>
Media: Advertising, Printing & Publishing					
Cadent, LLC	L+5.50%	6.50%	9/11/2023	4,728	4,622
Cadent, LLC (Revolver) ^(d)	L+5.50%	6.50%	9/11/2023	167	—
Digital Room Holdings, Inc.	L+5.00%	5.27%	5/21/2026	4,362	4,133
Monotype Imaging Holdings, Inc.	L+5.50%	6.50%	10/9/2026	4,906	4,653
				<u>14,163</u>	<u>13,408</u>
Media: Diversified & Production					
Research Now Group, Inc. and Survey Sampling International, LLC	L+5.50%	6.50%	12/20/2024	6,790	6,708
Stats Intermediate Holding, LLC	L+5.25%	5.47%	7/10/2026	4,950	4,909
The Octave Music Group, Inc.	L+6.00%	6.25% Cash/ 0.75% PIK	5/29/2025	4,871	4,335
				<u>16,611</u>	<u>15,952</u>
Services: Business					
AQ Carver Buyer, Inc.	L+5.00%	6.00%	9/23/2025	4,937	4,888
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	2,002	1,872
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	422	395
Eliassen Group, LLC	L+4.25%	4.40%	11/5/2024	3,017	2,922
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	4,299	4,178
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	776	754
Engage2Excel, Inc. (Revolver) ^(d)	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	548	364
GI Revelation Acquisition, LLC	L+5.00%	5.15%	4/16/2025	1,365	1,344
Legility, LLC	L+6.00%	7.00%	12/17/2025	4,906	4,735
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	2,456	2,407
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	1,897	1,859
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	555	544
Output Services Group, Inc.	L+4.50%	5.50%	3/27/2024	4,865	3,648
SIRVA Worldwide, Inc.	L+5.50%	5.65%	8/4/2025	1,900	1,741
Teneo Holdings, LLC	L+5.25%	6.25%	7/11/2025	4,938	4,903
The Kleinfelder Group, Inc.	L+5.25%	6.25%	11/29/2024	2,450	2,450
				<u>41,333</u>	<u>39,004</u>
Services: Consumer					
Cambium Learning Group, Inc.	L+4.50%	4.75%	12/18/2025	4,900	4,883
LegalZoom.com, Inc.	L+4.50%	4.65%	11/21/2024	2,694	2,706
				<u>7,594</u>	<u>7,589</u>
Telecommunications					
Intermedia Holdings, Inc.	L+6.00%	7.00%	7/21/2025	1,797	1,795
Mavenir Systems, Inc.	L+6.00%	7.00%	5/8/2025	3,900	3,893
				<u>5,697</u>	<u>5,688</u>
Transportation: Cargo					
GlobalTranz Enterprises, LLC	L+5.00%	5.15%	5/15/2026	3,262	3,050
				<u>3,262</u>	<u>3,050</u>
Utilities: Oil & Gas					
NGS US Finco, LLC	L+4.25%	5.25%	10/1/2025	1,712	1,640
NGS US Finco, LLC	L+5.25%	6.25%	10/1/2025	250	246
				<u>1,962</u>	<u>1,886</u>
Wholesale					
BMC Acquisition, Inc.	L+5.25%	6.25%	12/30/2024	4,850	4,802
HALO Buyer, Inc.	L+4.50%	5.50%	6/30/2025	4,875	4,533
PT Intermediate Holdings III, LLC	L+5.50%	6.50%	10/15/2025	1,980	1,851
				<u>11,705</u>	<u>11,186</u>
TOTAL INVESTMENTS				<u>\$</u>	<u>205,695</u>

(a) All investments are U.S. companies unless otherwise noted.

(b) The majority of the investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR" or "L") or Prime Rate ("Prime" or "P") which reset daily, monthly, quarterly, or semiannually. For each such investment, the Company has provided the spread over LIBOR or Prime and the current contractual interest rate in effect at December 31, 2020. Certain investments are subject to a LIBOR or Prime interest rate floor, or rate cap.

(c) This is an international company.

(d) All or a portion of this commitment was unfunded as of December 31, 2020. As such, interest is earned only on the funded portion of this commitment. Principal reflects the commitment outstanding.

(e) This position was on non-accrual status as of December 31, 2020, meaning that the Company has ceased accruing interest income on the position.

Below is certain summarized financial information for SLF as of March 31, 2021 and December 31, 2020 and for the three months ended March 31, 2021 and 2020:

	March 31, 2021	December 31,
	(unaudited)	2020
Assets		
Investments, at fair value	\$ 198,599	\$ 205,695
Cash	25	351
Restricted cash	3,136	2,948
Interest receivable	714	629
Other assets	86	43
Total assets	\$ 202,560	\$ 209,666
Liabilities		
Revolving credit facility	\$ 121,614	\$ 131,497
Less: Unamortized deferred financing costs	(1,570)	(969)
Total debt, less unamortized deferred financing costs	120,044	130,528
Interest payable	91	294
Accounts payable and accrued expenses	291	277
Total liabilities	120,426	131,099
Members' capital	82,134	78,567
Total liabilities and members' capital	\$ 202,560	\$ 209,666
	Three months ended March 31,	
	2021	2020
	(unaudited)	
Investment income:		
Interest income	\$ 3,453	\$ 4,253
Total investment income	3,453	4,253
Expenses:		
Interest and other debt financing expenses	979	1,614
Professional fees	170	184
Total expenses	1,149	1,798
Net investment income (loss)	2,304	2,455
Net gain (loss):		
Net change in unrealized gain (loss)	3,663	(22,329)
Net gain (loss)	3,663	(22,329)
Net increase (decrease) in members' capital	\$ 5,967	\$ (19,874)

Note 4. Fair Value Measurements

Investments

The Company values all investments in accordance with ASC Topic 820. ASC Topic 820 requires enhanced disclosures about assets and liabilities that are measured and reported at fair value. As defined in ASC Topic 820, fair value is 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. Where available, fair value is based on observable market prices or parameters, or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation models involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the assets or liabilities or market and the assets' or liabilities' complexity.

ASC Topic 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability of inputs used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Based on the observability of the inputs used in the valuation techniques, the Company is required to provide disclosures on fair value measurements according to the fair value hierarchy. The fair value hierarchy ranks the observability of the inputs used to determine fair values. Investments carried at fair value are classified and disclosed in one of the following three categories:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 – Valuations based on inputs other than quoted prices in active markets, including quoted prices for similar assets or liabilities, which are either directly or indirectly observable.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. This includes situations where there is little, if any, market activity for the assets or liabilities. The inputs into the determination of fair value are based upon the best information available and may require significant management judgment or estimation.

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

or liability. All investments, with the exception of investments measured at fair value using net asset value (“NAV”), as of March 31, 2021 and December 31, 2020 were categorized as Level 3 investments.

With respect to investments for which market quotations are not readily available, the Company's Board undertakes a multi-step valuation process each quarter, as described below:

- the quarterly valuation process begins with each portfolio company or investment being initially evaluated and rated by the investment professionals of MC Advisors responsible for the credit monitoring of the portfolio investment;
- the Board engages one or more independent valuation firm(s) to conduct independent appraisals of a selection of investments for which market quotations are not readily available. The Company will consult with independent valuation firm(s) relative to each portfolio company at least once in every calendar year, but the independent appraisals are generally received quarterly for each investment;
- to the extent an independent valuation firm is not engaged to conduct an investment appraisal on an investment for which market quotations are not readily available, the investment will be valued by the MC Advisors investment professional responsible for the credit monitoring;
- preliminary valuation conclusions are then documented and discussed with the investment committee of MC Advisors;
- the audit committee of the Board reviews the preliminary valuations of MC Advisors and of the independent valuation firm(s) and MC Advisors adjusts or further supplements the valuation recommendations to reflect any comments provided by the audit committee; and
- the Board discusses these valuations and determines the fair value of each investment in the portfolio in good faith, based on the input of MC Advisors, the independent valuation firm(s) and the audit committee.

The accompanying consolidated schedules of investments held by the Company consist primarily of private debt instruments ("Level 3 debt"). The Company generally uses the income approach to determine fair value for Level 3 debt where market quotations are not readily available, as long as it is appropriate. If there is deterioration in credit quality or a debt investment is in workout status, the Company may consider other factors in determining the fair value, including the value attributable to the debt investment from the enterprise value of the portfolio company or the proceeds that would be received in a liquidation analysis. This liquidation analysis may include probability weighting of alternative outcomes. The Company generally considers its Level 3 debt to be performing if the borrower is not in default, the borrower is remitting payments in a timely manner; the loan is in covenant compliance or is otherwise not deemed to be impaired. In determining the fair value of the performing Level 3 debt, the Company considers fluctuations in current interest rates, the trends in yields of debt instruments with similar credit ratings, financial condition of the borrower, economic conditions and other relevant factors, both qualitative and quantitative. In the event that a Level 3 debt instrument is not performing, as defined above, the Company will evaluate the value of the collateral utilizing the same framework described above for a performing loan to determine the value of the Level 3 debt instrument.

Under the income approach, discounted cash flow models are utilized to determine the present value of the future cash flow streams of its debt investments, based on future interest and principal payments as set forth in the associated loan agreements. In determining fair value under the income approach, the Company also considers the following factors: applicable market yields and leverage levels, credit quality, prepayment penalties, the nature and realizable value of any collateral, the portfolio company's ability to make payments, and changes in the interest rate environment and the credit markets that generally may affect the price at which similar investments may be made.

Under the market approach, the enterprise value methodology is typically utilized to determine the fair value of an investment. There is no one methodology to estimate enterprise value and, in fact, for any one portfolio company, enterprise value is generally best expressed as a range of values, from which the Company derives a single estimate of enterprise value. In estimating the enterprise value of a portfolio company, the Company analyzes various factors consistent with industry practice, including but not limited to original transaction multiples, the portfolio company's historical and projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the nature and realizable value of any collateral, the markets in which the portfolio company does business, and comparisons of financial ratios of peer companies that are public. Typically, the enterprise values of private companies are based on multiples of earnings before interest, income taxes, depreciation and amortization ("EBITDA"), cash flows, net income, revenues, or in limited cases, book value.

In addition, for certain debt investments, the Company may base its valuation on indicative bid and ask prices provided by an independent third-party pricing service. Bid prices reflect the highest price that the Company and others may be willing to pay. Ask prices represent the lowest price that the Company and others may be willing to accept. The Company generally uses the midpoint of the bid/ask range as its best estimate of fair value of such investment.

As of March 31, 2021, the Board determined, in good faith, the fair value of the Company's portfolio investments in accordance with GAAP and the Company's valuation procedures based on the facts and circumstances known by the Company at that time, or reasonably expected to be known at that time. Due to the overall volatility that the COVID-19 pandemic has caused, any valuations conducted in the future in conformity with GAAP could result in a lower fair value of the Company's portfolio. The potential impact of COVID-19 on the Company's results going forward will depend to a large extent on future developments or new information that may emerge regarding the full duration and severity of COVID-19, including the actions taken by governments and other entities to contain COVID-19 or treat its impact, all of which are beyond the Company's control. Accordingly, the Company cannot predict the extent to which its financial condition and results of operations will be affected at this time.

Foreign Currency Forward Contracts

The valuation for the Company's foreign currency forward contracts is based on the difference between the exchange rate associated with the forward contract and the exchange rate at the current period end. Foreign currency forward contracts are categorized as Level 2 in the fair value hierarchy.

The total net change in unrealized gain (loss) on investments included on the consolidated statements of operations for the three months ended March 31, 2021 and 2020, attributable to Level 3 investments still held at March 31, 2021 and 2020, was \$2,993 and (\$33,632), respectively. Reclassifications impacting Level 3 of the fair value hierarchy are reported as transfers in or out of Level 3 as of the beginning of the period in which the reclassifications occur. There were no transfers among Levels 1, 2 and 3 during the three months ended March 31, 2021 and 2020.

Significant Unobservable Inputs

ASC Topic 820 requires disclosure of quantitative information about the significant unobservable inputs used in the valuation of assets and liabilities classified as Level 3 within the fair value hierarchy. Disclosure of this information is not required in circumstances where a valuation (unadjusted) is obtained from a third-party pricing service and the information regarding the unobservable inputs is not reasonably available to the Company and as such, the disclosures provided below exclude those investments valued in that manner. The tables below are not intended to be all-inclusive, but rather to provide information on significant unobservable inputs and valuation techniques used by the Company.

The valuation techniques and significant unobservable inputs used in recurring Level 3 fair value measurements of assets and liabilities as of March 31, 2021 were as follows:

	Fair Value	Valuation Technique	Unobservable Input	Weighted Average Mean	Range	
					Minimum	Maximum
Assets:						
Senior secured loans	\$ 242,639	Discounted cash flow	EBITDA multiples	7.3x	4.5x	16.5x
			Market yields	10.0%	6.0%	20.0%
Senior secured loans	95,709	Discounted cash flow	Revenue multiples	4.9x	0.5x	12.3x
			Market yields	8.7%	6.3%	17.0%
Senior secured loans	21,616	Enterprise value	Book value multiples	2.0x	2.0x	2.0x
Senior secured loans	16,096	Enterprise value	Revenue multiples	2.2x	0.7x	2.7x
Senior secured loans	7,047	Enterprise value	EBITDA multiples	5.8x	5.8x	5.8x
Senior secured loans	4,786	Liquidation	Probability weighting of alternative outcomes	74.0%	1.1%	100.0%
Unitranche loans	40,735	Discounted cash flow	EBITDA multiples	8.6x	7.3x	10.3x
			Market yields	9.7%	8.1%	12.8%
Unitranche loans	7,563	Enterprise value	Revenue multiples	0.6x	0.6x	0.6x
Junior secured loans	3,934	Discounted cash flow	Market yields	9.8%	9.8%	9.8%
Junior secured loans	765	Liquidation	Probability weighting of alternative outcomes	91.9%	91.9%	91.9%
Equity securities	11,859	Enterprise value	EBITDA multiples	8.3x	5.0x	15.3x
Equity securities	8,277	Enterprise value	Revenue multiples	1.8x	0.5x	12.0x
Equity securities	5,117	Liquidation	Probability weighting of alternative outcomes	54.6%	54.6%	54.6%
Equity securities	286	Enterprise value	Tangible book value multiples	2.0x	2.0x	2.0x
Equity securities	122	Option pricing model	Volatility	65.0%	65.0%	65.0%
Total Level 3 Assets	<u>\$ 466,551⁽¹⁾</u>					

(1) Excludes loans of \$13,761 at fair value where valuation (unadjusted) is obtained from a third-party pricing service for which such disclosure is not required.

The valuation techniques and significant unobservable inputs used in recurring Level 3 fair value measurements of assets and liabilities as of December 31, 2020 were as follows:

	Fair Value	Valuation Technique	Unobservable Input	Weighted Average Mean	Range	
					Minimum	Maximum
Assets:						
Senior secured loans	\$ 271,926	Discounted cash flow	EBITDA multiples	7.5x	2.8x	16.6x
			Market yields	9.5%	6.2%	18.8%
Senior secured loans	74,479	Discounted cash flow	Revenue multiples	4.8x	0.5x	10.5x
			Market yields	9.2%	6.1%	18.5%
Senior secured loans	24,271	Enterprise value	Book value multiples	2.0x	2.0x	2.0x
Senior secured loans	15,515	Enterprise value	Revenue multiples	2.0x	0.7x	2.4x
Senior secured loans	7,525	Liquidation	Probability weighting of alternative outcomes	63.2%	1.1%	100.0%
Senior secured loans	6,944	Enterprise value	EBITDA multiples	8.0x	8.0x	8.0x
Unitranche secured loans	52,476	Discounted cash flow	EBITDA multiples	9.7x	8.0x	12.5x
			Market yields	9.3%	7.5%	12.8%
Unitranche secured loans	9,800	Discounted cash flow	Revenue multiples	0.7x	0.7x	0.7x
			Market yields	10.7%	10.5%	11.0%
Unitranche secured loans	1,764	Enterprise value	Revenue multiples	0.7x	0.7x	0.7x
Junior secured loans	3,886	Discounted cash flow	Market yields	10.0%	10.0%	10.0%
Junior secured loans	762	Liquidation	Probability weighting of alternative outcomes	91.5%	91.5%	91.5%
Equity securities	10,865	Enterprise value	EBITDA multiples	7.6x	2.8x	15.3x
Equity securities	6,771	Enterprise value	Revenue multiples	1.3x	0.5x	11.0x
Equity securities	5,117	Liquidation	Probability weighting of alternative outcomes	54.6%	54.6%	54.6%
Equity securities	87	Option pricing model	Volatility	70.0%	70.0%	70.0%
Total Level 3 Assets	<u>\$ 492,188⁽¹⁾</u>					

(1) Excludes loans of \$15,567 at fair value where valuation (unadjusted) is obtained from a third-party pricing service for which such disclosure is not required.

The significant unobservable input used in the income approach of fair value measurement of the Company's investments is the discount rate used to discount the estimated future cash flows expected to be received from the underlying investment, which include both future principal and interest payments. Increases (decreases) in the discount rate would result in a decrease (increase) in the fair value estimate of the investment. Included in the consideration and selection of discount rates are the following factors: risk of default, rating of the investment and comparable investments, and call provisions.

The significant unobservable inputs used in the market approach of fair value measurement of the Company's investments are the market multiples of EBITDA or revenue of the comparable guideline public companies. The Company selects a population of public companies for each investment with similar operations and attributes of the portfolio company. Using these guideline public companies' data, a range of multiples of enterprise value to EBITDA or revenue is calculated. The Company selects percentages from the range of multiples for purposes of determining the portfolio company's estimated enterprise value based on said multiple and generally the latest twelve months EBITDA or revenue of the portfolio company (or other meaningful measure). Increases (decreases) in the multiple will result in an increase (decrease) in enterprise value, resulting in an increase (decrease) in the fair value estimate of the investment.

Other Financial Assets and Liabilities

ASC Topic 820 requires disclosure of the fair value of financial instruments for which it is practical to estimate such value. The Company believes that the carrying amounts of its other financial instruments such as cash, receivables and payables approximate the fair value of such items due to the short maturity of such instruments. Fair value of the Company's revolving credit facility is estimated by discounting remaining payments using applicable market rates or market quotes for similar instruments at the measurement date, if applicable. As of both March 31, 2021 and December 31, 2020, the Company believes that the carrying value of its revolving credit facility approximates fair value. The 2026 Notes are carried at cost and with their longer maturity dates, fair value is estimated by discounting remaining payments using current market rates for similar instruments and considering such factors as the legal maturity date and the ability of market participants to prepay the notes. As of March 31, 2021, the Company believes that the carrying value of the 2026 Notes approximates fair value. SBA debentures are carried at cost and with their longer maturity dates, fair value is estimated by discounting remaining payments using current market rates for similar instruments and considering such factors as the legal maturity date and the ability of market participants to prepay the SBA debentures. As of both March 31, 2021 and December 31, 2020, the Company believes that the carrying value of the SBA debentures approximates fair value.

