New Mountain Finance Corp
Form 497
April 10, 2014

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PROSPECTUS SUPPLEMENT
(to Prospectus dated December 27, 2013)

3,500,000 Shares

New Mountain Finance Corporation

Common Stock

New Mountain Finance Corporation ("NMFC") is a holding company with no direct operations of its own, and its only business and sole asset is its ownership of common membership units of New Mountain Finance Holdings, L.L.C. (the "Operating Company"). The Operating Company is an externally managed business development company managed by New Mountain Finance Advisers BDC, L.L.C. (the "Investment Adviser") and is the operating company for NMFC's business. NMFC and the Operating Company each have elected to be treated as a business development company under the Investment Company Act of 1940. The Operating Company's investment objective is to generate current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure, including first and second lien debt, notes, bonds and mezzanine securities. NMFC owns 100.0% of the common membership units of the Operating Company.

We are offering for sale 3,500,000 shares of NMFC's common stock. We have granted the underwriters a 30-day option to purchase up to 525,000 additional shares of NMFC's common stock at the public offering price, less the underwriting discounts and commissions.

NMFC's common stock is listed on the New York Stock Exchange under the symbol "NMFC". On April 8, 2014, the last reported sales price on the New York Stock Exchange for NMFC's common stock was $14.49 per share.

An investment in NMFC's common stock is very risky and highly speculative. Shares of closed-end investment companies, including business development companies, frequently trade at a discount to their net asset value. In addition, the companies in which NMFC invests, through the Operating Company, are subject to special risks. See "Risk Factors" beginning on page S-28 of this prospectus supplement and page 24 of the accompanying prospectus to read about factors you should consider, including the risk of leverage, before investing in NMFC's common stock.

This prospectus supplement and the accompanying prospectus contain important information about NMFC and the Operating Company that a prospective investor should know before investing in NMFC's common stock. Please read this prospectus supplement and the accompanying prospectus before investing and keep it for future reference.

NMFC and the Operating Company file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (*http://www.sec.gov*), which is available free of charge by contacting NMFC by mail at 787 Seventh Avenue, 48th Floor, New York, New York 10019 or on our website at *http://www.newmountainfinance.com*. Information contained on our website is not incorporated by reference into this prospectus supplement and the accompanying prospectus, and you should not consider that information to be part of this prospectus supplement and the accompanying prospectus.

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

	Per Share	Total(2)
Public Offering Price	$ 14.3000	$50,050,000
Sales Load payable to the underwriters by Investment Adviser (Underwriting Discounts and Commissions)(1)(3)	$ 0.4290	$ 1,501,500
Additional supplemental payment to the underwriters by Investment Adviser(1)	$ 0.2700	$ 945,000
Proceeds to us (before expenses)(1)	$ 14.5700	$50,995,000

(1) The Investment Adviser has agreed to bear all of the sales load in connection with this offering, which is reflected in the above table. In addition, the Investment Adviser has agreed to pay to the underwriters an additional supplemental payment of $945,000, or $0.27 per share, which reflects the difference between the public offering price and the proceeds per share received by us in this offering. All payments made by the Investment Adviser will not be subject to reimbursement by either NMFC or the Operating Company. All other expenses of the offering will be borne by the Operating Company. The Operating Company will incur approximately $246,392 of estimated expenses in connection with this offering. Existing stockholders of NMFC will, and purchasers in this offering would, indirectly bear such expenses through NMFC's ownership of common membership units of the Operating Company.

(2) To the extent that the underwriters sell more than 3,500,000 shares of NMFC's common stock, the underwriters have the option to purchase up to an additional 525,000 shares of NMFC's common stock at the public offering price, less the sales load, within 30 days of the date of this prospectus supplement. If the underwriters exercise this option in full, the total public offering price, sales load payable by the Investment Adviser, the additional supplemental payment by the Investment Adviser and proceeds to us will be $57,557,500, $1,726,725, $1,086,750 and $58,644,250, respectively, which will not be subject to reimbursement by either NMFC or the Operating Company. If the underwriters exercise their option to purchase additional shares of NMFC's common stock, NMFC will use the proceeds from the exercise of this option to purchase additional common membership units of the Operating Company. See "Underwriting".

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

The underwriters expect to deliver the shares against payment in New York, New York on or about April 15, 2014.

Joint-Lead Bookrunners

Goldman, Sachs & Co. **Wells Fargo Securities** **Morgan Stanley**

Co-Lead Managers

Baird **Keefe, Bruyette & Woods**
A Stifel Company

Co-Managers

BB&T Capital Markets **Janney Montgomery Scott** **Oppenheimer & Co.**

Prospectus Supplement dated April 9, 2014

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PROSPECTUS SUPPLEMENT

PROSPECTUS

ABOUT THIS PROSPECTUS SUPPLEMENT

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

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of common stock and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information and disclosure. To the extent the information contained in this prospectus supplement differs from the information contained in the accompanying prospectus, the information in this prospectus supplement shall control. Please carefully read this prospectus supplement and the accompanying prospectus together with any exhibits and the additional information described under "Available Information" and in the "Summary" and "Risk Factors" sections of this prospectus supplement and the accompanying prospectus before you make an investment decision. Unless otherwise indicated, all information included in this prospectus supplement assumes no exercise by the underwriters of their option to purchase up to an additional 525,000 shares of our common stock.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights some of the information in this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you may want to consider. You should read carefully the more detailed information set forth under "Risk Factors" and the other information included in this prospectus supplement and the accompanying prospectus.

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

"NMFC" refers to New Mountain Finance Corporation, a Delaware corporation, which was incorporated on June 29, 2010;

"NMF SLF" refers to New Mountain Finance SPV Funding, L.L.C.;

"Operating Company" refers to New Mountain Finance Holdings, L.L.C., a Delaware limited liability company, which is the operating company for our business. References to the Operating Company include New Mountain Finance Holdings, L.L.C.'s wholly-owned subsidiary, NMF SLF, unless the context otherwise requires. References to the Operating Company exclude NMF SLF when referencing the Operating Company's common membership units, board of directors, and credit facility or leverage;

"Guardian AIV" refers to New Mountain Guardian AIV, L.P.;

"AIV Holdings" refers to New Mountain Finance AIV Holdings Corporation, a Delaware corporation which was incorporated on March 11, 2011, of which Guardian AIV is the sole stockholder;

"New Mountain Finance Entities", "we", "us" and "our" refer to NMFC, the Operating Company and AIV Holdings, collectively; except for references to the registration statement of which this prospectus forms a part and the offering of securities thereunder, in which case references to "we", "us" and "our" refer to NMFC and the Operating Company only.