Note 5. Transactions with Affiliated Companies

An affiliated company is a company in which the Company has an ownership interest of 5% or more of its voting securities. A controlled affiliate company is a company in which the Company has an ownership interest of more than 25% of its voting securities. Please see the Company's consolidated schedule of investments for the type of investment, principal amount, interest rate including the spread, and the maturity date. Transactions related to the Company's investments with affiliates for the three months ended March 31, 2021 and 2020 were as follows:

Portfolio Company	Fair value at December 31, 2020	Transfers in (out)	Purchases	Sales and paydowns	PIK interest	Discount accretion	Net realized gain (loss)	Net unrealized gain (loss)	Fair value at March 31, 2021
Non-controlled affiliate company investment:									
American Community Homes, Inc.	\$ 9,401	\$ —	\$ —	\$ (90)	\$ 274	\$ —	\$ —	\$ —	\$ 9,585
American Community Homes, Inc.	6,239	—	—	(2,229)	202	—	—	—	4,212
American Community Homes, Inc.	825	—	—	(838)	13	—	—	—	—
American Community Homes, Inc.	570	—	—	(5)	16	—	—	—	581
American Community Homes, Inc.	335	—	—	(341)	6	—	—	—	—
American Community Homes, Inc.	2,915	—	—	(20)	61	—	—	175	3,131
American Community Homes, Inc.	3,879	—	—	(37)	113	—	—	42	3,997
American Community Homes, Inc.	18	—	—	—	1	—	—	—	19
American Community Homes, Inc.	89	—	—	(1)	3	—	—	—	91
American Community Homes, Inc. (Revolver)	—	—	—	—	—	—	—	—	—
American Community Homes, Inc. (warrant to purchase up to 22.3% of the equity)	—	—	—	—	—	—	—	286	286
	<u>24,271</u>	<u>—</u>	<u>—</u>	<u>(3,561)</u>	<u>689</u>	<u>—</u>	<u>—</u>	<u>503</u>	<u>21,902</u>
Ascent Midco, LLC	6,997	—	—	(18)	—	7	—	(5)	6,981
Ascent Midco, LLC (Delayed Draw)	—	—	—	—	—	—	—	—	—
Ascent Midco, LLC (Revolver)	—	—	—	—	—	—	—	—	—
Ascent Midco, LLC (2,032,258 Class A units)	3,016	—	—	—	—	—	—	266	3,282
	<u>10,013</u>	<u>—</u>	<u>—</u>	<u>(18)</u>	<u>—</u>	<u>7</u>	<u>—</u>	<u>261</u>	<u>10,263</u>
Curion Holdings, LLC	3,159	—	—	—	—	—	—	426	3,585
Curion Holdings, LLC (Revolver)	820	—	—	—	—	—	—	2	822
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Curion Holdings, LLC (58,779 shares of common stock)	—	—	—	—	—	—	—	—	—
	<u>3,979</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>428</u>	<u>4,407</u>
Familia Dental Group Holdings, LLC (1,052 Class A units)	3,118	—	—	—	—	—	—	232	3,350
	<u>3,118</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>232</u>	<u>3,350</u>
HFZ Capital Group, LLC	13,106	—	—	—	—	—	—	1,169	14,275
HFZ Capital Group, LLC	4,709	—	—	—	—	—	—	420	5,129
MC Asset Management (Corporate), LLC	—	—	6,423	—	—	—	—	—	6,423
MC Asset Management (Corporate), LLC (15.9% interests)	785	—	—	—	—	—	—	(209)	576
MC Asset Management (Industrial), LLC	11,579	—	—	—	98	—	—	(98)	11,579
	<u>30,179</u>	<u>—</u>	<u>6,423</u>	<u>—</u>	<u>98</u>	<u>—</u>	<u>—</u>	<u>1,282</u>	<u>37,982</u>
Incipio, LLC	1,764	—	—	—	—	—	—	(1,764)	—
Incipio, LLC	4,227	—	—	—	48	—	—	(2,187)	2,088
Incipio, LLC	1,805	—	—	—	15	—	—	(79)	1,741
Incipio, LLC	761	—	—	—	6	—	—	(33)	734
Incipio, LLC	1,519	—	—	—	13	—	—	(67)	1,465
Incipio, LLC (Delayed Draw)	1,488	—	108	—	9	—	—	(70)	1,535
Incipio, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Incipio, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Incipio, LLC (1,774 shares of Series C common units)	—	—	—	—	—	—	—	—	—
	<u>11,564</u>	<u>—</u>	<u>108</u>	<u>—</u>	<u>91</u>	<u>—</u>	<u>—</u>	<u>(4,200)</u>	<u>7,563</u>
Luxury Optical Holdings Co.	1,430	—	—	—	—	—	—	12	1,442
Luxury Optical Holdings Co. (Delayed Draw)	624	—	882	(45)	—	—	—	45	1,506
Luxury Optical Holdings Co. (Revolver)	66	—	—	—	—	—	—	—	66
Luxury Optical Holdings Co. (90 preferred units)	2,476	—	—	—	—	—	—	(38)	2,438
Luxury Optical Holdings Co. (86 shares of common stock)	—	—	—	—	—	—	—	—	—
	<u>4,596</u>	<u>—</u>	<u>882</u>	<u>(45)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>19</u>	<u>5,452</u>
Mnine Holdings, Inc.	12,356	—	—	—	147	11	—	(3)	12,511
Mnine Holdings, Inc. (6,400 Class B units)	—	—	—	—	—	—	—	—	—
	<u>12,356</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>147</u>	<u>11</u>	<u>—</u>	<u>(3)</u>	<u>12,511</u>
NECB Collections, LLC (Revolver)	834	—	—	—	—	—	—	(27)	807
NECB Collections, LLC (20.8% of units)	—	—	—	—	—	—	—	—	—
	<u>834</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(27)</u>	<u>807</u>
SHI Holdings, Inc.	188	—	—	—	—	—	—	(73)	115
SHI Holdings, Inc. (Revolver)	297	—	—	—	—	—	—	(115)	182
SHI Holdings, Inc. (24 shares of common stock)	—	—	—	—	—	—	—	—	—
	<u>485</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(188)</u>	<u>297</u>
Summit Container Corporation	3,204	—	—	(3,019)	—	—	(250)	65	—
Summit Container Corporation (Revolver)	1,654	—	5,402	(7,059)	—	—	—	3	—
Summit Container Corporation (warrant to purchase up to 19.5% of the equity)	139	—	—	—	—	—	—	(139)	—
	<u>4,997</u>	<u>—</u>	<u>5,402</u>	<u>(10,078)</u>	<u>—</u>	<u>—</u>	<u>(250)</u>	<u>(71)</u>	<u>—</u>
TJ Management HoldCo, LLC (Revolver)	—	—	—	—	—	—	—	—	—
TJ Management HoldCo, LLC (16 shares of common stock)	3,323	—	—	—	—	—	—	(38)	3,285
	<u>3,323</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(38)</u>	<u>3,285</u>

Total non-controlled affiliate company investments	<u>\$ 109,715</u>	<u>\$ —</u>	<u>\$ 12,815</u>	<u>\$ (13,702)</u>	<u>\$ 1,025</u>	<u>\$ 18</u>	<u>\$ (250)</u>	<u>\$ (1,802)</u>	<u>\$ 107,819</u>
Controlled affiliate company investments:									
MRCC Senior Loan Fund I, LLC	\$ 39,284	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,783	\$ 41,067
	<u>39,284</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,783</u>	<u>41,067</u>
Total controlled affiliate company investments	<u>\$ 39,284</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,783</u>	<u>\$ 41,067</u>

Portfolio Company	Fair value at December 31, 2019	Transfers in (out)	Purchases	Sales and paydowns	PIK interest	Discount accretion	Net realized gain (loss)	Net unrealized gain (loss)	Fair value at March 31, 2020
Non-controlled affiliate company investment:									
American Community Homes, Inc.	\$ 6,764	\$ —	\$ —	\$ —	\$ 266	\$ 2	\$ —	\$ (773)	\$ 6,259
American Community Homes, Inc.	4,289	—	—	—	235	1	—	(511)	4,014
American Community Homes, Inc.	512	—	—	—	21	—	—	(59)	474
American Community Homes, Inc.	410	—	—	—	16	—	—	(47)	379
American Community Homes, Inc.	230	—	—	—	13	—	—	(27)	216
American Community Homes, Inc.	1,472	—	—	—	48	—	—	(165)	1,355
American Community Homes, Inc.	2,760	—	—	—	90	—	—	(309)	2,541
American Community Homes, Inc.	11	—	—	—	1	—	—	(2)	10
American Community Homes, Inc.	1,168	—	—	(1,111)	9	—	—	(8)	58
American Community Homes, Inc. (Revolver)	—	—	1,667	—	—	—	—	(520)	1,147
American Community Homes, Inc. (warrant to purchase up to 22.3% of the equity)	—	—	—	—	—	—	—	—	—
	<u>17,616</u>	<u>—</u>	<u>1,667</u>	<u>(1,111)</u>	<u>699</u>	<u>3</u>	<u>—</u>	<u>(2,421)</u>	<u>16,453</u>
Ascent Midco, LLC	—	—	6,860	(17)	—	4	—	(130)	6,717
Ascent Midco, LLC (Delayed Draw)	—	—	—	—	—	—	—	—	—
Ascent Midco, LLC (Revolver)	—	—	734	—	—	—	—	(28)	706
Ascent Midco, LLC (2,032,258 Class A units)	—	—	2,032	—	—	—	—	(54)	1,978
	<u>—</u>	<u>—</u>	<u>9,626</u>	<u>(17)</u>	<u>—</u>	<u>4</u>	<u>—</u>	<u>(212)</u>	<u>9,401</u>
Curion Holdings, LLC	3,279	—	—	—	—	—	—	(268)	3,011
Curion Holdings, LLC (Revolver)	441	—	—	—	—	—	—	(1)	440
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Curion Holdings, LLC (58,779 shares of common stock)	—	—	—	—	—	—	—	—	—
	<u>3,720</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(269)</u>	<u>3,451</u>
Incipio, LLC	12,343	—	—	—	128	—	—	(6,444)	6,027
Incipio, LLC	3,750	—	—	—	99	—	—	(38)	3,811
Incipio, LLC	1,606	—	—	—	42	—	—	(17)	1,631
Incipio, LLC	686	—	—	—	18	—	—	(8)	696
Incipio, LLC	—	—	1,404	—	19	—	—	(28)	1,395
Incipio, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Incipio, LLC (Junior secured loan)	—	—	—	—	—	—	—	—	—
Incipio, LLC (1,774 shares of Series C common units)	—	—	—	—	—	—	—	—	—
	<u>18,385</u>	<u>—</u>	<u>1,404</u>	<u>—</u>	<u>306</u>	<u>—</u>	<u>—</u>	<u>(6,535)</u>	<u>13,560</u>
Luxury Optical Holdings Co.	3,457	—	—	—	—	—	—	(500)	2,957
Luxury Optical Holdings Co. (Delayed Draw)	620	—	—	—	—	—	—	(5)	615
Luxury Optical Holdings Co. (Revolver)	159	—	—	—	—	—	—	(23)	136
Luxury Optical Holdings Co. (86 shares of common stock)	—	—	—	—	—	—	—	—	—
	<u>4,236</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(528)</u>	<u>3,708</u>
NECB Collection, LLC (Revolver)	1,148	—	112	—	—	—	—	—	1,260
NECB Collection, LLC (20.8% of units)	318	—	—	—	—	—	—	(198)	120
	<u>1,466</u>	<u>—</u>	<u>112</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(198)</u>	<u>1,380</u>
SHI Holdings, Inc.	2,459	—	—	—	—	—	—	(1,279)	1,180
SHI Holdings, Inc. (Revolver)	3,601	—	345	—	—	—	—	(2,078)	1,868
SHI Holdings, Inc. (24 shares of common stock)	—	—	—	—	—	—	—	—	—
	<u>6,060</u>	<u>—</u>	<u>345</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3,357)</u>	<u>3,048</u>
Summit Container Corporation	2,971	—	—	—	—	—	—	(171)	2,800
Summit Container Corporation (Revolver)	5,406	—	8,236	(9,409)	—	—	—	(16)	4,217
Summit Container Corporation (warrant to purchase up to 19.5% of the equity)	—	—	—	—	—	—	—	—	—
	<u>8,377</u>	<u>—</u>	<u>8,236</u>	<u>(9,409)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(187)</u>	<u>7,017</u>
Total non-controlled affiliate company investments	\$ 59,860	\$ —	\$ 21,390	\$ (10,537)	\$ 1,005	\$ 7	\$ —	\$ (13,707)	\$ 58,018
Controlled affiliate company investments:									
MRCC Senior Loan Fund I, LLC	\$ 42,412	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (11,087)	\$ 31,325
	42,412	—	—	—	—	—	—	(11,087)	31,325
Total controlled affiliate company investments	\$ 42,412	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (11,087)	\$ 31,325

For the three months ended March 31,

Portfolio Company	2021			2020		
	Interest Income	Dividend Income	Fee Income	Interest Income	Dividend Income	Fee Income
Non-controlled affiliate company investments:						
American Community Homes, Inc.	\$ 272	\$ —	\$ —	\$ 265	\$ —	\$ —
American Community Homes, Inc.	198	—	—	233	—	—
American Community Homes, Inc.	13	—	—	20	—	—
American Community Homes, Inc.	16	—	—	16	—	—
American Community Homes, Inc.	5	—	—	13	—	—
American Community Homes, Inc.	60	—	—	47	—	—
American Community Homes, Inc.	112	—	—	101	—	—
American Community Homes, Inc.	19	—	—	1	—	—
American Community Homes, Inc.	3	—	—	9	—	—
American Community Homes, Inc. (Revolver)	—	—	—	1	—	—
American Community Homes, Inc. (Warrant)	—	—	—	—	—	—
	<u>698</u>	<u>—</u>	<u>—</u>	<u>706</u>	<u>—</u>	<u>—</u>
Ascent Midco, LLC	120	—	—	84	—	—
Ascent Midco, LLC (Delayed Draw)	4	—	—	3	—	—
Ascent Midco, LLC (Revolver)	1	—	—	1	—	—
Ascent Midco, LLC (Class A units)	—	42	—	—	25	—
	<u>125</u>	<u>42</u>	<u>—</u>	<u>88</u>	<u>25</u>	<u>—</u>
Curion Holdings, LLC	—	—	—	—	—	—
Curion Holdings, LLC (Revolver)	—	—	—	—	—	—
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—
Curion Holdings, LLC (Junior secured loan)	—	—	—	—	—	—
Curion Holdings, LLC (Common units)	—	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Familia Dental Group Holdings, LLC (Class A units)	—	—	—	n/a	n/a	n/a
	<u>—</u>	<u>—</u>	<u>—</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
HFZ Capital Group, LLC	463	—	—	n/a	n/a	n/a
HFZ Capital Group, LLC	167	—	—	n/a	n/a	n/a
MC Asset Management (Corporate), LLC	183	—	—	n/a	n/a	n/a
MC Asset Management (Corporate), LLC (LLC interest)	—	—	—	n/a	n/a	n/a
MC Asset Management (Industrial), LLC	522	—	—	n/a	n/a	n/a
	<u>1,335</u>	<u>—</u>	<u>—</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Incipio, LLC	—	—	—	(52)	—	—
Incipio, LLC	—	—	—	101	—	—
Incipio, LLC	—	—	—	42	—	—
Incipio, LLC	—	—	—	18	—	—
Incipio, LLC	—	—	—	31	—	—
Incipio, LLC (Delayed Draw)	—	—	—	—	—	—
Incipio, LLC (Junior secured loan)	—	—	—	—	—	—
Incipio, LLC (Junior secured loan)	—	—	—	—	—	—
Incipio, LLC (Common units)	—	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>140</u>	<u>—</u>	<u>—</u>
Luxury Optical Holdings Co.	—	—	—	—	—	—
Luxury Optical Holdings Co. (Delayed Draw)	—	—	—	21	—	—
Luxury Optical Holdings Co. (Revolver)	—	—	—	—	—	—
Luxury Optical Holdings Co. (Preferred units)	—	—	—	—	—	—
Luxury Optical Holdings Co. (Common stock)	—	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>21</u>	<u>—</u>	<u>—</u>
Mnine Holdings, Inc.	334	—	—	n/a	n/a	n/a
Mnine Holdings, Inc. (Common units)	—	—	—	n/a	n/a	n/a
	<u>334</u>	<u>—</u>	<u>—</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
NECB Collections, LLC (Revolver)	—	—	—	39	—	—
NECB Collections, LLC (LLC units)	—	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>39</u>	<u>—</u>	<u>—</u>
SHI Holdings, Inc.	—	—	—	(2)	—	—
SHI Holdings, Inc. (Revolver)	—	—	—	(3)	—	—
SHI Holdings, Inc. (Common stock)	—	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>(5)</u>	<u>—</u>	<u>—</u>
Summit Container Corporation	57	—	—	80	—	—
Summit Container Corporation (Revolver)	35	—	—	126	—	—
Summit Container Corporation (Warrant)	—	—	—	—	—	—
	<u>92</u>	<u>—</u>	<u>—</u>	<u>206</u>	<u>—</u>	<u>—</u>
TJ Management HoldCo, LLC (Revolver)	3	—	—	n/a	n/a	n/a
TJ Management HoldCo, LLC (Common stock)	—	—	—	n/a	n/a	n/a
	<u>3</u>	<u>—</u>	<u>—</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Total non-controlled affiliate company investments	\$ 2,587	\$ 42	\$ —	\$ 1,195	\$ 25	\$ —
Controlled affiliate company investments:						
MRC Senior Loan Fund I, LLC	\$ —	\$ 1,200	\$ —	\$ —	\$ 1,150	\$ —
	<u>—</u>	<u>1,200</u>	<u>—</u>	<u>—</u>	<u>1,150</u>	<u>—</u>
Total controlled affiliate company investments	\$ —	\$ 1,200	\$ —	\$ —	\$ 1,150	\$ —

Note 6. Transactions with Related Parties

The Company has entered into an investment advisory agreement with MC Advisors (the “Investment Advisory Agreement”), under which MC Advisors, subject to the overall supervision of the Board, provides investment advisory services to the Company. The Company pays MC Advisors a fee for its services under the Investment Advisory Agreement consisting of two components - a base management fee and an incentive fee. The cost of both the base management fee and the incentive fee are borne by the Company’s stockholders, unless such fees are waived by MC Advisors.

The base management fee is calculated initially at an annual rate equal to 1.75% of average invested assets (calculated as total assets excluding cash, which includes assets financed using leverage); provided, however, the base management fee is calculated at an annual rate equal to 1.00% of the Company’s average invested assets (calculated as total assets excluding cash, which includes assets financed using leverage) that exceeds the product of (i) 200% and (ii) the Company’s average net assets. For the avoidance of doubt, the 200% is calculated in accordance with the asset coverage limitation as defined in the 1940 Act to give effect to the Company’s exemptive relief with respect to MRCC SBIC’s SBA debentures. This has the effect of reducing the Company’s base management fee rate on assets in excess of regulatory leverage of 1:1 debt to equity to 1.00% per annum. The base management fee is payable quarterly in arrears.

Base management fees for the three months ended March 31, 2021 and 2020 were \$2,334 and \$2,551, respectively.

The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears and equals 20% of “pre-incentive fee net investment income” for the immediately preceding quarter, subject to a 2% (8% annualized) preferred return, or “hurdle,” and a “catch up” feature. The foregoing incentive fee is subject to a total return requirement, which provides that no incentive fee in respect of pre-incentive fee net investment income will be payable except to the extent that 20% of the cumulative net increase in net assets resulting from operations over the then current and 11 preceding calendar quarters exceeds the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters (the “Incentive Fee Limitation”). Therefore, any ordinary income incentive fee that is payable in a calendar quarter will be limited to the lesser of (1) 20% of the amount by which pre-incentive fee net investment income for such calendar quarter exceeds the 2% hurdle, subject to the “catch-up” provision, and (2) (x) 20% of the cumulative net increase in net assets resulting from operations for the then current and 11 preceding calendar quarters minus (y) the cumulative incentive fees accrued and/or paid for the 11 preceding calendar quarters. For the foregoing purpose, the “cumulative net increase in net assets resulting from operations” is the sum of pre-incentive fee net investment income, realized gains and losses and unrealized gains and losses for the then current and 11 preceding calendar quarters. The second part of the incentive fee is determined and payable in arrears as of the end of each fiscal year in an amount equal to 20% of realized capital gains, if any, on a cumulative basis from inception through the end of the year, computed net of all realized capital losses on a cumulative basis and unrealized depreciation, less the aggregate amount of any previously paid capital gain incentive fees.