"Investment Adviser" refers to New Mountain Finance Advisers BDC, L.L.C., the Operating Company's investment adviser;

"Administrator" refers to the New Mountain Finance Entities' administrator, New Mountain Finance Administration, L.L.C.;

"New Mountain Capital" refers to New Mountain Capital Group, L.L.C. and its affiliates;

"Predecessor Entities" refers to New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P., together with their respective direct and indirect wholly-owned subsidiaries prior to the initial public offering;

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

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

"Credit Facilities" refers to the Holding Credit Facility and the SLF Credit Facility, collectively.

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Overview

The Operating Company is a Delaware limited liability company. The Operating Company is externally managed and has elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). As such, the Operating Company is obligated to comply with certain regulatory requirements. The Operating Company was treated as a partnership for federal income tax purposes for so long as it had at least two members. With the completion of the underwritten secondary offering on February 3, 2014, the Operating Company's existence as a partnership for U.S. federal income tax purposes terminated and the Operating Company became an entity that is disregarded as a separate entity from its owner for U.S. federal tax purposes. See below section on *Additional Material Federal Income Tax Considerations*.

The Operating Company is externally managed by the Investment Adviser. The Administrator provides the administrative services necessary for operations. The Investment Adviser and Administrator are wholly-owned subsidiaries of New Mountain Capital. New Mountain Capital is a firm with a track record of investing in the middle market and with assets under management (which includes amounts committed, not all of which have been drawn down and invested to date) totaling more than $12.0 billion as of December 31, 2013, which includes total assets held by the Operating Company. New Mountain Capital focuses on investing in defensive growth companies across its private equity, public equity, and credit investment vehicles. The Operating Company, formerly known as New Mountain Guardian (Leveraged), L.L.C., was originally formed as a subsidiary of Guardian AIV by New Mountain Capital in October 2008. Guardian AIV was formed through an allocation of approximately $300.0 million of the $5.1 billion of commitments supporting New Mountain Partners III, L.P., a private equity fund managed by New Mountain Capital. In February 2009, New Mountain Capital formed a co-investment vehicle, New Mountain Guardian Partners, L.P., comprising $20.4 million of commitments.

NMFC is a Delaware corporation that was originally incorporated on June 29, 2010. NMFC is a closed-end, non-diversified management investment company that has elected to be treated as a BDC under the 1940 Act. As such, NMFC is obligated to comply with certain regulatory requirements. NMFC has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended, (the "Code").

AIV Holdings is a Delaware corporation that was originally incorporated on March 11, 2011. Guardian AIV, a Delaware limited partnership, is AIV Holdings' sole stockholder. AIV Holdings is a closed-end, non-diversified management investment company that has elected to be treated as a BDC under the 1940 Act. As such, AIV Holdings is obligated to comply with certain regulatory requirements. AIV Holdings has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a RIC under the Code.

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

NMFC and AIV Holdings are holding companies with no direct operations of their own, and their sole asset is their ownership in the Operating Company. NMFC and AIV Holdings each entered into a joinder agreement with respect to the Limited Liability Company Agreement, as amended and restated, of the Operating Company, pursuant to which NMFC and AIV Holdings were admitted as members of the Operating Company. NMFC acquired from the Operating Company, with the gross proceeds of the IPO and the Concurrent Private Placement, common membership units ("units") of the Operating Company (the number of units are equal to the number of shares of NMFC's common stock sold in the IPO and the Concurrent Private Placement). Additionally, NMFC received units of the Operating Company equal to the number of shares of common stock of NMFC issued to the partners of New Mountain Guardian Partners, L.P. Guardian AIV was the parent of the Operating Company prior to the IPO and, as a result of the transactions completed in connection with the IPO, obtained units in the Operating Company. Guardian AIV contributed its units in the Operating Company to its newly formed subsidiary, AIV Holdings, in exchange for common stock of AIV Holdings. AIV Holdings has the right to exchange all or any portion of its units in the Operating Company for shares of NMFC's common stock on a one-for-one basis at any time.

The original structure was designed to generally prevent NMFC and its stockholders from being allocated taxable income with respect to unrecognized gains that existed at the time of the IPO in the Predecessor Entities' assets, and rather such amounts would be allocated generally to AIV Holdings and its stockholders. The result is that any distributions made to NMFC's stockholders that were attributable to such gains generally were not treated as taxable dividends but rather as return of capital. See "Material Federal Income Tax Considerations" included in the accompanying prospectus.

Since the IPO through February 3, 2014, NMFC completed five underwritten secondary offerings of its common stock on behalf of AIV Holdings as the selling stockholder. In connection with these five secondary offerings, AIV Holdings tendered an aggregate of 20,221,938 units of the Operating Company held by AIV Holdings to NMFC in exchange for the net proceeds (after deducting underwriting discounts and commissions) of these five secondary offerings and NMFC issued an aggregate of 20,221,938 shares of its common stock directly to the underwriters for these five secondary offerings. AIV Holdings distributed all of the net proceeds from these five secondary offerings to its sole stockholder, Guardian AIV. With the completion of the final secondary offering on February 3, 2014, NMFC now owns 100.0% of the units of the Operating Company, which is now a wholly-owned subsidiary of NMFC.

As a BDC, AIV Holdings has been subject to the 1940 Act, including certain provisions applicable only to BDCs. Accordingly, and after careful consideration of the 1940 Act requirements applicable to BDCs, the cost of 1940 Act compliance and a thorough assessment of AIV Holdings' current business model, AIV Holdings' board of directors has determined that continuation as a BDC is not in the best interests of AIV Holdings and Guardian AIV at the present time. Specifically, given that AIV Holdings was formed for the sole purpose of holding units of the Operating Company and AIV Holdings has disposed of all of the units of the Operating Company that it was holding as of February 3, 2014, the board of directors of AIV Holdings approved and declared advisable at an in-person meeting held on March 25, 2014 the withdrawal of AIV Holdings' election to be treated as a BDC under the 1940 Act. In addition, the board of directors of AIV Holdings approved and declared advisable for AIV Holdings to terminate its registration under Section 12(g) of the Exchange Act and to dissolve AIV Holdings under the laws of the State of Delaware.