The composition of the Company’s incentive fees was as follows:

	Three months ended March 31,	
	2021	2020
Part one incentive fees ⁽¹⁾	\$ 830	\$ 1,356
Part two incentive fees ⁽²⁾	—	—
Incentive Fee Limitation	—	(1,356)
Incentive fees, excluding the impact of the incentive fee waiver	830	—
Incentive fee waiver ⁽³⁾	(637)	—
Total incentive fees, net of incentive fee waiver	<u>\$ 193</u>	<u>\$ —</u>

(1) Based on pre-incentive fee net investment income.

(2) Based upon net realized and unrealized gains and losses, or capital gains. The Company accrues, but does not pay, a capital gains incentive fee in connection with any unrealized capital appreciation, as appropriate. If, on a cumulative basis, the sum of net realized gain (loss) plus net unrealized gain (loss) decreases during a period, the Company will reverse any excess capital gains incentive fee previously accrued such that the amount of capital gains incentive fee accrued is no more than 20% of the sum of net realized gain (loss) plus net unrealized gain (loss).

(3) Represents part one incentive fees waived by MC Advisors.

The Company has entered into an administration agreement with MC Management (the “Administration Agreement”), under which the Company reimburses MC Management, subject to the review and approval of the Board, for its allocable portion of overhead and other expenses, including the costs of furnishing the Company with office facilities and equipment and providing clerical, bookkeeping, record-keeping and other administrative services at such facilities, and the Company’s allocable portion of the cost of the chief financial officer and chief compliance officer and their respective staffs. To the extent that MC Management outsources any of its functions, the Company will pay the fees associated with such functions on a direct basis, without incremental profit to MC Management. For the three months ended March 31, 2021 and 2020, the Company incurred \$842 and \$784, respectively, in administrative expenses (included within Professional fees, Administrative service fees and General and administrative expenses on the consolidated statements of operations) under the Administration Agreement, of which \$356 and \$338, respectively, was related to MC Management overhead and salary allocation and paid directly to MC Management. As of March 31, 2021 and December 31, 2020, \$356 and \$327, respectively, of expenses were due to MC Management under this agreement and are included in accounts payable and accrued expenses on the consolidated statements of assets and liabilities.

The Company has entered into a license agreement with Monroe Capital LLC under which Monroe Capital LLC has agreed to grant the Company a non-exclusive, royalty-free license to use the name “Monroe Capital” for specified purposes in its business. Under this agreement, the Company has the right to use the “Monroe Capital” name at no cost, subject to certain conditions, for so long as MC Advisors or one of its affiliates remains its investment adviser. Other than with respect to this limited license, the Company has no legal right to the “Monroe Capital” name or logo.

As of March 31, 2021 and December 31, 2020, the Company had accounts payable to members of the Board of \$35 and zero, respectively, representing accrued and unpaid fees for their services.

Note 7. Borrowings

In accordance with the 1940 Act, the Company is permitted to borrow amounts such that its asset coverage ratio, as defined in the 1940 Act, is at least 150% after such borrowing. As of March 31, 2021 and December 31, 2020, the Company's asset coverage ratio based on aggregate borrowings outstanding was 206% and 200%, respectively.

Revolving Credit Facility: The Company has a \$255,000 revolving credit facility with ING Capital LLC, as agent. The revolving credit facility has an accordion feature which permits the Company, under certain circumstances to increase the size of the facility up to \$400,000 (subject to maintaining 150% asset coverage, as defined by the 1940 Act). The revolving credit facility is secured by a lien on all of the Company's assets, including cash on hand, but excluding the assets of the Company's wholly-owned subsidiary, MRCC SBIC. The Company may make draws under the revolving credit facility to make or purchase additional investments through March 1, 2023 and for general working capital purposes until March 1, 2024, the maturity date of the revolving credit facility.

The Company's ability to borrow under the revolving credit facility is subject to availability under the borrowing base, which permits the Company to borrow up to 72.5% of the fair market value of its portfolio company investments depending on the type of investment the Company holds and whether the investment is quoted. The Company's ability to borrow is also subject to certain concentration limits, and continued compliance with the representations, warranties and covenants given by the Company under the facility. The revolving credit facility contains certain financial and restrictive covenants, including, but not limited to, the Company's maintenance of: (1) minimum consolidated total net assets at least equal to \$150,000 plus 65% of the net proceeds to the Company from sales of its equity securities after March 1, 2019; (2) a ratio of total assets (less total liabilities other than indebtedness) to total indebtedness of not less than 1.5 to 1; and (3) a senior debt coverage ratio of at least 2 to 1. The revolving credit facility also requires the Company to undertake customary indemnification obligations with respect to ING Capital LLC and other members of the lending group and to reimburse the lenders for expenses associated with entering into the credit facility. The revolving credit facility also has customary provisions regarding events of default, including events of default for nonpayment, change in control transactions at both Monroe Capital Corporation and MC Advisors, failure to comply with financial and negative covenants, and failure to maintain the Company's relationship with MC Advisors. If the Company incurs an event of default under the revolving credit facility and fails to remedy such default under any applicable grace period, if any, then the entire revolving credit facility could become immediately due and payable, which would materially and adversely affect the Company's liquidity, financial condition, results of operations and cash flows.

The Company's revolving credit facility also imposes certain conditions that may limit the amount of the Company's distributions to stockholders. Distributions payable in the Company's common stock under the DRIP are not limited by the revolving credit facility. Distributions in cash or property other than common stock are generally limited to 115% of the amount of distributions required to maintain the Company's status as a RIC.

As of March 31, 2021, the Company had U.S. dollar borrowings of \$70,700 and non-U.S. dollar borrowings denominated in Great Britain pounds of £16,100 (\$22,191 in U.S. dollars) under the revolving credit facility. As of December 31, 2020, the Company had U.S. dollar borrowings of \$104,550 and non-U.S. dollar borrowings denominated in Great Britain pounds of £16,100 (\$22,009 in U.S. dollars) under the revolving credit facility. The borrowings denominated in Great Britain pounds may be positively or negatively affected by movements in the rate of exchange between the U.S. dollar and the Great Britain pound. These movements are beyond the control of the Company and cannot be predicted. The borrowings denominated in Great Britain pounds are translated into U.S. dollars based on the spot rate at each balance sheet date. The impact resulting from changes in foreign currency borrowings is included in net change in unrealized gain (loss) on foreign currency and other transactions on the Company's consolidated statements of operations and totaled (\$182) and \$1,348 for the three months ended March 31, 2021 and 2020, respectively.

Borrowings under the revolving credit facility bear interest, at the Company's election, at an annual rate of LIBOR (one-month, three-month or six-month at the Company's discretion based on the term of the borrowing) plus 2.625% or at a daily rate equal to 1.625% per annum plus the greater of the prime interest rate, the federal funds rate plus 0.5% or LIBOR plus 1.0%, with a LIBOR floor of 0.5%. In addition to the stated interest rate on borrowings under the revolving credit facility, the Company is required to pay a commitment fee and certain conditional fees based on usage of the expanded borrowing base and usage of the asset coverage ratio flexibility. A commitment fee of 0.5% per annum on any unused portion of the revolving credit facility if the unused portion of the facility is less than 35% of the then available maximum borrowing or a commitment fee of 1.0% per annum on any unused portion of the revolving credit facility if the unused portion of the facility is greater than or equal to 35% of the then available maximum borrowing. As of March 31, 2021 and December 31, 2020, the outstanding borrowings were accruing at a weighted average interest rate of 3.2% and 3.2%, respectively.

2023 Notes: On February 18, 2021, the Company redeemed \$109,000 in aggregate principal amount of the 2023 Notes. The redemption was accounted for as a debt extinguishment in accordance with ASC Subtopic 470-50, *Debt – Modifications and Extinguishments* ("ASC 470-50"), which resulted in a realized loss of \$2,335 (primarily comprised of the unamortized deferred financing costs at the time of the redemption) recorded in net gain (loss) on extinguishment of debt on the Company's consolidated statements of operations. The 2023 Notes were delisted from the Nasdaq Global Select Market in conjunction with the redemption.

2026 Notes: On January 25, 2021, the Company closed a private offering of \$130,000 in aggregate principal amount of senior unsecured notes (the "2026 Notes"). Aggregate underwriting commissions were \$3,325 and other issuance costs were \$683, resulting in net proceeds of approximately \$125,992. The 2026 Notes will mature on February 15, 2026 and may be redeemed in whole or in part at any time or from time to time at the Company's option at par plus a "make-whole" premium, if applicable. The 2026 Notes will bear interest at an annual rate of 4.75% payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 2021. The 2026 Notes are general, unsecured obligations and rank equal in right of payment with all of the Company's existing and future unsecured indebtedness.

SBA Debentures: On February 28, 2014, the Company's wholly-owned subsidiary, MRCC SBIC received a license from the SBA to operate as a SBIC under Section 301(c) of the Small Business Investment Act of 1958, as amended. MRCC SBIC commenced operations on September 16, 2013.

The SBIC license allows MRCC SBIC to obtain leverage by issuing SBA debentures, subject to the issuance of a leverage commitment by the SBA and other customary procedures. SBA debentures are non-recourse, interest only debentures with interest payable semi-annually and have a 10-year maturity. The principal amount of SBA debentures is not required to be paid prior to maturity but may be prepaid at any time without penalty. The interest rate of SBA debentures is fixed on a semi-annual basis (pooling date) at a market-driven spread over U.S. Treasury Notes with 10-year maturities. The SBA, as a creditor, has a superior claim to MRCC SBIC's assets over the Company's stockholders in the event the Company liquidates MRCC SBIC, or the SBA exercises its remedies upon an event of default.

On March 1, 2021, the Company repaid \$28,100 in aggregate principal amount of the SBA debentures. The repayment was accounted for as a debt extinguishment in accordance with ASC 470-50 which resulted in a realized loss of \$439 (primarily comprised of the unamortized deferred financing costs at the time of the repayment) recorded in net gain (loss) on extinguishment of debt on the Company's consolidated statements of operations. As of March 31, 2021, MRCC SBIC had \$8,165 in cash and \$120,642 in investments at fair value. As of December 31, 2020, MRCC SBIC had \$25,657 in cash and \$131,167 in investments at fair value.

As of March 31, 2021 and December 31, 2020, MRCC SBIC had \$57,624 in leverageable capital and the following SBA-guaranteed debentures outstanding:

Maturity Date	Interest Rate	March 31, 2021	December 31, 2020
September 2024	3.4%	\$ 12,920	\$ 12,920
March 2025	3.3%	14,800	14,800
March 2025	2.9%	7,080	7,080
September 2025	3.6%	—	5,200
March 2027	3.5%	20,000	20,000
September 2027	3.2%	32,100	32,100
March 2028	3.9%	—	18,520
September 2028	4.2%	—	4,380
Total		\$ 86,900	\$ 115,000

SBA regulations currently limit the amount that an individual SBIC may borrow to a maximum of \$175,000 when it has at least \$87,500 in regulatory capital, receives a leverage commitment from the SBA and has been through an audit examination by the SBA subsequent to licensing. The SBA also limits a related group of SBICs (commonly referred to as a "family of funds") to a maximum of \$350,000 in total borrowings.

The Company has been granted exemptive relief from the SEC for permission to exclude the debt of MRCC SBIC guaranteed by the SBA from the asset coverage test under the 1940 Act. The receipt of this exemption for this SBA debt increases flexibility under the asset coverage test.

Components of interest expense: The components of the Company's interest expense and other debt financing expenses, average outstanding balances and average stated interest rates (i.e. the rate in effect plus spread) were as follows:

	Three months ended March 31,	
	2021	2020
Interest expense - revolving credit facility	\$ 1,005	\$ 1,798
Interest expense - 2023 Notes	837	1,567
Interest expense - 2026 Notes	1,132	—
Interest expense - SBA debentures	878	981
Amortization of deferred financing costs	601	484
Total interest and other debt financing expenses	\$ 4,453	\$ 4,830
Average debt outstanding	\$ 346,655	\$ 400,453
Average stated interest rate	4.5%	4.4%

Note 8. Derivative Instruments

The Company enters into foreign currency forward contracts from time to time to help mitigate the impact that an adverse change in foreign exchange rates would have on future interest cash flows from the Company's investments denominated in foreign currencies. As of March 31, 2021 and December 31, 2020, the counterparty to these foreign currency forward contracts was Bannockburn Global Forex, LLC. Net unrealized gain or loss on foreign currency forward contracts are included in net change in unrealized gain (loss) on foreign currency forward contracts and net realized gain or loss on forward currency forward contracts are included in net realized gain (loss) on foreign currency forward contracts on the accompanying consolidated statements of operations.

Certain information related to the Company's foreign currency forward contracts is presented below as of March 31, 2021 and December 31, 2020.

	As of March 31, 2021						
	Notional Amount to be Sold	Settlement Date	Gross Amount of Unrealized Gain	Gross Amount of Unrealized Loss	Balance Sheet location of Net Amounts		
Foreign currency forward contract	£	84	4/2/2021	\$	—	(13)	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	£	212	6/1/2021		—	(21)	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	£	26	6/1/2021		—	(3)	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	£	16	6/3/2021		—	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	£	83	7/2/2021		—	(12)	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	£	900	7/2/2021		16	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	£	83	10/4/2021		—	(12)	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	£	82	1/3/2022		—	(12)	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	£	79	4/4/2022		—	(12)	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	£	29	5/6/2022		—	(4)	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	173	4/20/2021		5	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	95	5/18/2021		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	108	6/17/2021		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	98	7/16/2021		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	102	8/17/2021		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	108	9/16/2021		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	105	10/19/2021		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	95	11/16/2021		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	108	12/16/2021		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	115	1/19/2022		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	95	2/16/2022		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	95	3/16/2022		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	105	4/19/2022		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	98	5/17/2022		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	112	6/17/2022		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	98	7/18/2022		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	98	8/16/2022		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	112	9/16/2022		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	112	10/19/2022		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	95	11/16/2022		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	102	12/16/2022		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	112	1/18/2023		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	98	2/16/2023		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	95	3/16/2023		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	118	4/20/2023		3	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	81	5/16/2023		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	115	6/19/2023		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	98	7/18/2023		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	105	8/16/2023		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	105	9/18/2023		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	108	10/18/2023		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	98	11/16/2023		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	102	12/18/2023		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	108	1/17/2024		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	102	2/16/2024		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	98	3/18/2024		2	—	Unrealized gain on foreign currency forward contracts
Foreign currency forward contract	AUD	10,746	3/18/2024		200	—	Unrealized gain on foreign currency forward contracts
Total				\$	310	\$(89)	

As of December 31, 2020

	Notional Amount to be Sold	Settlement Date	Gross Amount of Unrealized Gain	Gross Amount of Unrealized Loss	Balance Sheet location of Net Amounts
Foreign currency forward contract	£ 87	1/4/2021	\$ —	\$ (12)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 206	3/3/2021	—	(18)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 26	3/3/2021	—	(2)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 84	4/2/2021	—	(12)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 212	6/1/2021	—	(19)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 26	6/1/2021	—	(2)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 83	7/2/2021	—	(11)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 83	10/4/2021	—	(11)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 82	1/3/2022	—	(11)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 79	4/4/2022	—	(11)	Unrealized loss on foreign currency forward contracts
Foreign currency forward contract	£ 29	5/6/2022	—	(4)	Unrealized loss on foreign currency forward contracts
Total			<u>\$ —</u>	<u>\$ (113)</u>	

For the three months ended March 31, 2021 and 2020, the Company recognized net change in unrealized gain (loss) on foreign currency forward contracts of \$334 and \$98, respectively. For the three months ended March 31, 2021 and 2020, the Company recognized net realized gain (loss) on foreign currency forward contracts of (\$38) and (\$4), respectively.

Note 9. Distributions

The Company's distributions are recorded on the record date. The following table summarizes distributions declared during the three months ended March 31, 2021 and 2020:

Date Declared	Record Date	Payment Date	Amount Per Share	Cash Distribution	DRIP Shares Issued	DRIP Shares Value	DRIP Shares Repurchased in the Open Market	Cost of DRIP Shares Repurchased
Three months ended March 31, 2021:								
March 2, 2021	March 16, 2021	March 31, 2021	\$ 0.25	\$ 5,326	—	\$ —	35,611	\$ 364
Total distributions declared			<u>\$ 0.25</u>	<u>\$ 5,326</u>	<u>—</u>	<u>\$ —</u>	<u>35,611</u>	<u>\$ 364</u>
Three months ended March 31, 2020:								
March 3, 2020	March 16, 2020	March 31, 2020	\$ 0.35	\$ 7,155	—	\$ —	55,938	\$ 374
Total distributions declared			<u>\$ 0.35</u>	<u>\$ 7,155</u>	<u>—</u>	<u>\$ —</u>	<u>55,938</u>	<u>\$ 374</u>

Note 10. Stock Issuances and Repurchases

Stock Issuances: On May 12, 2017, the Company entered into at-the-market ("ATM") equity distribution agreements with each of JMP Securities LLC ("JMP") and FBR Capital Markets & Co. ("FBR") (the "ATM Program") through which the Company could sell, by means of ATM offerings, from time to time, up to \$50,000 of the Company's common stock. On May 8, 2020, the Company entered into an amendment to the ATM Program to extend its term. All other material terms of the ATM Program remain unchanged. There were no stock issuances through the ATM Program during the three months ended March 31, 2021 and 2020.

Note 11. Commitments and Contingencies

Commitments: As of March 31, 2021 and December 31, 2020, the Company had \$50,135 and \$52,252, respectively, in outstanding commitments to fund investments under undrawn revolvers, capital expenditure loans, delayed draw commitments and subscription agreements (excluding SLF). As described in Note 3, the Company had unfunded commitments of \$7,850 to SLF as of March 31, 2021 and December 31, 2020 that may be contributed primarily for the purpose of funding new investments approved by the SLF investment committee. Drawdowns of the commitments to SLF require authorization from one of the Company's representatives on SLF's board of managers. Management believes that the Company's available cash balances and/or ability to draw on the revolving credit facility provide sufficient funds to cover its unfunded commitments as of March 31, 2021.

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

Concentration of credit and counterparty risk: Credit risk arises primarily from the potential inability of counterparties to perform in accordance with the terms of the contract. In the event that the counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparties or issuers of the instruments. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Market risk: The Company's investments and borrowings are subject to market risk. Market risk is the potential for changes in the value due to market changes. Market risk is directly impacted by the volatility and liquidity in the markets in which the investments and borrowings are traded.

Legal proceedings: In the normal course of business, the Company may be subject to legal and regulatory proceedings that are generally incidental to its ongoing operations. While there can be no assurance of the ultimate disposition of any such proceedings, the Company is not currently aware of any such proceedings or disposition that would have a material adverse effect on the Company's consolidated financial statements.

Note 12. Financial Highlights

The following is a schedule of financial highlights for the three months ended March 31, 2021 and 2020:

	March 31, 2021	March 31, 2020
Per share data:		
Net asset value at beginning of period	\$ 11.00	\$ 12.20
Net investment income ⁽¹⁾	0.25	0.33
Net gain (loss) ⁽¹⁾	0.08	(2.14)
Net increase (decrease) in net assets resulting from operations ⁽¹⁾	0.33	(1.81)
Stockholder distributions - income ⁽²⁾	(0.25)	(0.35)
Net asset value at end of period	\$ 11.08	\$ 10.04
Net assets at end of period	\$ 236,163	\$ 205,352
Shares outstanding at end of period	21,303,540	20,444,564
Per share market value at end of period	\$ 10.04	\$ 7.10
Total return based on market value ⁽³⁾	28.09%	(31.20)%
Total return based on average net asset value ⁽⁴⁾	3.00%	(16.21)%
Ratio/Supplemental data:		
Ratio of net investment income to average net assets ⁽⁵⁾	9.43%	12.00%
Ratio of total expenses, net of incentive fee waiver, to average net assets ^{(5) (6)}	13.34%	14.54%
Portfolio turnover ⁽⁷⁾	8.19%	8.76%

(1) Calculated using the weighted average shares outstanding during the periods presented.

(2) Management monitors available taxable earnings, including net investment income and realized capital gains, to determine if a tax return of capital may occur for the year. To the extent the Company's taxable earnings fall below the total amount of the Company's distributions for that fiscal year, a portion of those distributions may be deemed a tax return of capital to the Company's stockholders. The tax character of distributions will be determined at the end of the fiscal year. However, if the character of such distributions were determined as of March 31, 2021 and 2020, none of the distributions would have been characterized as a tax return of capital to the Company's stockholders; this tax return of capital may differ from the return of capital calculated with reference to net investment income for financial reporting purposes.

(3) Total return based on market value is calculated assuming a purchase of common shares at the market value on the first day and a sale at the market value on the last day of the periods reported. Distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Company's DRIP. Total return based on market value does not reflect brokerage commissions. Return calculations are not annualized.

(4) Total return based on average net asset value is calculated by dividing the net increase (decrease) in net assets resulting from operations by the average net asset value. Return calculations are not annualized.

(5) Ratios are annualized. Incentive fees included within the ratio are not annualized.

(6) The following is a schedule of supplemental ratios for the three months ended March 31, 2021 and 2020. These ratios have been annualized unless otherwise noted.

	March 31, 2021	March 31, 2020
Ratio of total investment income to average net assets	22.77%	26.54%
Ratio of interest and other debt financing expenses to average net assets	7.68%	8.54%
Ratio of total expenses (without incentive fees) to average net assets	13.26%	14.54%
Ratio of incentive fees, net of incentive fee waiver, to average net assets ^{(7) (8)}	0.08%	0.00%

(7) Ratios are not annualized.

(8) The ratio of waived incentive fees to average net assets was 0.27% and zero for three months ended March 31, 2021 and 2020, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Except as otherwise specified, references to "we," "us" and "our" refer to Monroe Capital Corporation and its consolidated subsidiaries; MC Advisors refers to Monroe Capital BDC Advisors, LLC, our investment adviser and a Delaware limited liability company; MC Management refers to Monroe Capital Management Advisors, LLC, our administrator and a Delaware limited liability company; Monroe Capital refers to Monroe Capital LLC, a Delaware limited liability company, and its subsidiaries and affiliates; and SLF refers to MRCC Senior Loan Fund I, LLC, an unconsolidated Delaware limited liability company, in which we co-invest with Life Insurance Company of the Southwest ("LSW") primarily in senior secured loans. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing in our annual report on Form 10-K (the "Annual Report") for the year ended December 31, 2020, filed with the U.S. Securities and Exchange Commission ("SEC") on March 2, 2021. The information contained in this section should also be read in conjunction with our unaudited consolidated financial statements and related notes and other financial information appearing elsewhere in this quarterly report on Form 10-Q (the "Quarterly Report").

FORWARD-LOOKING STATEMENTS

This Quarterly Report, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains statements that constitute forward-looking statements, which relate to future events or our future performance or future financial condition. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about our company, our industry, our beliefs and our assumptions. The forward-looking statements contained in this Quarterly Report involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the impact of global health epidemics, such as the current novel coronavirus ("COVID-19") pandemic, on our or our portfolio companies' business and the global economy;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of changes in *London Interbank Offered Rate* ("LIBOR") on our operating results;
- the impact of increased competition;
- the impact of fluctuations in interest rates on our business and our portfolio companies;
- our contractual arrangements and relationships with third parties;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- actual and potential conflicts of interest with MC Advisors, MC Management and other affiliates of Monroe Capital;
- the ability of our portfolio companies to achieve their objectives;
- the use of borrowed money to finance a portion of our investments;
- the adequacy of our financing sources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the ability of MC Advisors to locate suitable investments for us and to monitor and administer our investments;
- the ability of MC Advisors or its affiliates to attract and retain highly talented professionals;
- our ability to qualify and maintain our qualification as a regulated investment company and as a business development company; and
- the impact of future legislation and regulation on our business and our portfolio companies.

We use words such as "anticipates," "believes," "expects," "intends," "seeks," "plans," "estimates," "targets" and similar expressions to identify forward-looking statements. The forward-looking statements contained in this Quarterly Report involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in "*Part I-Item 1A. Risk Factors*" in our Annual Report and "*Part II-Item 1A. Risk Factors*" in this Quarterly Report.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. Important assumptions include our ability to originate new loans and investments, certain margins and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statements in this Quarterly Report should not be regarded as a representation by us that our plans and objectives will be achieved.

We have based the forward-looking statements included in this Quarterly Report on information available to us on the date of this Quarterly 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 in this Quarterly Report, whether as a result of new information, future events or otherwise, you are advised to consult any additional

disclosures that we may make directly to you or through reports that we may file in the future with the SEC, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Overview

Monroe Capital Corporation is an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). In addition, for U.S. federal income tax purposes, we have elected to be treated as a regulated investment company (“RIC”) under the subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). We are a specialty finance company focused on providing financing solutions primarily to lower middle-market companies in the United States and Canada. We provide customized financing solutions focused primarily on senior secured, junior secured and unitranche secured (a combination of senior secured and junior secured debt in the same facility in which we syndicate a “first out” portion of the loan to an investor and retain a “last out” portion of the loan) debt and, to a lesser extent, unsecured subordinated debt and equity, including equity co-investments in preferred and common stock, and warrants.

Our shares are currently listed on the NASDAQ Global Select Market under the symbol “MRCC”.

Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation through investment in senior secured, unitranche secured and junior secured debt and, to a lesser extent, unsecured subordinated debt and equity investments. We seek to use our extensive leveraged finance origination infrastructure and broad expertise in sourcing loans to invest in primarily senior secured, unitranche secured and junior secured debt of middle-market companies. Our investments will generally range between \$2.0 million and \$25.0 million each, although this investment size may vary proportionately with the size of our capital base. As of March 31, 2021, our portfolio included approximately 75.2% senior secured loans, 9.3% unitranche secured loans, 2.3% junior secured loans and 13.2% equity securities, compared to December 31, 2020, when our portfolio included approximately 74.1% senior secured loans, 11.7% unitranche secured loans, 2.6% junior secured loans and 11.6% equity securities. We expect that the companies in which we invest may be leveraged, often as a result of leveraged buy-outs or other recapitalization transactions, and, in certain cases, will not be rated by national ratings agencies. If such companies were rated, we believe that they would typically receive a rating below investment grade (between BB and CCC under the Standard & Poor’s system) from the national rating agencies.

While our primary focus is to maximize current income and capital appreciation through debt investments in thinly traded or private U.S. companies, we may invest a portion of the portfolio in opportunistic investments in order to seek to enhance returns to stockholders. Such investments may include investments in high-yield bonds, distressed debt, private equity or securities of public companies that are not thinly traded and securities of middle-market companies located outside of the United States. We expect that these public companies generally will have debt securities that are non-investment grade.

On February 28, 2014, our wholly-owned subsidiary, Monroe Capital Corporation SBIC, LP (“MRCC SBIC”), a Delaware limited partnership, received a license from the Small Business Administration (“SBA”) to operate as a Small Business Investment Company (“SBIC”) under Section 301(c) of the Small Business Investment Act of 1958. MRCC SBIC commenced operations on September 16, 2013. See “SBA Debentures” below for more information.

Investment income

We generate interest income on the debt investments in portfolio company investments that we originate or acquire. Our debt investments, whether in the form of senior secured, unitranche secured or junior secured debt, typically have an initial term of three to seven years and bear interest at a fixed or floating rate. In some instances, we receive payments on our debt investments based on scheduled amortization of the outstanding balances. In addition, we receive repayments of some of our debt investments prior to their scheduled maturity date. In some cases, our investments provide for deferred interest of payment-in-kind (“PIK”) interest. In addition, we may generate revenue in the form of commitment, origination, amendment, structuring or due diligence fees, fees for providing managerial assistance and consulting fees. Loan origination fees, original issue discount and market discount or premium are capitalized, and we accrete or amortize such amounts as interest income. We record prepayment premiums and prepayment gains (losses) on loans as interest income. As the frequency or volume of the repayments which trigger these prepayment premiums and prepayment gains (losses) may fluctuate significantly from period to period, the associated interest income recorded may also fluctuate significantly from period to period. Interest and fee income are recorded on the accrual basis to the extent we expect to collect such amounts. Interest income is accrued based upon the outstanding principal amount and contractual terms of debt and preferred equity investments. Interest is accrued on a daily basis. We record fees on loans based on the determination of whether the fee is considered a yield enhancement or payment for a service. If the fee is considered a yield enhancement associated with a funding of cash on a loan, the fee is generally deferred and recognized into interest income using the effective interest method if captured in the cost basis or using the straight-line method if the loan is unfunded and therefore there is no cost basis. If the fee is not considered a yield enhancement because a service was provided, and the fee is payment for that service, the fee is deemed earned and recognized as fee income in the period the service has been completed.

Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies. Each distribution received from limited liability company (“LLC”) and limited partnership (“LP”) investments is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, we will not record distributions from equity investments in LLCs and LPs as dividend income unless there are sufficient accumulated tax-basis earnings and profits in the LLC or LP prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment. The frequency and volume of the distributions on common equity securities and LLC and LP investments may fluctuate significantly from period to period.

Expenses

Our primary operating expenses include the payment of base management and incentive fees to MC Advisors, under the investment advisory and management agreement (the “Investment Advisory Agreement”), the payment of fees to MC Management for our allocable portion of overhead and other expenses under the administration agreement (the “Administration Agreement”) and other operating costs. See Note 6 to our consolidated financial statements and “Related Party Transactions” below for additional information on our Investment Advisory Agreement and Administration Agreement. Our expenses also include interest expense on our various forms of indebtedness. We bear all other out-of-pocket costs and expenses of our operations and transactions.

Net gain (loss)

We recognize realized gains or losses on investments based on the difference between the net proceeds from the disposition and the cost basis of the investment without regard to unrealized gains or losses previously recognized. We record current period changes in fair value of investments, foreign currency forward contracts, foreign currency and other transactions within net change in unrealized gain (loss) on the consolidated statements of operations.

Portfolio and Investment Activity

During the three months ended March 31, 2021, we invested \$21.5 million in five new portfolio companies and \$22.2 million in 17 existing portfolio companies and had \$75.8 million in aggregate amount of sales and principal repayments, resulting in net sales and repayments of \$32.1 million for the period.

During the three months ended March 31, 2020, we invested \$41.3 million in six new portfolio companies and \$29.8 million in 34 existing portfolio companies and had \$52.8 million in aggregate amount of sales and principal repayments, resulting in net investments of \$18.3 million for the period.

The following table shows portfolio yield by security type:

	March 31, 2021		December 31, 2020	
	Weighted Average Contractual Coupon Yield (1)	Weighted Average Annualized Effective Yield (2)	Weighted Average Contractual Coupon Yield (1)	Weighted Average Annualized Effective Yield (2)
Senior secured loans	8.3%	8.3%	8.1%	8.1%
Unitranche secured loans	5.1	5.4	6.3	6.5
Junior secured loans	8.7	8.7	7.6	7.6
Preferred equity securities	1.4	1.4	1.4	1.4
Total	7.7%	7.7%	7.7%	7.7%

- (1) The weighted average annualized contractual coupon yield at period end is computed by dividing (a) the interest income on our debt investments and preferred equity investments (with a stated coupon rate) at the period end contractual coupon rate for each investment by (b) the par value of our debt investments (excluding debt investments acquired for no cost in a restructuring on non-accrual status) and the cost basis of our preferred equity investments. We exclude loans acquired for no cost in a restructuring on non-accrual status within this metric as management believes this disclosure provides a better indication of return on invested capital. This exclusion impacts only the junior secured loans and total disclosed above. The weighted average contractual coupon yield including debt investments acquired for no cost in a restructuring on non-accrual status was 4.2% for junior secured loans and 7.5% in total as of March 31, 2021. The weighted average contractual coupon yield including debt investments acquired for no cost in a restructuring on non-accrual status was 4.1% for junior secured loans and 7.5% in total as of December 31, 2020.
- (2) The weighted average annualized effective yield on portfolio investments at period end is computed by dividing (a) interest income on our debt investments and preferred equity investments (with a stated coupon rate) at the period end effective rate for each investment by (b) the par value of our debt investments (excluding debt investments acquired for no cost in a restructuring on non-accrual status) and the cost basis of our preferred equity investments. We exclude loans acquired for no cost in a restructuring on non-accrual status within this metric as management believes this disclosure provides a better indication of return on invested capital. This exclusion impacts only the junior secured loans and total disclosed above. The weighted average effective yield including debt investments acquired for no cost in a restructuring on non-accrual status was 4.2% for junior secured loans and 7.5% in total as of March 31, 2021. The weighted average effective yield including debt investments acquired for no cost in a restructuring on non-accrual status was 4.1% for junior secured loans and 7.5% in total as of December 31, 2020. The weighted average annualized effective yield on portfolio investments is a metric on the investment portfolio alone and does not represent a return to stockholders. This metric is not inclusive of our fees and expenses, the impact of leverage on the portfolio or sales load that may be paid by stockholders.

The following table shows the composition of our investment portfolio (in thousands):

Fair Value:	March 31, 2021		December 31, 2020	
	\$	%	\$	%
Senior secured loans	392,399	75.2%	405,224	74.1%
Unitranche secured loans	48,298	9.3	64,040	11.7
Junior secured loans	11,999	2.3	14,592	2.6
LLC equity interest in SLF	41,067	7.9	39,284	7.2
Equity securities	27,616	5.3	23,899	4.4
Total	\$ 521,379	100.0%	\$ 547,039	100.0%

Our portfolio composition and contractual and effective yields remained relatively consistent with December 31, 2020.

The following table shows our portfolio composition by industry (in thousands):

Fair Value:	March 31, 2021		December 31, 2020	
	\$	%	\$	%
Automotive	9,603	1.9%	9,637	1.8%
Banking, Finance, Insurance & Real Estate	77,959	15.0	72,627	13.3
Beverage, Food & Tobacco	21,767	4.2	20,676	3.8
Capital Equipment	13,890	2.7	13,750	2.5
Chemicals, Plastics & Rubber	28,879	5.5	27,754	5.1
Construction & Building	16,855	3.2	16,809	3.0
Consumer Goods: Durable	475	0.1	18,893	3.4
Consumer Goods: Non-Durable	9,061	1.7	13,027	2.4
Containers, Packaging & Glass	—	—	4,997	0.9
Environmental Industries	13,218	2.5	13,168	2.4
Healthcare & Pharmaceuticals	42,179	8.1	37,815	6.9
High Tech Industries	84,886	16.3	81,417	14.9
Hotels, Gaming & Leisure	2,651	0.5	1,771	0.3
Investment Funds & Vehicles	41,067	7.9	39,284	7.2
Media: Advertising, Printing & Publishing	31,623	6.1	31,553	5.8
Media: Broadcasting & Subscription	2,335	0.4	2,227	0.4
Media: Diversified & Production	6,889	1.3	6,811	1.2
Retail	19,404	3.7	18,443	3.4
Services: Business	62,071	11.9	78,584	14.4
Services: Consumer	21,363	4.1	25,306	4.6
Telecommunications	1,102	0.2	1,100	0.2

Wholesale	14,102	2.7	11,390	2.1
Total	\$ 521,379	100.0%	\$ 547,039	100.0%

Portfolio Asset Quality

MC Advisors' portfolio management staff closely monitors all credits, with senior portfolio managers covering agented and more complex investments. MC Advisors segregates our capital markets investments by industry. The MC Advisors' monitoring process and projections developed by Monroe Capital both have daily, weekly, monthly and quarterly components and related reports, each to evaluate performance against historical, budget and underwriting expectations. MC Advisors' analysts will monitor performance using standard industry software tools to provide consistent disclosure of performance. When necessary, MC Advisors will update our internal risk ratings, borrowing base criteria and covenant compliance reports.

As part of the monitoring process, MC Advisors regularly assesses the risk profile of each of our investments and rates each of them based on an internal proprietary system that uses the categories listed below, which we refer to as MC Advisors' investment performance rating. For any investment rated in grades 3, 4 or 5, MC Advisors, through its internal Portfolio Management Group ("PMG"), will increase its monitoring intensity and prepare regular updates for the investment committee, summarizing current operating results and material impending events and suggesting recommended actions. The PMG is responsible for oversight and management of any investments rated in grades 3, 4, or 5. MC Advisors monitors and, when appropriate, changes the investment ratings assigned to each investment in our portfolio. In connection with our valuation process, MC Advisors reviews these investment ratings on a quarterly basis. The investment performance rating system is described as follows:

Investment Performance Risk Rating

Summary Description

Grade 1	Includes investments exhibiting the least amount of risk in our portfolio. The issuer is performing above expectations or the issuer's operating trends and risk factors are generally positive.
Grade 2	Includes investments exhibiting an acceptable level of risk that is similar to the risk at the time of origination. The issuer is generally performing as expected or the risk factors are neutral to positive.
Grade 3	Includes investments performing below expectations and indicates that the investment's risk has increased somewhat since origination. The issuer may be out of compliance with debt covenants; however, scheduled loan payments are generally not past due.
Grade 4	Includes an issuer performing materially below expectations and indicates that the issuer's risk has increased materially since origination. In addition to the issuer being generally out of compliance with debt covenants, scheduled loan payments may be past due (but generally not more than six months past due).
Grade 5	Indicates that the issuer is performing substantially below expectations and the investment risk has substantially increased since origination. Most or all of the debt covenants are out of compliance or payments are substantially delinquent. Investments graded 5 are not anticipated to be repaid in full.

Our investment performance risk ratings do not constitute any rating of investments by a nationally recognized statistical rating organization or reflect or represent any third-party assessment of any of our investments.

In the event of a delinquency or a decision to rate an investment grade 4 or grade 5, the PMG, in consultation with the investment committee, will develop an action plan. Such a plan may require a meeting with the borrower's management or the lender group to discuss reasons for the default and the steps management is undertaking to address the under-performance, as well as amendments and waivers that may be required. In the event of a dramatic deterioration of a credit, MC Advisors and the PMG will form a team or engage outside advisors to analyze, evaluate and take further steps to preserve our value in the credit. In this regard, we would expect to explore all options, including in a private equity sponsored investment, assuming certain responsibilities for the private equity sponsor or a formal sale of the business with oversight of the sale process by us. The PMG and the investment committee have extensive experience in running debt work-out transactions and bankruptcies.