Upon receiving the necessary stockholder consent to authorize the board of directors of AIV Holdings to withdraw AIV Holdings' election to be regulated as a BDC, the withdrawal will become effective upon receipt by the Securities and Exchange Commission ("SEC") of AIV Holdings' notification of withdrawal on Form N-54C. The board of directors of AIV Holdings believes that AIV Holdings meets the requirements for filing the notification to withdraw its election to be regulated as a BDC, upon the receipt of the necessary stockholder consent. AIV Holdings anticipates filing the Form N-54C with the SEC as soon as practicable after receipt of the necessary stockholder

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consent. After the application for withdrawal of AIV Holdings' BDC election is filed with the SEC, AIV Holdings will no longer be subject to the regulatory provisions of the 1940 Act applicable to BDCs generally, including regulations related to insurance, custody, composition of its board of directors, affiliated transactions and any compensation arrangements.

After AIV Holdings files the Form N-54C with the SEC, AIV Holdings will then file a Form 15 with the SEC to terminate AIV Holdings' registration under Section 12(g) of the 1934 Act. After these SEC filings and any other federal or state regulatory or tax filings are made, AIV Holdings will proceed to dissolve under Delaware law by filing a certificate of dissolution in Delaware.

Similarly, as a BDC, the Operating Company has been subject to the 1940 Act, including certain provisions applicable only to BDCs. Accordingly, and after careful consideration of the 1940 Act requirements applicable to BDCs, the cost of 1940 Act compliance and a thorough assessment of the Operating Company's current business model, the Operating Company's board of directors has determined that continuation as a BDC is not in the best interests of the Operating Company at the present time.

At the 2014 joint annual meeting of the stockholders of NMFC and the sole unit holder of the Operating Company, which is expected to be held on May 6, 2014, the stockholders of NMFC and the sole unit holder of the Operating Company will be asked to vote on a proposal which would authorize the board of directors of the Operating Company to withdraw the Operating Company's election to be treated as a BDC. Additionally, the stockholders of NMFC will be asked to approve an investment advisory and management agreement between NMFC and the Investment Adviser. Upon receipt of the necessary stockholder/unit holder approval, the Operating Company's board of directors intends to withdraw the Operating Company's election to be treated as a BDC under the 1940 Act and amend its Limited Liability Company Agreement, as amended and restated (the "Operating Agreement") such that the Operating Company will remain a wholly-owned subsidiary of NMFC with the sole purpose of serving as a special purpose vehicle for the Operating Company's existing credit facilities, and NMFC will assume, with the necessary stockholder approval, all other operating activities previously undertaken by the Operating Company under the management of the Investment Adviser (the "Proposed Restructuring"). All of the current entities that will remain underneath NMFC after the Proposed Restructuring will be wholly-owned subsidiaries of NMFC and are expected to be consolidated with NMFC for both 1940 Act and financial statement reporting purposes, subject to any financial statement adjustments required in accordance with U.S. generally accepted accounting principles. In addition, the board of directors has approved and declared advisable the termination of the Operating Company's registration under Section 12(g) of the Exchange Act.

Upon receiving the necessary stockholder approvals, the Operating Company will then amend its Operating Agreement such that the board of directors of the Operating Company will be dissolved, and the Operating Company remains a wholly-owned subsidiary of NMFC with the sole purpose of serving as a special purpose vehicle for the Operating Company's existing credit facilities. As a special purpose entity, the Operating Company will be bankruptcy-remote and non-recourse to NMFC. In addition, the assets that the Operating Company will hold will continue to be used to secure the Operating Company's current credit facilities.

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The diagram below depicts the New Mountain Finance Entities' organizational structure as of April 8, 2014.

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

The Operating Company's investment objective is to generate current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure, including first and second lien debt, notes, bonds and mezzanine securities. In some cases, the Operating Company's investments may also include equity interests. The primary focus is in the debt of defensive growth companies, which are defined as generally exhibiting the following characteristics: (i) sustainable secular growth drivers, (ii) high barriers to competitive entry, (iii) high free cash flow after capital expenditure and working capital needs, (iv) high returns on assets and (v) niche market dominance.

As of December 31, 2013, the Operating Company's net asset value was $688.5 million and its portfolio had a fair value of approximately $1,115.7 million in 59 portfolio companies, with a weighted average yield to maturity of approximately 10.6%. This yield to maturity calculation assumes that all investments not on non-accrual are purchased at fair value on December 31, 2013 and held until their respective maturities with no prepayments or losses and exited at par at

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maturity. The actual yield to maturity may be higher or lower due to the future selection of the London Interbank Offered Rate ("LIBOR") contracts by the individual companies in the Operating Company's portfolio or other factors.

Additional Material Federal Income Tax Considerations

The following discussion supplements the discussion in the prospectus under the heading "Material Federal Income Tax Considerations," which you are encouraged to review.

As a result of the Operating Company becoming a wholly-owned subsidiary of NMFC from the completion of the underwritten secondary public offering on February 3, 2014, the Operating Company's existence as a partnership for U.S. federal income tax purposes terminated and the Operating Company became an entity that is disregarded as a separate entity from its owner for U.S. federal tax purposes. Based on preliminary analysis, NMFC does not believe that it recognized any gains or losses as a result of this transaction for tax purposes. This change in tax classification of the Operating Company from a partnership to a disregarded entity will not affect the ability of NMFC to qualify as a regulated investment company. Since the Operating Company is classified as a disregarded entity, for U.S. federal tax purposes, including for purposes of applying the 90.0% Income Test, the Diversification Tests, and the Annual Distribution Requirement, NMFC will be treated as owning all of the assets of the Operating Company and earning all of the Operating Company's income as if it holds such assets and earns such income directly. In addition, the discussion in the prospectus under the heading "Material Federal Income Tax Considerations Investment in the Operating Company" does not apply to earnings or the assets of the Operating Company after February 3, 2014, as the Operating Company is not subject to the partnership tax provisions of the Code and not required to separately report its income for U.S. federal tax purposes after such date.

Tax matters are very complicated and the tax consequences to an investor of an investment in our shares will depend on the facts of its particular situation. We encourage investors to consult their own tax advisors regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty and the effect of any possible changes in the tax laws.

The Investment Adviser

The Investment Adviser, a wholly-owned subsidiary of New Mountain Capital, manages the Operating Company's day-to-day operations and provides it with investment advisory and management services. In particular, the Investment Adviser is responsible for identifying attractive investment opportunities, conducting research and due diligence on prospective investments, structuring the Operating Company's investments and monitoring and servicing the Operating Company's investments. We currently do not have, and do not intend to have, any employees. As of December 31, 2013, the Investment Adviser was supported by approximately 100 staff members of New Mountain Capital, including 61 investment professionals.

The Investment Adviser is managed by a five member investment committee (the "Investment Committee"), which is responsible for approving purchases and sales of the Operating Company's investments above $5.0 million in aggregate by issuer. The Investment Committee currently consists of Steven B. Klinsky, Robert A. Hamwee, Adam Collins, Douglas Londal and John Kline. In addition, the executive officers and certain investment professionals are invited to all Investment Committee meetings. The Investment Committee is responsible for approving all of the Operating Company's investment purchases above $5.0 million. The Investment Committee also approves all asset dispositions above $5.0 million. Purchases and dispositions below $5.0 million may be approved by the Operating Company's Chief Executive Officer. These approval thresholds are subject to change over time. We expect to benefit from the extensive and varied relevant experience of the investment professionals serving on the Investment Committee, which includes expertise in private equity, primary and secondary leveraged credit, private mezzanine finance and distressed debt.

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Recent Developments

Green Light Letter from the U.S. Small Business Administration

On January 27, 2014, NMFC announced that the U.S. Small Business Administration ("SBA") issued a "green light" letter inviting NMFC to continue its application process to obtain a license to form and operate a Small Business Investment Company ("SBIC") subsidiary. If approved, an SBIC license would provide NMFC with an incremental source of attractive long-term capital.

Receipt of a green light letter from the SBA does not assure an applicant that the SBA will ultimately issue an SBIC license, and NMFC has received no assurance or indication from the SBA that it will receive an SBIC license, or of the timeframe in which it would receive a license, should one ultimately be granted.

Follow-on Offering

On February 3, 2014, NMFC completed an underwritten secondary public offering of 2,325,000 shares of its common stock on behalf of a selling stockholder, AIV Holdings, at a public offering price of $14.70 per share. In connection with the underwritten secondary public offering, the underwriters purchased an additional 346,938 shares of NMFC's common stock from AIV Holdings with the exercise of the overallotment option to purchase up to an additional 346,938 shares of common stock. NMFC did not receive any proceeds from the sale of shares of NMFC's common stock by AIV Holdings. The Operating Company and NMFC did not bear any expenses in connection with this offering. The offering expenses were borne by the selling stockholder, AIV Holdings. As of February 3, 2014, AIV Holdings no longer owns any units of the Operating Company and NMFC owns 100.0% of the units of the Operating Company. As a result, the New Mountain Finance Entities' original organizational structure may be collapsed or simplified in the future.

Dividend

On March 4, 2014, the Operating Company's board of directors, and subsequently NMFC's board of directors, declared a first quarter 2014 distribution of $0.34 per unit/share which was paid on March 31, 2014 to holders of record as of March 17, 2014.

Preliminary Estimates of Net Asset Value and Adjusted Net Investment Income

Set forth below is a preliminary estimate of our net asset value per share as of April 9, 2014 and a preliminary estimate of our adjusted net investment income per share range for the three months ended March 31, 2014. The following estimates are not a comprehensive statement of our financial condition or results for the period from December 31, 2013 through March 31, 2014. We advise you that our actual results for the three months ended March 31, 2014 may differ materially from these estimates, which are given only as of the date of this prospectus supplement, as a result of the completion of our financial closing procedures, final adjustments and other developments, including changes in interest rates or changes in the businesses to whom we have made loans, which may arise between now and the time that our financial results for the three months ended March 31, 2014 are finalized. This information is inherently uncertain.

As of the date of this prospectus supplement, we currently expect that the Operating Company's adjusted net investment income per share was between $0.35 and $0.37 for the three months ended March 31, 2014.

As of the date of this prospectus supplement, we estimate that our net asset value per share as of April 9, 2014 is approximately $14.57.

The preliminary financial estimates provided herein have been prepared by, and are the responsibility of, management. Neither Deloitte & Touche LLP, our independent registered public

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accounting firm, nor any other independent accountants, have audited, reviewed, compiled, or performed any procedures with respect to the accompanying preliminary financial data. Accordingly, Deloitte & Touche LLP does not express an opinion or any form of assurance with respect thereto and assumes no responsibility for, and disclaims any association with, this information.

Competitive Advantages

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

Proven and Differentiated Investment Style With Areas of Deep Industry Knowledge

In making its investment decisions, the Investment Adviser applies New Mountain Capital's long-standing, consistent investment approach that has been in place since its founding more than 10 years ago. We focus on companies in less well followed defensive growth niches of the middle market space where we believe few debt funds have built equivalent research and operational size and scale.

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

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

1. A generalist approach, combined with proactive pursuit of the highest quality opportunities within carefully selected industries, identified via an intensive and structured ongoing research process;
2. Emphasis on strong downside protection and strict risk controls; and
3. Continued search for superior risk adjusted returns, combined with timely, intelligent exits and outstanding return performance.

Experienced Management Team and Established Platform

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

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control distressed and corporate credit funds and at Goldman, Sachs & Co. in the Credit Risk Management and Advisory Group.