The following table shows the distribution of our investments on the 1 to 5 investment performance risk rating scale as of March 31, 2021 (in thousands):

Investment Performance Risk Rating	Investments at Fair Value	Percentage of Total Investments
1	\$ 1,592	0.3%
2	408,562	78.4
3	78,708	15.1
4	28,600	5.5
5	3,917	0.7
Total	<u>\$ 521,379</u>	<u>100.0%</u>

The following table shows the distribution of our investments on the 1 to 5 investment performance risk rating scale as of December 31, 2020 (in thousands):

Investment Performance Risk Rating	Investments at Fair Value	Percentage of Total Investments
1	\$ 1,592	0.3%
2	428,554	78.4
3	92,001	16.8
4	19,844	3.6
5	5,048	0.9
Total	<u>\$ 547,039</u>	<u>100.0%</u>

As of March 31, 2021, we had 12 borrowers with loans or preferred equity securities on non-accrual status (BLST Operating Company, LLC (“BLST”), California Pizza Kitchen, Inc. (“CPK”), Curion Holdings, LLC (“Curion”), Education Corporation of America (“ECA”), Incipio, LLC (“Incipio”), Luxury Optical Holdings Co. (“LOH”), NECB Collections, LLC (“NECB”), Parterre Flooring & Surface Systems, LLC (“Parterre”), SHI Holdings, Inc. (“SHI”), The Worth Collection, Ltd. (“Worth”), Toojay’s Management, LLC (“Toojay’s OldCo”) and Valudor Products, LLC (“Valudor”) preferred equity), and these investments totaled \$27.3 million in fair value, or 5.2% of our total investments at fair value. As of December 31, 2020, we had 12 borrowers with loans or preferred equity securities on non-accrual status (BLST, CPK, Curion, ECA, Incipio last out term loan and third lien tranches, LOH, NECB, Parterre, SHI, Worth, Toojay’s OldCo and Valudor preferred equity), and these investments totaled \$22.3 million in fair value, or 4.1% of our total investments at fair value. The Curion promissory notes and the Incipio third lien tranches were obtained in restructurings for no cost. Loans or preferred equity securities are placed on non-accrual status when principal, interest or dividend payments become materially past due, or when there is reasonable doubt that principal, interest or dividends will be collected.

Results of Operations

Operating results were as follows (in thousands):

	Three months ended March 31,	
	2021	2020
Total investment income	\$ 13,213	\$ 15,002
Total expenses, net of incentive fee waiver	7,857	8,200
Net investment income before income taxes	5,356	6,802
Income taxes, including excise taxes	30	20
Net investment income	5,326	6,782
Net realized gain (loss) on investments	(192)	94
Net realized gain (loss) on extinguishment of debt	(2,774)	-
Net realized gain (loss) on foreign currency forward contracts	(38)	(4)
Net realized gain (loss) on foreign currency and other transactions	(14)	(15)
Net realized gain (loss)	(3,018)	75
Net change in unrealized gain (loss) on investments	4,622	(45,149)
Net change in unrealized gain (loss) on foreign currency forward contracts	334	98
Net change in unrealized gain (loss) on foreign currency and other transactions	(209)	1,344
Net change in unrealized gain (loss)	4,747	(43,707)
Net increase (decrease) in net assets resulting from operations	<u>\$ 7,055</u>	<u>\$ (36,850)</u>

Investment Income

The composition of our investment income was as follows (in thousands):

	Three months ended March 31,	
	2021	2020
Interest income	\$ 8,961	\$ 11,979
PIK interest income	1,679	1,076
Dividend income ⁽¹⁾	1,262	1,191
Fee income	477	198
Prepayment gain (loss)	482	214
Accretion of discounts and amortization of premium	352	344
Total investment income	\$ 13,213	\$ 15,002

(1) Includes PIK dividends of \$62 and \$41, respectively.

The decrease in investment income of \$1.8 million during the three months ended March 31, 2021 as compared to the three months ended March 31, 2020 is primarily the result of a decrease in interest income due to a decrease in average outstanding loan balances and declines in the effective rate on the portfolio driven by decreases in LIBOR and the placement of additional investments on non-accrual status, partially offset by increases in prepayment gain and fee income.

Operating Expenses

The composition of our operating expenses was as follows (in thousands):

	Three months ended March 31,	
	2021	2020
Interest and other debt financing expenses	\$ 4,453	\$ 4,830
Base management fees	2,334	2,551
Incentive fees, net of incentive fee waiver ⁽¹⁾	193	—
Professional fees	226	215
Administrative service fees	356	338
General and administrative expenses	260	231
Directors' fees	35	35
Total expenses, net of incentive fee waiver	\$ 7,857	\$ 8,200

(1) During the three months ended March 31, 2021 and 2020, MC Advisors waived part one incentive fees (based on net investment income) of \$637 and zero, respectively. Incentive fees during the three months ended March 31, 2021 and 2020 were limited by zero and \$1,356, respectively, due to the Incentive Fee Limitation. See Note 6 in our attached consolidated financial statements for additional information on the Incentive Fee Limitation.

The composition of our interest and other debt financing expenses, average outstanding balances and average stated interest rates (i.e. the rate in effect plus spread) were as follows (in thousands):

	Three months ended March 31,	
	2021	2020
Interest expense - revolving credit facility	\$ 1,005	\$ 1,798
Interest expense - 2023 Notes	837	1,567
Interest expense - 2026 Notes	1,132	—
Interest expense - SBA debentures	878	981
Amortization of deferred financing costs	601	484
Total interest and other debt financing expenses	\$ 4,453	\$ 4,830
Average debt outstanding	\$ 346,655	\$ 400,453
Average stated interest rate	4.5%	4.4%

The decrease in expenses of \$0.3 million during the three months ended March 31, 2021, as compared to the three months ended March 31, 2020, is primarily the result of a decrease in interest expense and base management fees, partially offset by an increase in incentive fees, net of waiver.

Income Taxes, Including Excise Taxes

We have elected to be treated as a RIC under Subchapter M of the Code and operate in a manner so as to qualify for the tax treatment available to RICs. To maintain qualification as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements and distribute to stockholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our net ordinary income plus the excess, if any, of realized net short-term capital gains over realized net long-term capital losses.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward such taxable income in excess of current year dividend distributions from such current year taxable income into the next year and pay a 4% excise tax on such income, as required. To the extent that we determine that our estimated current year annual taxable income may exceed estimated current year dividend distributions, we accrue excise tax, if any, on estimated excess taxable income as such taxable income is earned. For the three months ended March 31, 2021 and 2020, we recorded a net expense on the consolidated statements of operations of \$30 thousand and \$20 thousand, respectively, for U.S. federal excise tax.

Certain of our consolidated subsidiaries are subject to U.S. federal and state corporate-level income taxes. For both the three months ended March 31, 2021 and 2020, we recorded a net tax expense of zero on the consolidated statements of operations for these subsidiaries.

Net Realized Gain (Loss)

During the three months ended March 31, 2021 and 2020, we had sales or dispositions of investments of \$8.5 million and \$13.1 million, respectively, resulting in (\$192) thousand and \$94 thousand of net realized gain (loss) on investments, respectively.

During the three months ended March 31, 2021, we recognized a net loss on extinguishment of debt of \$2.8 million, which was due to our \$109.0 million repayment of the 2023 Notes on February 18, 2021 and repayment of \$28.1 million of SBA debentures on March 1, 2021.

We may enter into foreign currency forward contracts to reduce our exposure to foreign currency exchange rate fluctuations. During the three months ended March 31, 2021 and 2020, we had (\$38) thousand and (\$4) thousand of net realized gain (loss) on foreign currency forward contracts, respectively. During the three months ended March 31, 2021 and 2020, we had (\$14) thousand and (\$15) thousand of net realized gain (loss) on foreign currency and other transactions, respectively.

Net Change in Unrealized Gain (Loss)

For the three months ended March 31, 2021 and 2020, our investments had \$4.6 million and (\$45.1) million of net change in unrealized gain (loss), respectively. The net change in unrealized gain (loss) includes both unrealized gain on investments in our portfolio with mark-to-market gains during the quarter and unrealized loss on investments in our portfolio with mark-to-market losses during the quarter.

We estimate approximately \$5.1 million of the net unrealized gain on investments during the three months ended March 31, 2021 was attributable to broad market movements and tightening of credit spreads in the loan markets. Approximately \$3.3 million of these net unrealized gains were attributable to investments held in the portfolio directly, while approximately \$1.8 million of these gains were attributable to our investment in SLF. These increases in value were offset by (\$0.5) million in net unrealized losses attributable to specific credit or fundamental performance of the underlying portfolio companies, a significant portion of which is as a result of the impact of the COVID-19 pandemic on individual credit performance. The fair value of our portfolio investments may be further negatively impacted after March 31, 2021 by circumstances and events that are not yet known.

We estimate approximately \$25.6 million of the net unrealized loss on investments during the three months ended March 31, 2020 was attributable to broad market movements and widening credit spreads in the loan markets as market participants expected a higher yield on similar investments given the significant market volatility generated by the COVID-19 pandemic. Approximately \$14.5 million of these net unrealized losses were attributable to investments held in the portfolio directly, while approximately \$11.1 million of these losses were attributable to our investment in SLF. The SLF's underlying investments are loans to middle-market borrowers that are generally larger than the rest of our portfolio which is focused on lower middle-market companies. These upper middle-market loans held within the SLF experienced higher volatility in valuation during the three months ended March 31, 2020 than the rest of our portfolio. Additionally, we estimate the remaining approximately \$19.5 million of the net unrealized losses this period were attributable to specific credit or fundamental performance of the underlying portfolio companies, a significant portion of which is as a result of the impact of the COVID-19 pandemic on individual credit performance.

For the three months ended March 31, 2021 and 2020, our foreign currency forward contracts had \$0.3 million and \$0.1 million of net change in unrealized gain (loss), respectively. For the three months ended March 31, 2021 and 2020, our foreign currency borrowings and cash denominated in foreign currencies had (\$0.2) million and \$1.3 million of net change in unrealized gain (loss), respectively.

Net Increase (Decrease) in Net Assets Resulting from Operations

For the three months ended March 31, 2021 and 2020, the net increase (decrease) in net assets resulting from operations was \$7.1 million and (\$36.9) million, respectively. Based on the weighted average shares of common stock outstanding for the three months ended March 31, 2021 and 2020, our per share net increase (decrease) in net assets resulting from operations was \$0.33 and (\$1.81), respectively. The \$44.0 million increase during the three months ended March 31, 2021 as compared to the three months ended March 31, 2020, is primarily the result of net unrealized mark-to-market gains on investments in the portfolio during the three months ended March 31, 2021, as during the three months ended March 31, 2020, investments in the portfolio experienced significant net unrealized mark to mark-to-market losses primarily as a result of market volatility and deterioration of fundamental performance on certain portfolio companies related to the COVID-19 pandemic.

Liquidity and Capital Resources

As of March 31, 2021, we had \$7.7 million in cash, \$8.2 million in cash at MRCC SBIC, \$92.9 million of total debt outstanding on our revolving credit facility, \$130.0 million in 2026 Notes and \$86.9 million in outstanding SBA debentures. We had \$162.1 million available for additional borrowings on our revolving credit facility, subject to borrowing base availability. See "Borrowings" below for additional information.

In accordance with the 1940 Act, we are permitted to borrow amounts such that our asset coverage ratio, as defined in the 1940 Act, is at least 150% after such borrowing. As of March 31, 2021 and December 31, 2020, our asset coverage ratio based on aggregate borrowings outstanding was 206% and 200%, respectively.

Cash Flows

For the three months ended March 31, 2021 and 2020, we experienced a net increase (decrease) in cash and restricted cash of (\$16.5) million and (\$10.4) million, respectively. For the three months ended March 31, 2021, operating activities provided \$33.8 million, primarily as a result of principal repayments on and sales of portfolio investments, partially offset by purchases of portfolio investments. For the three months ended March 31, 2020, operating activities used \$16.3 million, primarily as a result of purchases of portfolio investments and net investment income, partially offset by principal repayments on portfolio investments. During the three months ended March 31, 2021, we used \$50.3 million in financing activities, primarily as a result of net repayments on our revolving credit facility, 2023 Notes and SBA debentures and distributions to stockholders, partially offset by net proceeds from our 2026 Notes (net of deferred financing cost payments). During the three months ended March 31, 2020, we generated \$5.9 million from financing activities, primarily as a result of proceeds from net borrowings on our revolving credit facility partially offset by distributions to stockholders.

Capital Resources

As a BDC, we distribute substantially all of our net income to our stockholders and have an ongoing need to raise additional capital for investment purposes. We intend to generate additional cash primarily from future offerings of securities, future borrowings and cash flows from operations, including income earned from investments in our portfolio companies. On both a short-term and long-term basis, our primary use of funds will be to invest in portfolio companies and make cash distributions to our stockholders. We may also use available funds to repay outstanding borrowings.

As a BDC, we are generally not permitted to issue and sell our common stock at a price below net asset value (“NAV”) per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current NAV per share of our common stock if our board of directors (“Board”), including our independent directors, determines that such sale is in the best interests of us and our stockholders, and if our stockholders have approved such sales. On June 19, 2019, our stockholders voted to allow us to sell or otherwise issue common stock at a price below NAV per share for a period of one year, subject to certain limitations. On June 17, 2020, our stockholders once again voted to allow us to sell or otherwise issue common stock at a price below net asset value per share for a period of one year, subject to certain limitations. As of March 31, 2021 and December 31, 2020, we had 21,303,540 and 21,303,540 shares outstanding, respectively.

On June 24, 2015, our stockholders approved a proposal to authorize us to issue warrants, options or rights to subscribe to, convert to, or purchase our common stock in one or more offerings. This is a standing authorization and does not require annual re-approval by our stockholders.

Stock Issuances: On May 12, 2017, we entered into at-the-market (“ATM”) equity distribution agreements with each of JMP Securities LLC (“JMP”) and FBR Capital Markets & Co. (“FBR”) (the “ATM Program”) through which we can sell, by means of ATM offerings, from time to time, up to \$50.0 million of our common stock. On May 8, 2020, we entered into an amendment to the ATM Program to extend its term. All other material terms of the ATM Program remain unchanged. There were no stock issuances through the ATM Program during the three months ended March 31, 2021 and 2020.

Borrowings

Revolving Credit Facility: We have a \$255.0 million revolving credit facility with ING Capital LLC, as agent. The revolving credit facility has an accordion feature which permits us, under certain circumstances to increase the size of the facility up to \$400.0 million (subject to maintaining 150% asset coverage, as defined by the 1940 Act). The revolving credit facility is secured by a lien on all of our assets, including cash on hand, but excluding the assets of our wholly-owned subsidiary, MRCC SBIC. We may make draws under the revolving credit facility to make or purchase additional investments through March 1, 2023 and for general working capital purposes until March 1, 2024, the maturity date of the revolving credit facility.

Our ability to borrow under the revolving credit facility is subject to availability under the borrowing base, which permits us to borrow up to 72.5% of the fair market value of our portfolio company investments depending on the type of investment we hold and whether the investment is quoted. Our ability to borrow is also subject to certain concentration limits, and continued compliance with the representations, warranties and covenants given by us under the facility. The revolving credit facility contains certain financial and restrictive covenants, including, but not limited to, our maintenance of: (1) minimum consolidated total net assets at least equal to \$150.0 million plus 65% of the net proceeds to us from sales of our equity securities after March 1, 2019; (2) a ratio of total assets (less total liabilities other than indebtedness) to total indebtedness of not less than 1.5 to 1; and (3) a senior debt coverage ratio of at least 2 to 1. The revolving credit facility also requires us to undertake customary indemnification obligations with respect to ING Capital LLC and other members of the lending group and to reimburse the lenders for expenses associated with entering into the credit facility. The revolving credit facility also has customary provisions regarding events of default, including events of default for nonpayment, change in control transactions at both Monroe Capital Corporation and MC Advisors, failure to comply with financial and negative covenants, and failure to maintain our relationship with MC Advisors. If we incur an event of default under the revolving credit facility and fail to remedy such default under any applicable grace period, if any, then the entire revolving credit facility could become immediately due and payable, which would materially and adversely affect our liquidity, financial condition, results of operations and cash flows.

Our revolving credit facility also imposes certain conditions that may limit the amount of our distributions to stockholders. Distributions payable in our common stock under the DRIP are not limited by the revolving credit facility. Distributions in cash or property other than common stock are generally limited to 115% of the amount of distributions required to maintain our status as a RIC.

As of March 31, 2021, we had U.S. dollar borrowings of \$70.7 million and non-U.S. dollar borrowings denominated in Great Britain pounds of £16.1 million (\$22.2 million in U.S. dollars) under the revolving credit facility. As of December 31, 2020, we had U.S. dollar borrowings of \$104.6 million and non-U.S. dollar borrowings denominated in Great Britain pounds of £16.1 million (\$22.0 million in U.S. dollars) under the revolving credit facility. The borrowings denominated in Great Britain pounds may be positively or negatively affected by movements in the rate of exchange between the U.S. dollar and the Great Britain pound. These movements are beyond our control and cannot be predicted. The borrowings denominated in Great Britain pounds are translated into U.S. dollars based on the spot rate at each balance sheet date. The impact resulting from changes in foreign currency borrowings is included in net change in unrealized gain (loss) on foreign currency and other transactions on our consolidated statements of operations and totaled (\$0.2) million and \$1.3 million for the three months ended March 31, 2021 and 2020, respectively.

Borrowings under the revolving credit facility bear interest, at our election, at an annual rate of LIBOR (one-month, three-month or six-month at our discretion based on the term of the borrowing) plus 2.625% or at a daily rate equal to 1.625% per annum plus the greater of the prime interest rate, the federal funds rate plus 0.5% or LIBOR plus 1.0%, with a LIBOR floor of 0.5%. In addition to the stated interest rate on borrowings under the revolving credit facility, we are required to pay a commitment fee and certain conditional fees based on usage of the expanded borrowing base and usage of the asset coverage ratio flexibility. A commitment fee of 0.5% per annum on any unused portion of the revolving credit facility if the unused portion of the facility is less than 35% of the then available maximum borrowing or a commitment fee of 1.0% per annum on any unused portion of the revolving credit facility if the unused portion of the facility is greater than or equal to 35% of the then available maximum borrowing. As of March 31, 2021 and December 31, 2020, the outstanding borrowings were accruing at a weighted average interest rate of 3.2% and 3.2%, respectively.

2023 Notes: On February 18, 2021, we redeemed \$109.0 million in aggregate principal amount of the 2023 Notes. The redemption was accounted for as a debt extinguishment in accordance with ASC Subtopic 470-50, *Debt – Modifications and Extinguishment* (“ASC 470-50”), which resulted in a realized loss of \$2.3 million (primarily comprised of the unamortized deferred financing costs at the time of the redemption) and was recorded in net gain (loss) on extinguishment of debt on our consolidated statements of operations. The 2023 Notes were delisted from the Nasdaq Global Select Market, in conjunction with the redemption.

2026 Notes: On January 25, 2021, we closed a private offering of \$130.0 million in aggregate principal amount of senior unsecured notes (the “2026 Notes”). Aggregate underwriting commissions were \$3.3 million and other issuance costs were \$0.7 million, resulting in proceeds of approximately \$126.0 million. The 2026 Notes will mature on February 15, 2026 and may be redeemed in whole or in part at any time or from time to time at our option at par plus a “make-whole” premium, if applicable. The 2026 Notes will bear interest at an annual rate of 4.75% payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 2021. The 2026 Notes are general, unsecured obligations and rank equal in right of payment with all of our existing and future unsecured indebtedness.

SBA Debentures: On February 28, 2014, our wholly-owned subsidiary, MRCC SBIC, received a license from the SBA to operate as a SBIC under Section 301(c) of the Small Business Investment Act of 1958, as amended. MRCC SBIC commenced operations on September 16, 2013.