Many of the debt investments that the Operating Company has made to date have been in the same companies with which New Mountain Capital has already conducted months of intensive acquisition due diligence related to potential private equity investments. We believe that private equity underwriting due diligence is usually more robust than typical due diligence for loan underwriting. In its underwriting of debt investments, the Investment Adviser is able to utilize the research and hands-on operating experience that New Mountain Capital's private equity underwriting teams possess regarding the individual companies and industries. Business and industry due diligence is led by a team of investment professionals of the Investment Adviser that generally consists of three to seven individuals, typically based on their relevant company and/or industry specific knowledge. Additionally, the Investment Adviser is also able to utilize its relationships with operating management teams and other private equity sponsors. We believe this differentiates us from many of our competitors.

Significant Sourcing Capabilities and Relationships

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

Risk Management through Various Cycles

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

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

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

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

Access to Non Mark to Market, Seasoned Leverage Facilities

The amounts available under the Credit Facilities are generally not subject to reduction as a result of mark to market fluctuations in the Operating Company's portfolio investments. For a detailed discussion of the Credit Facilities, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations Liquidity and Capital Resources".

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Market Opportunity

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

The leverage finance market has a high level of financing needs over the next several years due to significant bank debt maturities. We believe that the large dollar volume of loans that need to be refinanced will present attractive opportunities to invest capital in a manner consistent with our stated objectives.

Middle market companies continue to face difficulties in accessing the capital markets. We believe opportunities to serve the middle market will continue to exist. While many middle market companies were formerly able to raise funds by issuing high-yield bonds, we believe this approach to financing has become more difficult in recent years as institutional investors have sought to invest in larger, more liquid offerings. In addition, many private finance companies and hedge funds have reduced their middle market lending activities due to decreased availability of their own financing.

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

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

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

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

Operating and Regulatory Structure

NMFC and the Operating Company are closed-end, non-diversified management investment companies that have elected to be treated as BDCs under the 1940 Act and are required to maintain an asset coverage ratio, as defined in the 1940 Act, of at least 200.0%. NMFC has no material long-term liabilities itself and its only business and sole asset is its ownership of units of the Operating Company. As a result, NMFC looks to the Operating Company's assets for purposes of satisfying the requirements under the 1940 Act otherwise applicable to NMFC. See "Regulation" in the accompanying prospectus. The Operating Company and NMF SLF have long term liabilities related to the Credit Facilities.

NMFC has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a RIC under Subchapter M of the Code. See "Material Federal Income Tax Considerations" in the accompanying prospectus. As a RIC, NMFC generally will not have to pay corporate-level federal income taxes on any net ordinary income or capital gains that it timely

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distributes to its stockholders as dividends if it meets certain source-of-income, distribution and asset diversification requirements. The Operating Company intends to make distributions to its unit holders that will be sufficient to enable NMFC to pay quarterly distributions to its stockholders and to maintain its status as a RIC. NMFC intends to distribute to its stockholders substantially all of its annual taxable income, except that it may retain certain net capital gains for reinvestment in units of the Operating Company.

Risks

An investment in NMFC's common stock involves risk, including the risk of leverage and the risk that our operating policies and strategies may change without prior notice to NMFC stockholders or prior stockholder approval. See "Risk Factors" and the other information included in this prospectus and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of NMFC's common stock. The value of the Operating Company's assets, as well as the market price of NMFC's shares, will fluctuate. Our investments may be risky, and you may lose all or part of your investment in NMFC. Investing in NMFC involves other risks, including the following:

- We have a limited operating history;
- The Operating Company may suffer credit losses;
- The Operating Company does not expect to replicate the Predecessor Entities' historical performance or the historical performance of other entities managed or supported by New Mountain Capital;
- There is uncertainty as to the value of the Operating Company's portfolio investments because most of its investments are, and may continue to be in private companies and recorded at fair value. In addition, because NMFC is a holding company, the fair values of the Operating Company's investments are determined by the Operating Company's board of directors in accordance with the Operating Company's valuation policy;
- The Operating Company's ability to achieve its investment objective depends on key investment personnel of the Investment Adviser. If the Investment Adviser were to lose any of its key investment personnel, the Operating Company's ability to achieve its investment objective could be significantly harmed;
- The Investment Adviser has limited experience managing a BDC or a RIC, which could adversely affect our business;
- The Operating Company operates in a highly competitive market for investment opportunities and may not be able to compete effectively;
- Our business, results of operations and financial condition depends on the Operating Company's ability to manage future growth effectively;
- The Operating Company borrows money, which could magnify the potential for gain or loss on amounts invested in us and increase the risk of investing in us;
- Changes in interest rates may affect the Operating Company's cost of capital and net investment income;
- Regulations governing the operations of BDCs will affect our ability to raise additional equity capital as well as our ability to issue senior securities or borrow for investment purposes, any or all of which could have a negative effect on our investment

objectives and strategies;

We may experience fluctuations in our annual and quarterly results due to the nature of our business;

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The Operating Company's board of directors may change its investment objective, operating policies and strategies without prior notice or member approval, the effects of which may be adverse to your interest as a stockholder;

NMFC will be subject to corporate-level federal income tax on all of its income if it is unable to maintain RIC status under Subchapter M of the Code, which would have a material adverse effect on its financial performance;

NMFC may not be able to pay you distributions on its common stock, its distributions to you may not grow over time and a portion of its distributions to you may be a return of capital for federal income tax purposes;

The Operating Company's investments in portfolio companies may be risky, and the Operating Company could lose all or part of any of its investments;

The lack of liquidity in the Operating Company's investments may adversely affect our business;

Economic recessions or downturns could impair the Operating Company's portfolio companies and harm its operating results;

NMFC is a holding company with no direct operations of its own, and will depend on distributions from the Operating Company to meet its ongoing obligations;

The market price of NMFC's common stock may fluctuate significantly; and

Sales of substantial amounts of NMFC's common stock in the public market may have an adverse effect on the market price of its common stock.

Company Information

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

Presentation of Historical Financial Information and Market Data

Historical Financial Information

Unless otherwise indicated, historical references contained in this prospectus in "Selected Financial and Other Data", "Selected Quarterly Data", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Senior Securities" and "Portfolio Companies" relate to the Operating Company, which is NMFC's sole investment. The consolidated financial statements of New Mountain Finance Holdings, L.L.C., formerly known as New Mountain Guardian (Leveraged), L.L.C., and New Mountain Guardian Partners, L.P. are the Operating Company's historical consolidated financial statements.

Market Data

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

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THE OFFERING

Common Stock Offered by NMFC	3,500,000 shares, excluding 525,000 shares of common stock issuable pursuant to the option to purchase additional shares granted to the underwriters.
Shares of NMFC's Common Stock Currently Outstanding	47,968,000 shares.
Shares of NMFC's Common Stock Outstanding After This Offering	51,468,000 shares, excluding 525,000 shares of common stock issuable pursuant to the option to purchase additional shares granted to the underwriters. This amount does not include any shares which may be issuable upon conversion of existing securities.
Use of Proceeds	We intend to use the net proceeds from this offering to acquire units from the Operating Company, which in turn, intends to use the net proceeds from this offering primarily for new investments in portfolio companies in accordance with the Operating Company's investment objective and strategies described in this prospectus supplement and the accompanying prospectus. The Operating Company may also use a portion of the net proceeds from the sale of shares of NMFC's common stock offered by us for other general corporate purposes, including to temporarily repay indebtedness (which will be subject to reborrowing), and other working capital needs. The Operating Company is continuously identifying, reviewing and, to the extent consistent with its investment objective, funding new investments. As a result, we typically raise capital as we deem appropriate to fund such new investments. We expect it will take up to three months for the Operating Company to substantially invest the net proceeds of this offering, depending on the availability of attractive opportunities and market conditions. However, we can offer no assurance that we will be able to achieve this goal. Pending such use, the Operating Company will invest the net proceeds primarily in cash, cash equivalents, U.S. government securities and other high-quality investments that mature in one year or less from the date of the investment. These securities may have lower yields than the types of investments we would typically make in accordance with our investment objective and, accordingly, may result in lower distributions, if any, during such period. See "Use of Proceeds" in this prospectus supplement.
New York Stock Exchange Symbol	"NMFC"

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Investment Advisory Fees	NMFC does not have an investment adviser. The Operating Company pays the Investment Adviser a fee for its services under an amended and restated investment advisory and management agreement (the "Investment Management Agreement") consisting of two components a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 1.75% of the Operating Company's gross assets less (i) the borrowings under the SLF Credit Facility and (ii) cash and cash equivalents. The base management fee is payable quarterly in arrears, and is calculated based on the average value of the Operating Company's gross assets, borrowings under the SLF Credit Facility, and cash and cash equivalents at the end of each of the two most recently completed calendar quarters, and appropriately adjusted on a pro rata basis for any equity capital raises or repurchases during the current calendar quarter. The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears and equals 20.0% of the Operating Company's "Pre-Incentive Fee Adjusted Net Investment Income" for the immediately preceding quarter, subject to a "preferred return", or "hurdle", and a "catch-up" feature each as described in the Investment Management Agreement. The second part will be determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement) and will equal 20.0% of the Operating Company's "Adjusted Realized Capital Gains", if any, on a cumulative basis from inception through the end of the year, computed net of all "Adjusted Realized Capital Losses" and "Adjusted Unrealized Capital Depreciation" on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fee each as described in the Investment Management Agreement. See "Investment Management Agreement" in the accompanying prospectus.

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Administrator	The Administrator serves as the administrator for us and arranges office space for us and provides us with office equipment and administrative services. The Administrator performs, or oversees the performance of, our financial records, prepares reports to our stockholders/unit holders and reports filed by us with the SEC, monitors the payment of our expenses, and oversees the performance of administrative and professional services rendered to us by others. The Operating Company reimburses the Administrator for the New Mountain Finance Entities' allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to the New Mountain Finance Entities under an administration agreement, as amended and restated (the "Administration Agreement"). See "Administration Agreement" in the accompanying prospectus.
Distributions	NMFC intends to pay quarterly distributions to its stockholders out of assets legally available for distribution. The quarterly distributions, if any, will be determined by NMFC's board of directors. The distributions NMFC pays to its stockholders in a year may exceed its taxable income for that year and, accordingly, a portion of such distributions may constitute a return of capital for federal income tax purposes. The specific tax characteristics of NMFC's distributions will be reported to stockholders after the end of the calendar year. The Operating Company intends to make distributions to its members that will be sufficient to enable NMFC to pay quarterly distributions to its stockholders. See "Price Range of Common Stock and Distributions" in this prospectus supplement and the accompanying prospectus.

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Taxation of NMFC	NMFC has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a RIC under Subchapter M of the Code. As a RIC, NMFC generally will not pay corporate-level federal income taxes on any net ordinary income or capital gains that it timely distributes to its stockholders as dividends. To maintain its RIC status, NMFC must meet specified source-of-income and asset diversification requirements and distribute annually to its stockholders at least 90.0% of its net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. The Operating Company made distributions to its unit holders that were sufficient to enable NMFC to maintain its status as a RIC. With the completion of the underwritten secondary offering on February 3, 2014, NMFC intends to make the requisite distributions to its stockholders to maintain its status as a RIC. See "Prospectus Supplement Summary Additional Material Federal Income Tax Considerations" in this prospectus supplement and "Price Range of Common Stock and Distributions" and "Material Federal Income Tax Considerations" in the accompanying prospectus.
Taxation of Operating Company	The Operating Company was treated as a partnership for federal income tax purposes for as long as it had at least two members. As a result, the Operating Company was itself not subject to federal income tax. Rather, each of the Operating Company's unit holders, including NMFC, was required to take into account, for federal income tax purposes, its allocable share of the Operating Company's items of income, gain, loss, deduction and credit. With the completion of the underwritten secondary public offering on February 3, 2014, the Operating Company's existence as a partnership for U.S. federal income tax purposes terminated and the Operating Company became an entity that is disregarded as a separate entity from its owner for U.S. federal tax purposes. NMF SLF is treated as a disregarded entity for federal income tax purposes. As a result, both the Operating Company and NMF SLF will themselves not be subject to federal income tax and, for federal income tax purposes, NMFC will take into account all of the Operating Company and NMF SLF's assets and items of income, gain, loss, deduction and credit. See "Prospectus Supplement Summary Additional Material Federal Income Tax Considerations" in this prospectus supplement and "Material Federal Income Tax Considerations" in the accompanying prospectus.