The SBIC license allows MRCC SBIC to obtain leverage by issuing SBA debentures, subject to the issuance of a leverage commitment by the SBA and other customary procedures. SBA debentures are non-recourse, interest only debentures with interest payable semi-annually and have a ten-year maturity. The principal amount of SBA debentures is not required to be paid prior to maturity but may be prepaid at any time without penalty. The interest rate of SBA debentures is fixed on a semi-annual basis (pooling date) at a market-driven spread over U.S. Treasury Notes with 10-year maturities. The SBA, as a creditor, has a superior claim to MRCC SBIC’s assets over our stockholders in the event we liquidate MRCC SBIC, or the SBA exercises its remedies upon an event of default.

On March 1, 2021, we repaid \$28.1 million in aggregate principal amount of the SBA debentures. The repayment was accounted for as a debt extinguishment in accordance with ASC 470-50, which resulted in a realized loss of \$0.5 million (primarily comprised of the unamortized deferred financing costs at the time of the repayment) recorded in net gain (loss) on extinguishment of debt on our consolidated statements of operations. As of March 31, 2021, MRCC SBIC had \$8.2 million in cash and \$120.6 million in investments at fair value. As of December 31, 2020, MRCC SBIC had \$25.7 million in cash and \$131.2 million in investments at fair value.

As of March 31, 2021 and December 31, 2020, MRCC SBIC had \$57.6 million in leverageable capital and the following SBA-guaranteed debentures outstanding:

Maturity Date	Interest Rate	March 31, 2021	December 31, 2020
September 2024	3.4%	\$ 12,920	\$ 12,920
March 2025	3.3%	14,800	14,800
March 2025	2.9%	7,080	7,080
September 2025	3.6%	—	5,200
March 2027	3.5%	20,000	20,000
September 2027	3.2%	32,100	32,100
March 2028	3.9%	—	18,520
September 2028	4.2%	—	4,380
Total		<u>\$ 86,900</u>	<u>\$ 115,000</u>

SBA regulations currently limit the amount that an individual SBIC may borrow to a maximum of \$175.0 million when it has at least \$87.5 million in regulatory capital, receives a leverage commitment from the SBA and has been through an audit examination by the SBA subsequent to licensing. The SBA also limits a related group of SBICs (commonly referred to as a “family of funds”) to a maximum of \$350.0 million in total borrowings.

We were granted exemptive relief from the SEC for permission to exclude the debt of MRCC SBIC guaranteed by the SBA from the asset coverage test under the 1940 Act. The receipt of this exemption for this SBA debt increases flexibility under the asset coverage test.

Distributions

Our Board will determine the timing and amount, if any, of our distributions. We intend to pay distributions on a quarterly basis. In order to avoid corporate-level tax on the income we distribute as a RIC, we must distribute to our stockholders 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, on an annual basis out of the assets legally available for such distributions. In addition, we also intend to distribute any realized net capital gains (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) at least annually out of the assets legally available for such distributions. Distributions to stockholders for the three months ended March 31, 2021 and 2020, totaled \$5.3 million (\$0.25 per share) and \$7.2 million (\$0.35 per share), respectively. The tax character of such distributions is determined at the end of the fiscal year. However, if the character of such distributions were determined as of March 31, 2021 and 2020, no portion of these distributions would have been characterized as a tax return of capital to stockholders.

In October 2012, we adopted an “opt out” dividend reinvestment plan (“DRIP”) for our common stockholders. When we declare a distribution, our stockholders’ cash distributions will automatically be reinvested in additional shares of our common stock unless a stockholder specifically “opts out” of our DRIP. If a stockholder opts out, that stockholder will receive cash distributions. Although distributions paid in the form of additional shares of our common stock will generally be subject to U.S. federal, state and local taxes in the same manner as cash distributions, stockholders participating in our DRIP will not receive any corresponding cash distributions with which to pay any such applicable taxes.

MRCC Senior Loan Fund I, LLC

We co-invest with LSW in senior secured loans through SLF, an unconsolidated Delaware LLC. SLF is capitalized as underlying investment transactions are completed, taking into account available debt and equity commitments available for funding these investments. All portfolio and investment decisions in respect to SLF must be approved by the SLF investment committee, consisting of one representative of each of us and LSW. SLF may cease making new investments upon notification of either member but operations will continue until all investments have been sold or paid-off in the normal course of business. Investments held by SLF are measured at fair value using the same valuation methodologies as described below. Our investment is illiquid in nature as SLF does not allow for withdrawal from the LLC or the sale of a member’s interest unless approved by the board members of SLF. The full withdrawal of a member would result in an orderly wind-down of SLF.

SLF’s profits and losses are allocated to us and LSW in accordance with the respective ownership interests. As of both March 31, 2021 and December 31, 2020, we and LSW each owned 50.0% of the LLC equity interests of SLF. As of both March 31, 2021 and December 31, 2020, SLF had \$100.0 million in equity commitments from its members (in the aggregate), of which \$84.3 million was funded.

As of both March 31, 2021 and December 31, 2020, we have committed to fund \$50.0 million of LLC equity interest subscriptions to SLF. As of both March 31, 2021 and December 31, 2020, \$42.2 million of our LLC equity interest subscriptions to SLF had been called and contributed, net of return of capital distributions subject to recall.

For both the three months ended March 31, 2021 and 2020, we received \$1.2 million of dividend income from our LLC equity interest in SLF.

SLF has a senior secured revolving credit facility (as amended, the “SLF Credit Facility”) with Capital One, N.A., through its wholly-owned subsidiary MRCC Senior Loan Fund I Financing SPV, LLC (“SLF SPV”), which as of March 31, 2021 allowed SLF SPV to borrow up to \$170.0 million at any one time, subject to leverage and borrowing base restrictions. Borrowings under the SLF Credit Facility bear interest at an annual rate of LIBOR (three-month) plus 2.25%. The maturity date on the SLF Credit Facility is March 22, 2023.

SLF does not pay any fees to MC Advisors or its affiliates; however, SLF has entered into an administration agreement with Monroe Capital Management Advisors, LLC (“MC Management”), pursuant to which certain loan servicing and administrative functions are delegated to MC Management. SLF may reimburse MC Management for its allocable share of overhead and other expenses incurred by MC Management. For the three months ended March 31, 2021 and 2020, SLF incurred \$58 thousand and \$56 thousand of allocable expenses, respectively. There are no agreements or understandings by which we guarantee any SLF obligations.

As of March 31, 2021 and December 31, 2020, SLF had total assets at fair value of \$202.6 million and \$209.7 million, respectively. As of March 31, 2021, SLF had one portfolio company investment on non-accrual status with a fair value of \$1.1 million. As of December 31, 2020, SLF had one portfolio company investment on non-accrual status with a fair value of \$1.0 million. The portfolio companies in SLF are in industries and geographies similar to those in which we may invest directly. Additionally, as of March 31, 2021 and December 31, 2020, SLF had \$0.6 million and \$0.8 million, respectively, in outstanding commitments to fund investments under undrawn revolvers and delayed draw commitments.

Below is a summary of SLF’s portfolio, followed by a listing of the individual investments in SLF’s portfolio as of March 31, 2021 and December 31, 2020:

	As of	
	March 31, 2021	December 31, 2020
Senior secured loans ⁽¹⁾	203,382	214,389
Weighted average current interest rate on senior secured loans ⁽²⁾	5.9%	5.8%
Number of borrowers in SLF	55	57
Largest portfolio company investment ⁽¹⁾	6,772	6,790
Total of five largest portfolio company investments ⁽¹⁾	27,037	27,064

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- (1) Represents outstanding principal amount, excluding unfunded commitments. Principal amounts in thousands.
 - (2) Computed as the (a) annual stated interest rate on accruing senior secured loans divided by (b) total senior secured loans at outstanding principal amount.

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
(unaudited)
March 31, 2021
(in thousands)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate ^(b)	Maturity	Principal	Fair Value
Non-Controlled/Non-Affiliate Company Investments					
Senior Secured Loans					
Aerospace & Defense					
Bromford Industries Limited ^(c)	L+5.25%	6.25%	11/5/2025	2,765	\$ 2,707
Bromford Industries Limited ^(c)	L+5.25%	6.25%	11/5/2025	1,843	1,805
Trident Maritime SH, Inc.	L+5.50%	6.50%	2/26/2027	2,485	2,481
Trident Maritime SH, Inc. (Revolver) ^(d)	L+5.50%	6.50%	2/26/2027	265	41
				7,358	7,034
Automotive					
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	1,722	1,720
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	255	255
Wheel Pros, LLC	L+5.25%	6.25%	11/10/2027	2,993	2,993
				4,970	4,968
Banking, Finance, Insurance & Real Estate					
Avison Young (USA), Inc. ^(c)	L+5.00%	5.20%	1/30/2026	4,888	4,881
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.)	L+5.25%	6.25%	12/13/2024	4,641	4,576
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.)	L+5.25%	6.25%	12/13/2024	103	102
Lightbox Intermediate, L.P.	L+5.00%	5.20%	5/11/2026	4,913	4,863
Minotaur Acquisition, Inc.	L+5.00%	5.11%	3/27/2026	2,940	2,941
				17,485	17,363
Beverage, Food & Tobacco					
CBC Restaurant Corp.	n/a	5.00% PIK ^(e)	4/28/2022	1,116	1,076
SW Ingredients Holdings, LLC	L+4.00%	5.00%	7/3/2025	3,647	3,645
				4,763	4,721
Capital Equipment					
Analogic Corporation	L+5.25%	6.25%	6/24/2024	4,788	4,788
				4,788	4,788
Chemicals, Plastics & Rubber					
Polymer Solutions Group	L+7.00%	8.00%	6/30/2021	1,206	1,177
				1,206	1,177
Construction & Building					
The Cook & Boardman Group, LLC	L+5.75%	6.75%	10/20/2025	2,933	2,864
				2,933	2,864
Consumer Goods: Durable					
International Textile Group, Inc.	L+5.00%	5.26%	5/1/2024	1,746	1,646
				1,746	1,646
Consumer Goods: Non-Durable					
PH Beauty Holdings III, Inc.	L+5.00%	5.19%	9/26/2025	2,436	2,328
				2,436	2,328
Containers, Packaging & Glass					
Liqui-Box Holdings, Inc.	L+4.50%	5.50%	2/26/2027	4,301	4,107
Polychem Acquisition, LLC	L+5.00%	5.11%	3/17/2025	2,940	2,936
Port Townsend Holdings Company, Inc.	L+6.75%	5.75% Cash/ 2.00% PIK	4/3/2024	4,716	4,291
PVHC Holding Corp.	L+4.75%	5.75%	8/5/2024	3,242	2,837
				15,199	14,171
Energy: Oil & Gas					
Drilling Info Holdings, Inc.	L+4.25%	4.36%	7/30/2025	4,551	4,483
Offen, Inc.	L+5.00%	5.11%	6/22/2026	2,406	2,384
Offen, Inc.	L+5.00%	5.11%	6/22/2026	883	875
				7,840	7,742

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS - (continued)
(unaudited)
March 31, 2021
(in thousands)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate ^(b)	Maturity	Principal	Fair Value
Healthcare & Pharmaceuticals					
LSCS Holdings, Inc.	L+4.25%	4.45%	3/17/2025	2,293	\$ 2,270
LSCS Holdings, Inc.	L+4.25%	4.45%	3/17/2025	592	586
Radiology Partners, Inc.	L+4.25%	4.36%	7/9/2025	4,760	4,731
				7,645	7,587
High Tech Industries					
Corel, Inc. ^(c)	L+5.00%	5.19%	7/2/2026	3,875	3,863
LW Buyer, LLC	L+5.00%	5.11%	12/30/2024	4,912	4,888
TGG TS Acquisition Company	L+6.50%	6.61%	12/12/2025	3,679	3,698
				12,466	12,449
Hotels, Gaming & Leisure					
Excel Fitness Holdings, Inc.	L+5.25%	6.25%	10/7/2025	4,197	4,020
North Haven Spartan US Holdco, LLC	L+5.00%	6.00%	6/6/2025	2,315	1,998
Tait, LLC	L+5.00%	5.20%	3/28/2025	4,157	3,695
Tait, LLC (Revolver)	P+4.00%	7.25%	3/28/2025	769	715
				11,438	10,428
Media: Advertising, Printing & Publishing					
Cadent, LLC	L+5.25%	6.25%	9/11/2023	4,728	4,716
Cadent, LLC (Revolver) ^(d)	L+5.25%	6.25%	9/11/2023	167	—
Digital Room Holdings, Inc.	L+5.00%	5.20%	5/21/2026	4,351	4,284
Monotype Imaging Holdings, Inc.	L+5.50%	6.50%	10/9/2026	4,875	4,865
				14,121	13,865
Media: Diversified & Production					
Research Now Group, Inc. and Survey Sampling International, LLC	L+5.50%	6.50%	12/20/2024	6,772	6,723
Stats Intermediate Holding, LLC	L+5.25%	5.45%	7/10/2026	4,937	4,937
The Octave Music Group, Inc.	L+6.00%	6.25% Cash/ 0.75% PIK	5/29/2025	4,828	4,580
				16,537	16,240
Services: Business					
AQ Carver Buyer, Inc.	L+5.00%	6.00%	9/23/2025	4,938	4,925
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	1,997	1,867
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	421	394
Eliassen Group, LLC	L+4.25%	4.36%	11/5/2024	3,013	2,968
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	4,309	4,285
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	777	773
Engage2Excel, Inc. (Revolver) ^(d)	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	550	373
GI Revelation Acquisition, LLC	L+5.00%	5.11%	4/16/2025	1,362	1,366
Legility, LLC	L+6.00%	7.00%	12/17/2025	4,875	4,719
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	2,450	2,460
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	1,892	1,900
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	553	555
Output Services Group, Inc.	L+4.50%	5.50%	3/27/2024	4,852	4,124
SIRVA Worldwide, Inc.	L+5.50%	5.70%	8/4/2025	1,887	1,746
Teneo Holdings, LLC	L+5.25%	6.25%	7/11/2025	4,925	4,929
The Kleinfelder Group, Inc.	L+5.25%	6.25%	11/29/2024	2,444	2,444
				41,245	39,828
Services: Consumer					
Cambium Learning Group, Inc.	L+4.50%	5.25%	12/18/2025	4,516	4,527
LegalZoom.com, Inc.	L+4.50%	4.61%	11/21/2024	2,687	2,688
				7,203	7,215
Telecommunications					
Intermedia Holdings, Inc.	L+6.00%	7.00%	7/21/2025	1,792	1,796
Mavenir Systems, Inc.	L+6.00%	7.00%	5/8/2025	3,890	3,897
				5,682	5,693
Transportation: Cargo					
GlobalTranz Enterprises, LLC	L+5.00%	5.11%	5/15/2026	3,254	3,129
				3,254	3,129
Utilities: Oil & Gas					
NGS US Finco, LLC	L+4.25%	5.25%	10/1/2025	1,708	1,640
NGS US Finco, LLC	L+5.25%	6.25%	10/1/2025	249	245
				1,957	1,885
Wholesale					
BMC Acquisition, Inc.	L+5.25%	6.25%	12/30/2024	4,837	4,816
HALO Buyer, Inc.	L+4.50%	5.50%	6/30/2025	4,862	4,704
PT Intermediate Holdings III, LLC	L+5.50%	6.50%	10/15/2025	1,975	1,958
				11,674	11,478
TOTAL INVESTMENTS					\$ 198,599

(a) All investments are U.S. companies unless otherwise noted.

(b) The majority of the investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR" or "L") or Prime Rate ("Prime" or "P") which reset daily, monthly, quarterly, or semiannually. For each such investment, we have provided the spread over LIBOR or Prime and the current contractual interest rate in effect at March 31, 2021. Certain investments are subject to a LIBOR or Prime interest rate floor, or rate cap.

(c) This is an international company.

(d) All or a portion of this commitment was unfunded as of March 31, 2021. As such, interest is earned only on the funded portion of this commitment. Principal reflects the commitment outstanding.

(e) This position was on non-accrual status as of March 31, 2021, meaning that we have ceased accruing interest income on the position.

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS
December 31, 2020
(in thousands)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate ^(b)	Maturity	Principal	Fair Value
Non-Controlled/Non-Affiliate Company Investments					
Senior Secured Loans					
Aerospace & Defense					
Bromford Industries Limited ^(c)	L+5.25%	6.25%	11/5/2025	2,772	\$ 2,685
Bromford Industries Limited ^(c)	L+5.25%	6.25%	11/5/2025	1,848	1,790
Trident Maritime SH, Inc.	L+4.75%	5.75%	6/4/2024	4,401	4,363
Trident Maritime SH, Inc. (Revolver) ^(d)	L+4.75%	5.75%	6/4/2024	340	—
				<u>9,361</u>	<u>8,838</u>
Automotive					
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	1,726	1,716
Truck-Lite Co., LLC	L+6.25%	7.25%	12/14/2026	256	254
Wheel Pros, LLC	L+5.25%	6.25%	11/10/2027	3,000	2,961
				<u>4,982</u>	<u>4,931</u>
Banking, Finance, Insurance & Real Estate					
Avison Young (USA), Inc. ^(c)	L+5.00%	5.25%	1/30/2026	4,900	4,659
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.)	L+5.25%	6.25%	12/13/2024	4,653	4,585
Harbour Benefit Holdings, Inc. (fka Zenith Merger Sub, Inc.) (Delayed Draw) ^(d)	L+5.25%	6.25%	12/13/2024	264	102
Lightbox Intermediate, L.P.	L+5.00%	5.15%	5/11/2026	4,925	4,777
Minotaur Acquisition, Inc.	L+5.00%	5.15%	3/27/2026	2,947	2,900
				<u>17,689</u>	<u>17,023</u>
Beverage, Food & Tobacco					
CBC Restaurant Corp.	n/a	5.00% PIK	4/28/2022	1,117	1,031
SW Ingredients Holdings, LLC	L+4.00%	5.00%	7/3/2025	3,656	3,647
				<u>4,773</u>	<u>4,678</u>
Capital Equipment					
Analogic Corporation	L+5.25%	6.25%	6/24/2024	4,800	4,800
				<u>4,800</u>	<u>4,800</u>
Chemicals, Plastics & Rubber					
Polymer Solutions Group	L+7.00%	8.00%	6/30/2021	1,216	1,189
				<u>1,216</u>	<u>1,189</u>
Construction & Building					
ISC Purchaser, LLC	L+4.00%	5.00%	7/11/2025	4,937	4,896
The Cook & Boardman Group, LLC	L+5.75%	6.75%	10/20/2025	2,940	2,811
				<u>7,877</u>	<u>7,707</u>
Consumer Goods: Durable					
International Textile Group, Inc.	L+5.00%	5.37%	5/1/2024	1,758	1,597
				<u>1,758</u>	<u>1,597</u>
Consumer Goods: Non-Durable					
PH Beauty Holdings III, Inc.	L+5.00%	5.23%	9/26/2025	2,442	2,149
				<u>2,442</u>	<u>2,149</u>
Containers, Packaging & Glass					
Liqui-Box Holdings, Inc.	L+4.50%	5.50%	2/26/2027	4,312	3,848
Polychem Acquisition, LLC	L+5.00%	5.15%	3/17/2025	2,948	2,948
Port Townsend Holdings Company, Inc.	L+6.75%	5.75% Cash/ 2.00% PIK	4/3/2024	4,683	4,263
PVHC Holding Corp.	L+4.75%	5.75%	8/5/2024	3,250	2,844
				<u>15,193</u>	<u>13,903</u>
Energy: Oil & Gas					
Drilling Info Holdings, Inc.	L+4.25%	4.40%	7/30/2025	4,563	4,429
Offen, Inc.	L+5.00%	5.15%	6/22/2026	2,412	2,343
Offen, Inc.	L+5.00%	5.15%	6/22/2026	885	860
				<u>7,860</u>	<u>7,632</u>
Healthcare & Pharmaceuticals					
LSCS Holdings, Inc.	L+4.25%	4.51%	3/17/2025	2,299	2,253
LSCS Holdings, Inc.	L+4.25%	4.51%	3/17/2025	593	582
Radiology Partners, Inc.	L+4.25%	4.40%	7/9/2025	4,760	4,692
				<u>7,652</u>	<u>7,527</u>
High Tech Industries					
AQA Acquisition Holding, Inc.	L+4.25%	5.25%	5/24/2023	3,257	3,257
Corel, Inc. ^(c)	L+5.00%	5.23%	7/2/2026	3,900	3,844
LW Buyer, LLC	L+5.00%	5.15%	12/30/2024	4,925	4,900
TGG TS Acquisition Company	L+6.50%	6.65%	12/12/2025	3,753	3,720
				<u>15,835</u>	<u>15,721</u>
Hotels, Gaming & Leisure					
Excel Fitness Holdings, Inc.	L+5.25%	6.25%	10/7/2025	4,207	3,878
North Haven Spartan US Holdco, LLC	L+5.00%	6.00%	6/6/2025	2,321	1,979
Tait, LLC	L+5.00%	5.23%	3/28/2025	4,167	3,669
Tait, LLC (Revolver)	P+4.00%	7.25%	3/28/2025	769	711
				<u>11,464</u>	<u>10,237</u>
Media: Advertising, Printing & Publishing					
Cadent, LLC	L+5.50%	6.50%	9/11/2023	4,728	4,622
Cadent, LLC (Revolver) ^(d)	L+5.50%	6.50%	9/11/2023	167	—
Digital Room Holdings, Inc.	L+5.00%	5.27%	5/21/2026	4,362	4,133
Monotype Imaging Holdings, Inc.	L+5.50%	6.50%	10/9/2026	4,906	4,653
				<u>14,163</u>	<u>13,408</u>
Media: Diversified & Production					
Research Now Group, Inc. and Survey Sampling International, LLC	L+5.50%	6.50%	12/20/2024	6,790	6,708
Stats Intermediate Holding, LLC	L+5.25%	5.47%	7/10/2026	4,950	4,909
The Octave Music Group, Inc.	L+6.00%	6.25% Cash/ 0.75% PIK	5/29/2025	4,871	4,335
				<u>16,611</u>	<u>15,952</u>