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

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

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FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that you will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this prospectus supplement and the accompanying prospectus contains a reference to fees or expenses paid by "you", "NMFC", the "Operating Company", or "us" or that "we", "NMFC", or the "Operating Company" will pay fees or expenses, stockholders will indirectly bear such fees or expenses through NMFC's investment in the Operating Company.

Stockholder transaction expenses:	
Sales load (as a percentage of offering price)	None(1)
Offering expenses borne by us (as a percentage of offering price)	0.5%(2)
Dividend reinvestment plan fees	N/A(3)
Total stockholder transaction expenses (as a percentage of offering price)	0.5%
Annual expenses (as a percentage of net assets attributable to common stock):	
Base management fees	2.3%(4)
Incentive fees payable under the Investment Management Agreement	2.7%(5)
Interest payments on borrowed funds	1.5%(6)
Other expenses	1.0%(7)
Total annual expenses	7.5%(8)

Example

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

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5.0% annual return	$ 48	$ 144	$ 240	$ 479

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

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

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

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5.0% annual return	$ 58	$ 171	$ 282	$ 550

The example assumes no sales load. In addition, while the examples assume reinvestment of all distributions at net asset value, participants in NMFC's dividend reinvestment plan will receive a number of shares of NMFC's common stock determined by dividing the total dollar amount of the distribution payable to a participant by the market price per share of NMFC's common stock at the close of trading on the dividend payment date. The market price per share of NMFC's common stock may be at, above or below net asset value. See "Dividend Reinvestment Plan" in the accompanying prospectus for additional information regarding the dividend reinvestment plan.

(1) The Investment Adviser has agreed to bear all of the sales load (underwriting discounts and commissions) in connection with this offering, which is not reflected in the above table and will not be subject to reimbursement by either NMFC or the Operating Company.

(2) The offering expenses of this offering are estimated to be approximately $246,392. Total expenses relating to the shelf registration statement that was declared effective by the SEC on December 27, 2013, of which this prospectus supplement and the accompanying prospectus form a part, are estimated to be $860,203.

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

(4) The base management fee under the Investment Management Agreement is based on an annual rate of 1.75% of the Operating Company's average gross assets for the two most recent quarters less (i) the borrowings under the SLF Credit Facility and (ii) cash and cash equivalents. The base management fees reflected in the table above is based on the year ended December 31, 2013. See "Investment Management Agreement" in the accompanying prospectus.

(5) Assumes that annual incentive fees earned by the Investment Adviser remain consistent with the incentive fees earned by the Investment Adviser during the year ended December 31, 2013 and includes accrued capital gains incentive fee. These accrued capital gains incentive fees would be paid by the Operating Company if the Operating Company ceased operations on December 31, 2013 and liquidated its investments at the December 31, 2013 valuation. As we cannot predict whether the Operating Company will meet the thresholds for incentive fees under the Investment Management Agreement, the incentive fees paid in subsequent periods, if any, may be substantially different than the fees incurred during the year ended December 31, 2013. For more detailed information about the incentive fee calculations, see the "Investment Management Agreement" section of the accompanying prospectus.

(6) We may borrow funds from time to time to make investments to the extent we determine that additional capital would allow us to take advantage of additional investment opportunities or if the economic situation is otherwise conducive to doing so. The costs associated with these borrowings are indirectly borne by NMFC's stockholders through its investment in the Operating Company. As of December 31, 2013, the Operating Company had $221.8 million and $214.7 million of indebtedness outstanding under the Holdings Credit Facility and the SLF Credit Facility, respectively. For purposes of this calculation, we have assumed the December 31, 2013 amounts outstanding under these credit facilities, and have computed interest expense using an assumed interest rate of 2.9% for the Holdings Credit Facility and

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2.2% for the SLF Credit Facility, which were the rates payable as of December 31, 2013. See "Senior Securities" in this prospectus supplement.

(7) "Other expenses" include the New Mountain Finance Entities' overhead expenses, including payments by the Operating Company under the Administration Agreement based on the allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to the New Mountain Finance Entities under the Administration Agreement. Pursuant to the Administration Agreement, and further restricted by the Operating Company, expenses payable to the Administrator by the Operating Company as well as other direct and indirect expenses (excluding interest, other credit facility expenses, trading expenses and management and incentive fees) have been capped at $3.5 million for the time period from April 1, 2012 to March 31, 2013 and capped at $4.25 million for the time period from April 1, 2013 to March 31, 2014. This expense ratio does not include any expense cap. The expense cap expired on March 31, 2014. Thereafter, the Administrator may, in its own discretion, submit to the Operating Company for reimbursement some or all of the expenses that the Administrator has incurred on behalf of the Operating Company during any quarterly period. As a result, the amount of expenses for which the Operating Company will have to reimburse the Administrator may fluctuate in future quarterly periods and there can be no assurance given as to when, or if, the Administrator may determine to limit the expenses that the Administrator submits to the Operating Company for reimbursement in the future. However, it is expected that the Administrator will continue to support part of the expense burden of the Operating Company in the near future. See "Administration Agreement" in the accompanying prospectus.

(8) The holders of shares of NMFC's common stock indirectly bear the cost associated with our annual expenses through NMFC's investment in the Operating Company.

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SELECTED FINANCIAL AND OTHER DATA

The selected financial data should be read in conjunction with the respective financial statements and related combined notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this prospectus supplement and the accompanying prospectus. Financial information for the years ended December 31, 2013, December 31, 2012, December 31, 2011, December 31, 2010 and December 31, 2009 has been derived from our financial statements that were audited by Deloitte & Touche, LLP, an independent registered public accounting firm. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Senior Securities" in this prospectus supplement and the accompanying prospectus for more information.

The below selected financial and other data is for the Operating Company.

(in thousands except units and per unit data)

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

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

(1) Dividends declared in the year ended December 31, 2013 include a $0.12 per unit special dividend related to a distribution received attributable to the Operating Company's investment in YP Equity

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

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

(3) The Operating Company's weighted average Yield to Maturity calculation assumes that all investments not on non-accrual are purchased at fair value on the respective period ends and held until their respective maturities with no prepayments or losses and exited at par at maturity.

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

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

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

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The below selected financial and other data is for NMFC.