MRCC SENIOR LOAN FUND I, LLC
CONSOLIDATED SCHEDULE OF INVESTMENTS - (continued)
December 31, 2020
(in thousands)

Portfolio Company ^(a)	Spread Above Index ^(b)	Interest Rate ^(b)	Maturity	Principal	Fair Value
Services: Business					
AQ Carver Buyer, Inc.	L+5.00%	6.00%	9/23/2025	4,937	\$ 4,888
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	2,002	1,872
CHA Holdings, Inc.	L+4.50%	5.50%	4/10/2025	422	395
Eliassen Group, LLC	L+4.25%	4.40%	11/5/2024	3,017	2,922
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	4,299	4,178
Engage2Excel, Inc.	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	776	754
Engage2Excel, Inc. (Revolver) ^(d)	L+8.00%	7.00% Cash/ 2.00% PIK	3/7/2023	548	364
GI Revelation Acquisition, LLC	L+5.00%	5.15%	4/16/2025	1,365	1,344
Legility, LLC	L+6.00%	7.00%	12/17/2025	4,906	4,735
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	2,456	2,407
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	1,897	1,859
Orbit Purchaser, LLC	L+4.50%	5.50%	10/21/2024	555	544
Output Services Group, Inc.	L+4.50%	5.50%	3/27/2024	4,865	3,648
SIRVA Worldwide, Inc.	L+5.50%	5.65%	8/4/2025	1,900	1,741
Teneo Holdings, LLC	L+5.25%	6.25%	7/11/2025	4,938	4,903
The Kleinfelder Group, Inc.	L+5.25%	6.25%	11/29/2024	2,450	2,450
				41,333	39,004
Services: Consumer					
Cambium Learning Group, Inc.	L+4.50%	4.75%	12/18/2025	4,900	4,883
LegalZoom.com, Inc.	L+4.50%	4.65%	11/21/2024	2,694	2,706
				7,594	7,589
Telecommunications					
Intermedia Holdings, Inc.	L+6.00%	7.00%	7/21/2025	1,797	1,795
Mavenir Systems, Inc.	L+6.00%	7.00%	5/8/2025	3,900	3,893
				5,697	5,688
Transportation: Cargo					
GlobalTranz Enterprises, LLC	L+5.00%	5.15%	5/15/2026	3,262	3,050
				3,262	3,050
Utilities: Oil & Gas					
NGS US Finco, LLC	L+4.25%	5.25%	10/1/2025	1,712	1,640
NGS US Finco, LLC	L+5.25%	6.25%	10/1/2025	250	246
				1,962	1,886
Wholesale					
BMC Acquisition, Inc.	L+5.25%	6.25%	12/30/2024	4,850	4,802
HALO Buyer, Inc.	L+4.50%	5.50%	6/30/2025	4,875	4,533
PT Intermediate Holdings III, LLC	L+5.50%	6.50%	10/15/2025	1,980	1,851
				11,705	11,186
TOTAL INVESTMENTS					\$ 205,695

(a) All investments are U.S. companies unless otherwise noted.

(b) The majority of the investments bear interest at a rate that may be determined by reference to the London Interbank Offered Rate ("LIBOR" or "L") or Prime Rate ("Prime" or "P") which reset daily, monthly, quarterly, or semiannually. For each such investment, we have provided the spread over LIBOR or Prime and the current contractual interest rate in effect at December 31, 2020. Certain investments are subject to a LIBOR or Prime interest rate floor, or rate cap.

(c) This is an international company.

(d) All or a portion of this commitment was unfunded as of December 31, 2020. As such, interest is earned only on the funded portion of this commitment. Principal reflects the commitment outstanding.

(e) This position was on non-accrual status as of December 31, 2020, meaning that we have ceased accruing interest income on the position.

Below is certain summarized financial information for SLF as of March 31, 2021 and December 31, 2020 and for the three months ended March 31, 2021 and 2020 (in thousands):

	March 31, 2021	December 31, 2020
	(unaudited)	
Assets		
Investments, at fair value	\$ 198,599	\$ 205,695
Cash	25	351
Restricted cash	3,136	2,948
Interest receivable	714	629
Other assets	86	43
Total assets	\$ 202,560	\$ 209,666
Liabilities		
Revolving credit facility	\$ 121,614	\$ 131,497
Less: Unamortized deferred financing costs	(1,570)	(969)
Total debt, less unamortized deferred financing costs	120,044	130,528
Interest payable	91	294
Accounts payable and accrued expenses	291	277
Total liabilities	120,426	131,099
Members' capital	82,134	78,567
Total liabilities and members' capital	\$ 202,560	\$ 209,666
	Three months ended March 31,	
	2021	2020
	(unaudited)	
Investment income:		
Interest income	\$ 3,453	\$ 4,253
Total investment income	3,453	4,253
Expenses:		
Interest and other debt financing expenses	979	1,614
Professional fees	170	184
Total expenses	1,149	1,798
Net investment income (loss)	2,304	2,455
Net gain (loss):		
Net change in unrealized gain (loss)	3,663	(22,329)
Net gain (loss)	3,663	(22,329)
Net increase (decrease) in members' capital	\$ 5,967	\$ (19,874)

Related Party Transactions

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

- We have an Investment Advisory Agreement with MC Advisors, an investment advisor registered with the SEC, to manage our investing activities. We pay MC Advisors a fee for its services under the Investment Advisory Agreement consisting of two components - a base management fee and an incentive fee. See Note 6 to our consolidated financial statements and "Significant Accounting Estimates and Critical Accounting Policies - *Capital Gains Incentive Fee*" for additional information.
- We have an Administration Agreement with MC Management to provide us with the office facilities and administrative services necessary to conduct our day-to-day operations. See Note 6 to our consolidated financial statements for additional information.
- SLF has an administration agreement with MC Management to provide SLF with certain loan servicing and administrative functions. SLF may reimburse MC Management for its allocable share of overhead and other expenses incurred by MC Management. See Note 3 to our consolidated financial statements and "Liquidity and Capital Resources - *MRCC Senior Loan Fund I, LLC*" for additional information.
- Theodore L. Koenig, our Chief Executive Officer and Chairman of our Board is also a manager of MC Advisors and the President and Chief Executive Officer of MC Management. Aaron D. Peck, our Chief Financial Officer and Chief Investment Officer, serves as a director on our Board and is also a managing director of MC Management.
- We have a license agreement with Monroe Capital LLC, under which Monroe Capital LLC has agreed to grant us a non-exclusive, royalty-free license to use the name "Monroe Capital" for specified purposes in our business.

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

Commitments and Contingencies and Off-Balance Sheet Arrangements

Commitments and Contingencies

As of March 31, 2021 and December 31, 2020, we had outstanding commitments to fund investments under undrawn revolvers, capital expenditure loans, delayed draw commitments and subscription agreements, excluding unfunded commitments in SLF, totaling \$50.1 million and \$52.3 million, respectively. As of both March 31, 2021 and December 31, 2020, we had unfunded commitments to SLF of \$7.8 million that may be contributed primarily for the purpose of funding new investments approved by the SLF investment committee. Drawdowns of the commitments to SLF require authorization from one of our representatives on SLF's board of managers. Additionally, we have entered into certain contracts with other parties that contain a variety of indemnifications. Our maximum exposure under these arrangements is unknown. However, we have not experienced claims or losses pursuant to these contracts and believe the risk of loss related to such indemnifications to be remote.

Off-Balance Sheet Arrangements

Other than contractual commitments and other legal contingencies incurred in the normal course of our business, we do not have any off-balance sheet financings or liabilities.

Market Trends

In late 2019 and early 2020, COVID-19 emerged in China and spread rapidly across the world, including to the United States. This outbreak has led to disruptions in local, regional, national and global markets and economies affected thereby and will continue to cause disruptions for an unknown and potentially significant amount of time. To date, cross border commercial activity and market sentiment have been negatively impacted by the outbreak and government and other measures seeking to contain its spread. The federal government and the Federal Reserve, as well as foreign governments and central banks, have implemented significant fiscal and monetary policies in response to these disruptions, and additional government and regulatory responses may be possible. It is currently impossible to determine the scope of this or any future outbreak, how long any such outbreak and market disruption, volatility or uncertainty may last, the effect any governmental actions and changes in base interest rates will have or the full potential impact on us, our industry and our portfolio companies.

We have also identified the following general trends that may affect our business:

Target Market: We believe that small and middle-market companies in the United States with annual revenues between \$10.0 million and \$2.5 billion represent a significant growth segment of the U.S. economy and often require substantial capital investments to grow. Middle-market companies have generated a significant number of investment opportunities for investment funds managed or advised by Monroe Capital, and we believe that this market segment will continue to produce significant investment opportunities for us.

Specialized Lending Requirements: We believe that several factors render many U.S. financial institutions ill-suited to lend to U.S. middle-market companies. For example, based on the experience of our management team, lending to U.S. middle-market companies (1) is generally more labor intensive than lending to larger companies due to the smaller size of each investment and the fragmented nature of information for such companies, (2) requires due diligence and underwriting practices consistent with the demands and economic limitations of the middle-market and (3) may also require more extensive ongoing monitoring by the lender.

Demand for Debt Capital: We believe there is a large pool of uninvested private equity capital for middle-market companies. We expect private equity firms will seek to leverage their investments by combining equity capital with senior secured loans and mezzanine debt from other sources, such as us.

Competition from Other Lenders: We believe that many traditional bank lenders, in recent years, de-emphasized their service and product offerings to middle-market businesses in favor of lending to large corporate clients and managing capital market transactions. In addition, many commercial banks face significant balance sheet constraints as they seek to build capital and meet future regulatory capital requirements. These factors may result in opportunities for alternative funding sources to middle-market companies and therefore drive increased new investment opportunities for us. Conversely, there has been a significant amount of capital raised over the past several years dedicated to middle market lending which has increased competitive pressure in the BDC and investment company marketplace for senior and subordinated debt, which in turn could result in lower yields and weaker financial covenants for new assets.

Pricing and Deal Structures: We believe that the volatility in global markets over the last several years and current macroeconomic issues including changes in bank regulations for middle-market banks has reduced access to, and availability of, debt capital to middle-market companies, causing a reduction in competition and generally more favorable capital structures and deal terms. Recent capital raises in the BDC and investment company marketplace have created increased competition; however, we believe that current market conditions may continue to create favorable opportunities to invest at attractive risk-adjusted returns.

Significant Accounting Estimates and Critical Accounting Policies

Revenue Recognition

We record interest and fee income on an accrual basis to the extent that we expect to collect such amounts. For loans and debt securities with contractual PIK interest, we do not accrue PIK interest if the portfolio company valuation indicates that such PIK interest is not collectible. We do not accrue as a receivable interest on loans and debt securities if we have reason to doubt our ability to collect such interest. Loan origination fees, original issue discount and market discount or premium are capitalized, and then we amortize such amounts using the effective interest method as interest income over the life of the investment. Upon the prepayment of a loan or debt security, any unamortized premium or discount or loan origination fees are recorded as interest income. We record prepayment premiums on loans and debt securities as interest income when we receive such amounts. Interest income is accrued based upon the outstanding principal amount and contractual terms of debt and preferred equity investments. Interest is accrued on a daily basis. We record fees on loans based on the determination of whether the fee is considered a yield enhancement or payment for a service. If the fee is considered a yield enhancement associated with a funding of cash on a loan, the fee is generally deferred and recognized into interest income using the effective interest method if captured in the cost basis or using the straight-line method if the loan is unfunded and therefore there is no cost basis. If the fee is not considered a yield enhancement because a service was provided, and the fee is payment for that service, the fee is deemed earned and recognized as fee income in the period the service has been completed.

Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies. Each distribution received from LLC and LP investments is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, we will not record distributions from equity investments in LLCs and LPs as dividend income unless there are sufficient accumulated tax-basis earnings and profits in the LLC or LP prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

Valuation of Portfolio Investments

As a BDC, we generally invest in illiquid securities including debt and, to a lesser extent, equity securities of middle-market companies. Under procedures established by our Board, we value investments for which market quotations are readily available and within a recent date at such market quotations. When doing so, we determine whether the quote obtained is sufficient in accordance with generally accepted accounting principles in the United States of America to determine the fair value of the security. Debt and equity securities that are not publicly traded or whose market prices are not readily available or whose market prices are not regularly updated are valued at fair value as determined in good faith by our Board. Such determination of fair values may involve subjective judgments and estimates. Investments purchased within 60 days of maturity are valued at cost plus accreted discount, or minus amortized premium, which approximates fair value.

Our Board is ultimately and solely responsible for determining the fair value of the portfolio investments that are not publicly traded, whose market prices are not readily available on a quarterly basis in good faith or in any other situation where portfolio investments require a fair value determination. Because we expect that there will not be a readily available market for many of the investments in our portfolio, we expect to value many of our portfolio investments at fair value as determined in good faith by our Board using a documented valuation policy and a consistently applied valuation process. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

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

- the quarterly valuation process begins with each portfolio company or investment being initially evaluated and rated by the investment professionals of MC Advisors responsible for the credit monitoring of the portfolio investment;
- our Board engages one or more independent valuation firm(s) to conduct independent appraisals of a selection of investments for which market quotations are not readily available. We will consult with independent valuation firm(s) relative to each portfolio company at least once in every calendar year, but the independent appraisals are generally received quarterly for each investment;
- to the extent an independent valuation firm is not engaged to conduct an investment appraisal on an investment for which market quotations are not readily available, the investment will be valued by the MC Advisors investment professional responsible for the credit monitoring;
- preliminary valuation conclusions are then documented and discussed with the investment committee of MC Advisors;
- the audit committee of our Board reviews the preliminary valuations of MC Advisors and of the independent valuation firm(s) and MC Advisors adjusts or further supplements the valuation recommendations to reflect any comments provided by the audit committee; and
- our Board discusses these valuations and determines the fair value of each investment in the portfolio in good faith, based on the input of MC Advisors, the independent valuation firm(s) and the audit committee.

We generally use the income approach to determine fair value for loans where market quotations are not readily available, as long as it is appropriate. If there is deterioration in credit quality or a debt investment is in workout status, we may consider other factors in determining the fair value, including the value attributable to the debt investment from the enterprise value of the portfolio company or the proceeds that would be received in a liquidation analysis. This liquidation analysis may also include probability weighting of alternative outcomes. We generally consider our debt to be performing if the borrower is not in default, the borrower is remitting payments in a timely manner, the loan is in covenant compliance and the loan is otherwise not deemed to be impaired. In determining the fair value of the performing debt, we consider fluctuations in current interest rates, the trends in yields of debt instruments with similar credit ratings, financial condition of the borrower, economic conditions and other relevant factors, both qualitative and quantitative. In the event that a debt instrument is not performing, as defined above, we will evaluate the value of the collateral utilizing the same framework described above for a performing loan to determine the value of the debt instrument.

Under the income approach, discounted cash flow models are utilized to determine the present value of the future cash flow streams of our debt investments, based on future interest and principal payments as set forth in the associated loan agreements. In determining fair value under the income approach, we also consider the following factors: applicable market yields and leverage levels, credit quality, prepayment penalties, the nature and realizable value of any collateral, the portfolio company's ability to make payments, and changes in the interest rate environment and the credit markets that generally may affect the price at which similar investments may be made.

Under the market approach, the enterprise value methodology is typically utilized to determine the fair value of an investment. There is no one methodology to estimate enterprise value and, in fact, for any one portfolio company, enterprise value is generally best expressed as a range of values, from which we derive a single estimate of enterprise value. In estimating the enterprise value of a portfolio company, we analyze various factors consistent with industry practice, including but not limited to original transaction multiples, the portfolio company's historical and projected financial results, applicable market trading and transaction comparables, applicable market yields and leverage levels, the nature and realizable value of any collateral, the markets in which the portfolio company does business, and comparisons of financial ratios of peer companies that are public. Typically, the enterprise values of private companies are based on multiples of earnings before interest, income taxes, depreciation and amortization, cash flows, net income, revenues, or in limited cases, book value.

In addition, for certain debt investments, we may base our valuation on indicative bid and ask prices provided by an independent third-party pricing service. Bid prices reflect the highest price that we and others may be willing to pay. Ask prices represent the lowest price that we and others may be willing to accept. We generally use the midpoint of the bid/ask range as our best estimate of fair value of such investment.

As of March 31, 2021, our Board determined, in good faith, the fair value of our investment portfolio in accordance with GAAP and our valuation procedures based on the facts and circumstances known by us at that time, or reasonably expected to be known at that time. Due to the overall volatility that the COVID-19 pandemic has caused, any valuations conducted in the future in conformity with GAAP could result in a lower fair value of our portfolio. The potential impact of COVID-19 on our results going forward will depend to a large extent on future developments or new information that may emerge regarding the full duration and severity of COVID-19 including the actions taken by governments and other entities to contain COVID-19 or treat its impact, all of which are beyond our control. Accordingly, we cannot predict the extent to which our financial condition and results of operations will be affected at this time.

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

We measure realized gain or loss by the difference between the net proceeds from the sale and the amortized cost basis of the investment, without regard to unrealized gain or loss previously recognized. Net change in unrealized gain or loss reflects the change in portfolio investment values during the reporting period, including any reversal of previously recorded unrealized gain or loss, when gain or loss is realized. Additionally, we do not isolate the portion of the change in fair value resulting from foreign currency exchange rate fluctuations from the changes in fair values of the underlying investment. All fluctuations in fair value are included in net change in unrealized gain (loss) on our consolidated statements of operations. The impact resulting from changes in foreign exchange rates on the revolving credit facility borrowings is included in net change in unrealized gain (loss) on foreign currency and other transactions.

Capital Gains Incentive Fee

Pursuant to the terms of the Investment Advisory Agreement with MC Advisors, the incentive fee on capital gains earned on liquidated investments of our portfolio is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement). This fee equals 20% of our incentive fee capital gains (i.e., our realized capital gains on a cumulative basis from inception, calculated as of the end of the applicable period, net of all realized capital losses and unrealized capital depreciation on a cumulative basis), less the aggregate amount of any previously paid capital gains incentive fees. On a quarterly basis, we accrue for the capital gains incentive fee by calculating such fee as if it were due and payable as of the end of such period.

While the Investment Advisory Agreement with MC Advisors neither includes nor contemplates the inclusion of unrealized gains in the calculation of the capital gains incentive fee, pursuant to an interpretation of an American Institute for Certified Public Accountants Technical Practice Aid for investment companies, we include unrealized gains in the calculation of the capital gains incentive fee expense and related accrued capital gains incentive fee. This accrual reflects the incentive fees that would be payable to MC Advisors if our entire portfolio was liquidated at its fair value as of the balance sheet date even though MC Advisors is not entitled to an incentive fee with respect to unrealized gains unless and until such gains are actually realized.

During the three months ended March 31, 2021 and 2020, we did not have any further reductions in accrued capital gains incentive fees as they were already at zero, primarily as a result of accumulated realized and unrealized losses on the portfolio.

New Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform* ("ASU 2020-04"). The amendments in ASU 2020-04 provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The standard is effective as of March 12, 2020 through December 31, 2022. Management is currently evaluating the impact of the optional guidance on our consolidated financial statements and disclosures. We did not utilize the optional expedients and exceptions provided by ASU 2020-04 during the three months ended March 31, 2021.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to financial market risks, including changes in interest rates and the valuations of our investment portfolio. Uncertainty with respect to the economic effects of the COVID-19 outbreak has introduced significant volatility in the financial markets, and the effects of this volatility could materially impact our market risks. For additional information concerning the COVID-19 pandemic and its potential impact on our business and our operating results, see Part II – Other Information, Item 1A. Risk Factors, “Risk Factors – The COVID-19 pandemic has caused severe disruptions in the global economy, which has had, and may continue to have, a negative impact on our portfolio companies and our business and operations.”

The majority of the loans in our portfolio have floating interest rates, and we expect that our loans in the future may also have floating interest rates. These loans are usually based on a floating LIBOR and typically have interest rate re-set provisions that adjust applicable interest rates under such loans to current market rates on a monthly or quarterly basis. The majority of the loans in our current portfolio have interest rate floors which will effectively convert the loans to fixed rate loans in the event interest rates decrease. In addition, our revolving credit facility has a floating interest rate provision, whereas our SBA debentures and the 2026 Notes have fixed interest rates until maturity. We expect that other credit facilities into which we may enter in the future may also have floating interest rate provisions.

The United Kingdom’s Financial Conduct Authority, which regulates LIBOR, has announced that it intends to phase out LIBOR by the end of 2021. It is unclear if at that time LIBOR will cease to exist or if new methods of calculating LIBOR will be established such that it continues to exist after 2021. At this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted. The elimination of LIBOR or any other changes or reforms to the determination or supervision of LIBOR could have an adverse impact on the market for or value of any LIBOR-linked securities, loans, and other financial obligations or extensions of credit held by or due to us or on our overall financial condition or results of operations. In addition, if LIBOR ceases to exist, we may need to renegotiate agreements extending beyond 2021 with our portfolio companies that utilize LIBOR as a factor in determining the interest rate, in order to replace LIBOR with the new standard that is established, which may have an adverse effect on our overall financial condition or results of operations. Following the replacement of LIBOR, some or all of these agreements may bear interest a lower interest rate, which could have an adverse impact on our results of operations. Moreover, if LIBOR ceases to exist, we may need to renegotiate certain terms of our credit facilities. If we are unable to do so, amounts drawn under our credit facilities may bear interest at a higher rate, which would increase the cost of our borrowings and, in turn, affect our results of operations.

Assuming that the consolidated statement of assets and liabilities as of March 31, 2021 was to remain constant and that we took no actions to alter our existing interest rate sensitivity, the following table shows the annualized impact of hypothetical base rate changes in interest rates (in thousands):

Change in Interest Rates	Increase (decrease) in interest income	Increase (decrease) in interest expense	Net increase (decrease) in net investment income
Down 25 basis points	\$ —	\$ (9)	\$ 9
Up 100 basis points	538	568	(30)
Up 200 basis points	4,595	1,497	3,098
Up 300 basis points	8,881	2,425	6,456

Although we believe that this analysis is indicative of our existing sensitivity to interest rate changes, it does not adjust for changes in the credit market, credit quality, the size and composition of the assets in our portfolio and other business developments, including borrowing under the credit facility or other borrowings that could affect net increase in net assets resulting from operations, or net income. Accordingly, we can offer no assurances that actual results would not differ materially from the analysis above.

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

We may also have exposure to foreign currencies (currently the Great Britain pound and Australian dollar) related to certain investments. Such investments are translated into U.S. dollars based on the spot rate at each balance sheet date, exposing us to movements in the exchange rate. In order to reduce our exposure to fluctuations in exchange rates, we generally borrow in Great Britain pounds under our revolving credit facility to finance such investments. As of March 31, 2021, we have non-U.S. dollar borrowings denominated in Great Britain pounds of £16.1 million (\$22.2 million U.S. dollars) outstanding under the revolving credit facility. We may also enter into foreign currency forward contracts to mitigate foreign currency exposure. As of March 31, 2021, we had foreign currency forward contracts in place for £1.6 million and AUD 14.5 million associated with future interest payments on certain investments.

ITEM 4. CONTROLS AND PROCEDURES

In accordance with Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that, at the end of the period covered by our Quarterly Report on Form 10-Q, 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. Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the Company’s periodic reports.

No change occurred in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the three months ended March 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

Neither we, our subsidiaries nor our investment adviser are currently subject to any material legal proceedings.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 2, 2021, which could materially affect our business, financial condition and/or operating results. The risks described in our Annual Report on Form 10-K are not the only risks facing us. 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. Other than as set forth below, there have been no material changes during the three months ended March 31, 2021 to the risk factors discussed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2020.

The COVID-19 pandemic has caused severe disruptions in the global economy, which has had, and may continue to have, a negative impact on our portfolio companies and our business and operations.

In late 2019 and early 2020, COVID-19 emerged in China and spread rapidly to across the world, including to the United States. This outbreak has led and for an unknown period of time will continue to lead to disruptions in local, regional, national and global markets and economies affected thereby. With respect to the U.S. credit markets (in particular for middle market loans), this outbreak has resulted in, and until fully resolved is likely to continue to result in, the following among other things: (i) government imposition of various forms of “stay at home” orders and the closing of “non-essential” businesses, resulting in significant disruption to the businesses of many middle-market loan borrowers including supply chains, demand and practical aspects of their operations, as well as in lay-offs of employees, and, while these effects are hoped to be temporary, some effects could be persistent or even permanent; (ii) increased draws by borrowers on revolving lines of credit; (iii) increased requests by borrowers for amendments and waivers of their credit agreements to avoid default, increased defaults by such borrowers and/or increased difficulty in obtaining refinancing at the maturity dates of their loans; (iv) volatility and disruption of these markets including greater volatility in pricing and spreads and difficulty in valuing loans during periods of increased volatility, and liquidity issues; and (v) rapidly evolving proposals and/or actions by state and federal governments to address problems being experienced by the markets and by businesses and the economy in general that will not necessarily adequately address the problems facing the loan market and middle market businesses. This outbreak is having, and any future outbreaks could have, an adverse impact on our portfolio companies and us and on the markets and the economy in general, and that impact could be material. Such effects will likely continue for the duration of the pandemic, which is uncertain, and for some period thereafter. It is impossible to determine the scope of the COVID-19 pandemic, or any future outbreaks, how long any such outbreak, market disruption or uncertainties may last, the effect any governmental actions will have or the full potential impact on us, MC Advisors and our portfolio companies.

The COVID-19 pandemic (including the preventative measures taken in response thereto) has to date (i) created significant business disruption issues for certain of our portfolio companies, and (ii) adversely impacted the value and performance of certain of our portfolio companies. The COVID-19 pandemic is continuing as of the filing date of this Quarterly Report, and its extended duration may have further adverse impacts on our portfolio companies after March 31, 2021, including for the reasons described below. As a result of this disruption and the pressures on their liquidity, certain of our portfolio companies have been, or may continue to be, incentivized to draw on most, if not all, of the unfunded portion of any revolving or delayed draw term loans made by us, subject to availability under the terms of such loans.

The effects described above on our portfolio companies have, for certain of our portfolio companies to date, impacted their ability to make payments on their loans on a timely basis and in some cases have required us to amend certain terms, including payment terms. In addition, an extended duration of the COVID-19 pandemic may impact the ability of our portfolio companies to continue making their loan payments on a timely basis or meeting their loan covenants. The inability of portfolio companies to make timely payments or meet loan covenants may in the future require us to undertake similar amendment actions with respect to other of our investments or to restructure our investments. The amendment or restructuring of our investments may include the need for us to make additional investments in our portfolio companies (including debt or equity investments) beyond any existing commitments, exchange debt for equity, or change the payment terms of our investments to permit a portfolio company to pay a portion of its interest through payment-in-kind, which would defer the cash collection of such interest and add it to the principal balance, which would generally be due upon repayment of the outstanding principal.

If the economy is unable to substantially reopen, and high levels of unemployment continue for an extended period of time, loan delinquencies, loan non-accruals, problem assets, and bankruptcies may increase. In addition, collateral for our loans may decline in value, which could cause loan losses to increase and the net worth and liquidity of loan guarantors could decline, impairing their ability to honor commitments to us. An increase in loan delinquencies and non-accruals or a decrease in loan collateral and guarantor net worth could result in increased costs and reduced income, which would have a material adverse effect on our business, financial condition or results of operations.

The COVID-19 pandemic has adversely impacted the fair value of our investments as of March 31, 2021 and the values assigned as of this date may differ materially from the values that we may ultimately realize with respect to our investments. Our Board approved the fair value of our investment portfolio as of March 31, 2021 and these valuations were determined in good faith in accordance with our valuation policy based on information known or knowable as of the valuation date. As a result, the long term impacts of the COVID-19 pandemic may not yet be fully reflected in the valuation of our investments and the fair value of our portfolio investments may be further negatively impacted after March 31, 2021 by circumstances and events that are not yet known, including the complete or continuing impact of the COVID-19 pandemic and the resulting measures taken in response thereto. In addition, write downs in the value of our investments have reduced, and any additional write downs may further reduce, our net asset value (and, as a result, our asset coverage calculation). Accordingly, we may continue to incur additional net unrealized losses or may incur realized losses after March 31, 2021, which could have a material adverse effect on our business, financial condition and results of operations.

The volatility and disruption to the global economy from the COVID-19 pandemic has affected, and may continue to affect, the pace of our investment activity, which may have a material adverse impact on our results of operations. Such volatility and disruption have also led to the increased credit spreads in the private debt capital markets.

Further, from an operational perspective, MC Advisors' investment professionals are currently working remotely. An extended period of remote work arrangements could strain our business continuity plans, introduce operational risk, including but not limited to cybersecurity risks, and impair our ability to manage our business. In addition, we are highly dependent on third party service providers for certain communication and information systems. As a result, we rely upon the successful implementation and execution of the business continuity planning of such providers in the current environment. If one or more of these third parties to whom we outsource certain critical business activities experience operational failures as a result of the impacts from the spread of COVID-19, or claim that they cannot perform due to a force majeure, it may have a material adverse effect on our business, financial condition, results of operations, liquidity and cash flows.

The 1940 Act allows us to incur additional leverage, which could increase the risk of investing in us.

The 1940 Act generally prohibits us from incurring indebtedness unless immediately after such borrowing we have an asset coverage for total borrowings of at least 200% (i.e., the amount of debt may not exceed 50% of the value of our total assets). However, under the Small Business Credit Availability Act (the “SBCAA”), which became law in March 2018, BDCs have the ability to elect to become subject to a lower asset coverage requirement of 150%, subject to the receipt of the requisite board or stockholder approvals under the SBCAA and satisfaction of certain other conditions.

On June 20, 2018, our stockholders approved the application of the modified asset coverage requirements, as approved by our board of directors on March 27, 2018, and we became subject to the 150% minimum asset coverage ratio, effective June 21, 2018.

Leverage is generally considered a speculative investment technique and may increase the risk of investing in our securities. Leverage magnifies the potential for loss on investments in our indebtedness and on invested equity capital. As we use leverage to partially finance our investments, you will experience increased risks of investing in our securities. If the value of our assets increases, then leveraging would cause the net asset value attributable to our common stock to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged our business. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net investment income to increase more than it would without the leverage, while any decrease in our income would cause net investment income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to pay distributions, scheduled debt payments or other payments related to our securities. The effects of leverage would cause any decrease in net asset value for any losses to be greater than any increase in net asset value for any corresponding gains. If we incur additional leverage, you will experience increased risks of investing in our common stock.

We maintain a revolving credit facility and use other borrowed funds to make investments or fund our business operations, which exposes us to risks typically associated with leverage and increases the risk of investing in us.

We maintain a revolving credit facility, have issued debt securities and may borrow money, including through the issuance of additional debt securities or preferred stock, to leverage our capital structure, which is generally considered a speculative investment technique. As a result:

- our common stock is exposed to an increased risk of loss because a decrease in the value of our investments would have a greater negative impact on the value of our common stock than if we did not use leverage;
- if we do not appropriately match the assets and liabilities of our business, adverse changes in interest rates could reduce or eliminate the incremental income we make with the proceeds of any leverage;
- our ability to pay distributions on our common stock may be restricted if our asset coverage ratio, as provided in the 1940 Act, is not at least 150% and any amounts used to service indebtedness or preferred stock would not be available for such distributions;
- any credit facility is subject to periodic renewal by its lenders, whose continued participation cannot be guaranteed;
- our revolving credit facility with ING Capital LLC, as agent, is, and any other credit facility we may enter into would be, subject to various financial and operating covenants, including that our portfolio of investments satisfies certain eligibility and concentration limits as well as valuation methodologies;
- such securities would be governed by an indenture or other instrument containing covenants restricting our operating flexibility;
- we bear the cost of issuing and paying interest or distributions on such securities, which costs are entirely borne by our common stockholders; and
- any convertible or exchangeable securities that we issue may have rights, preferences and privileges more favorable than those of our common stock.

The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing in the table below.

Assumed Return on Our Portfolio**(Net of Expenses) ⁽¹⁾**

	-10%	-5%	0%	5%	10%
Corresponding return to common stockholder ⁽²⁾⁽³⁾	-31.02%	-18.54%	-6.06%	6.42%	18.90%

(1)The assumed return on our portfolio is required by regulation of the SEC to assist investors in understanding the effects of leverage and is not a prediction of, and does not represent, our projected or actual performance.

(2)Assumes \$585.1 million in total assets, \$350.7 million in debt outstanding, of which \$235.6 million is senior securities outstanding, \$234.4 million in net assets and an average cost of funds of 4.05%, which was the weighted average interest rate of borrowing on our revolving credit facility, SBA debentures and 2023 Notes as of December 31, 2020. The interest rate on our revolving credit facility is a variable rate. Actual interest payments may be different.

(3)In order for us to cover our annual interest payments on indebtedness, we must achieve annual returns on our December 31, 2020 total portfolio assets of at least 2.43%.

We are subject to risks associated with our revolving credit facility and the terms of our revolving credit facility may contractually limit our ability to incur additional indebtedness.

Our revolving credit facility, as amended, imposes certain conditions that may limit the amount of our distributions to stockholders. Distributions payable in our common stock under our dividend reinvestment plan are not limited by the revolving credit facility. Distributions in cash or property other than our common stock are generally limited to 115% of the amount of distributions required to maintain our ability to be subject to taxation as a RIC. We are required under the revolving credit facility to maintain our ability to be subject to taxation as a RIC.

The revolving credit facility requires us to comply with certain financial and operational covenants, including asset coverage ratios and a minimum net worth. For example, the revolving credit facility requires that we maintain an asset coverage ratio of at least 1.5 to 1 and a senior debt coverage ratio of at least 2 to 1 at all times. We may divert cash to pay the lenders in amounts sufficient to cause these tests to be satisfied. Our compliance with these covenants depends on many factors, some of which, such as market conditions, are beyond our control.

Our ability to sell our investments is also limited under the revolving credit facility. Under the revolving credit facility, the sale of any portfolio investment may not cause our covered debt amount to exceed our borrowing base. As a result, there may be times or circumstances during which we are unable to sell investments, pay distributions or take other actions that might be in our best interests.

Availability of borrowings under the revolving credit facility is linked to the valuation of the collateral pursuant to a borrowing base mechanism. As such, declines in the fair market value of our investments which are collateral to the revolving credit facility may reduce availability under our revolving credit facility.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description of Document
<u>3.1</u>	<u>Amended and Restated Articles of Incorporation of Monroe Capital Corporation (Incorporated by reference to Exhibit (a)(1) of the Registrant's Pre-Effective Amendment No. 8 to the Registration Statement on Form N-2 (File No. 333-172601) filed on October 18, 2012)</u>
<u>3.2</u>	<u>Bylaws of Monroe Capital Corporation (Incorporated by reference to Exhibit (b)(1) of the Registrant's Pre-Effective Amendment No. 8 to the Registration Statement on Form N-2 (File No. 333-172601) filed on October 18, 2012)</u>
<u>4.1</u>	<u>Second Supplemental Indenture by and between the Registrant and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K (File No. 814-00866) filed on January 25, 2021)</u>
<u>4.2</u>	<u>Form of Global Note with respect to the 4.75% Notes due 2026 (Incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K (File No. 814-00866) filed on January 25, 2021, and Exhibit A therein)</u>
<u>31.1</u>	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)</u>
<u>31.2</u>	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)</u>
<u>32.1</u>	<u>Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)</u>

SIGNATURES

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

Date: May 4, 2021

By /s/ Theodore L. Koenig
Theodore L. Koenig
Chairman, Chief Executive Officer and Director
(Principal Executive Officer)
Monroe Capital Corporation

Date: May 4, 2021

By /s/ Aaron D. Peck
Aaron D. Peck
Chief Financial Officer, Chief Investment Officer and Director
(Principal Financial and Accounting Officer)
Monroe Capital Corporation

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Theodore L. Koenig, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Monroe Capital Corporation;
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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2021

/s/ Theodore L. Koenig

Theodore L. Koenig
Chairman, Chief Executive Officer and Director
(Principal Executive Officer)
Monroe Capital Corporation

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Aaron D. Peck, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Monroe Capital Corporation;
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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2021

/s/ Aaron D. Peck

Aaron D. Peck
Chief Financial Officer, Chief Investment Officer and Director
(Principal Financial and Accounting Officer)
Monroe Capital Corporation

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Monroe Capital Corporation (the “Company”) for the quarterly period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Theodore L. Koenig, Chief Executive Officer of the Company, and I, Aaron D. Peck, Chief Financial Officer of the Company, each certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

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 Company.

Date: May 4, 2021

/s/ Theodore L. Koenig

Theodore L. Koenig
Chairman, Chief Executive Officer and Director
(Principal Executive Officer)
Monroe Capital Corporation

/s/ Aaron D. Peck

Aaron D. Peck
Chief Financial Officer, Chief Investment Officer and Director
(Principal Financial and Accounting Officer)
Monroe Capital Corporation