(in thousands except shares and per share data)

New Mountain Finance Corporation	Years ended December 31, 2013	2012	Period from May 19, 2011 (commencement of operations) to December 31, 2011
Statement of Operations Data:			
Total investment income allocated from the Operating Company	$ 90,876	$ 37,511	$ 13,669
Net expenses allocated from the Operating Company	40,355	17,719	5,324
Net investment income allocated from the Operating Company	50,521	19,792	8,345
Net realized and unrealized gains (losses) allocated from the Operating Company	11,443	12,087	(4,235)
Net change in unrealized (depreciation) appreciation of investment in the Operating Company	(44)	(95)	6,221
Net increase (decrease) in net assets resulting from operations	61,920	31,784	10,331
Per share data:			
Net asset value	$ 14.38	$ 14.06	$ 13.60
Net increase (decrease) in net assets resulting from operations (basic)	1.76	2.14	0.97
Net increase (decrease) in net assets resulting from operations (diluted)	1.79	2.18	0.38
Dividends declared(1)	1.48	1.71	0.86
Balance sheet data:			
Total assets	$ 650,107	$ 345,331	$ 145,487
Total net assets	650,107	341,926	145,487
Other data:			
Total return at market value(2)	11.62%	24.84%	4.16%
Total return at net asset value(3)	13.27%	16.61%	2.82%
Weighted average shares outstanding for the period	35,092,722	14,860,838	10,697,691

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

(2) For the years ended December 31, 2013, December 31, 2012 and for the period May 19, 2011 to December 31, 2011, total return is calculated assuming a purchase of common stock at the opening of the first day of the years ended 2013 and 2012 and assuming a purchase of common stock at IPO, respectively, and a sale on the closing of the last day of the respective

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year. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under NMFC's dividend reinvestment plan.

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

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SELECTED QUARTERLY FINANCIAL DATA

The selected quarterly financial data should be read in conjunction with the respective financial statements and related combined notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this prospectus supplement and the accompanying prospectus. The following table sets forth certain quarterly financial data for each of the quarters for the fiscal years ended December 31, 2013, December 31, 2012, December 31, 2011, December 31, 2010 and December 31, 2009 of the Operating Company and for each of the quarters for the fiscal years ended December 31, 2013, December 31, 2012 and for each of the quarters from May 19, 2011 (commencement of operations) through December 31, 2011 of NMFC. This data is derived from our unaudited financial statements. Results for any quarter are not necessarily indicative of results for the full year or for any future quarter. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Senior Securities" included in this prospectus supplement and the accompanying prospectus for more information.

The below selected quarterly financial data is for the Operating Company.

(in thousands except for per share data)

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

N/A Not applicable, as the Operating Company was not unitized until May 19, 2011.

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The below selected quarterly financial data is for NMFC.

(in thousands except for per share data)

	Net Investment Income allocated from the Operating Company		Total Net Realized and Unrealized Gains (Losses)		Net Increase (Decrease) in Net Assets Resulting from Operations	
Quarter Ended	**Total**	**Per Share**	**Total**	**Per Share**	**Total**	**Per Share**
December 31, 2013	$ 14,826	$ 0.33	$ 3,119	$ 0.07	$ 17,945	$ 0.40
September 30, 2013	10,803	0.29	6,664	0.17	17,467	0.46
June 30, 2013	17,674	0.55	(6,682)	(0.21)	10,992	0.34
March 31, 2013	7,218	0.28	8,298	0.33	15,516	0.61
December 31, 2012	$ 7,759	$ 0.36	$ 2,047	$ 0.09	$ 9,806	$ 0.45
September 30, 2012	4,574	0.28	5,381	0.34	9,955	0.62
June 30, 2012	4,029	0.38	(194)	(0.02)	3,835	0.36
March 31, 2012	3,430	0.32	4,758	0.45	8,188	0.77
December 31, 2011	$ 3,301	$ 0.31	$ 2,877	$ 0.27	$ 6,178	$ 0.58
September 30, 2011	3,460	0.32	(7,353)	(0.68)	(3,893)	(0.36)
June 30, 2011	1,584	0.15	6,462	0.60	8,046	0.75
March 31, 2011	N/A	N/A	N/A	N/A	N/A	N/A

N/A Not applicable, as NMFC did not commence operations until May 19, 2011.

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RISK FACTORS

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

RISKS IN THE CURRENT ECONOMIC ENVIRONMENT

Uncertainty about the financial stability of the United States and of several countries in the European Union (EU) could have a significant adverse effect on the Operating Company's business, results of operations and financial condition, thus affecting the financial condition and earnings of NMFC.

Due to federal budget deficit concerns, S&P downgraded the federal government's credit rating from AAA to AA+ for the first time in history on August 5, 2011. Further, Moody's and Fitch have warned that they may downgrade the federal government's credit rating. Further downgrades or warnings by S&P or other rating agencies, and the government's credit and deficit concerns in general, could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with the Operating Company's debt portfolio and the Operating Company's ability to access the debt markets on favorable terms. In addition, a decreased credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on the New Mountain Finance Entities' financial performance and the value of NMFC's common stock.

In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these nations to continue to service their sovereign debt obligations. Risks and ongoing concerns resulting from the debt crisis in Europe could have a detrimental impact on the global economic recovery, sovereign and non- sovereign debt in these countries and the financial condition of European financial institutions. Market and economic disruptions have affected, and may continue to affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. We cannot assure you that the market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not spread, and we cannot assure you that future assistance packages will be available, or if available, sufficient to stabilize the affected countries and markets in Europe or elsewhere. To the extent uncertainty regarding any economic recovery in Europe continues to negatively impact consumer confidence and consumer credit factors, the New Mountain Finance Entities' business and results of operations could be significantly and adversely affected.

On December 18, 2013, the U.S. Federal Reserve announced that it would scale back its bond-buying program, or quantitative easing, which is designed to stimulate the economy and expand the Federal Reserve's holdings of long-term securities until key economic indicators, such as the unemployment rate, show signs of improvement. The Federal Reserve signaled it would reduce its purchases of long-term Treasury bonds and would scale back on its purchases of mortgage-backed securities. It is unclear what effect, if any, the incremental reduction in the rate of the Federal Reserve's monthly purchases will have on the value of the Operating Company's

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investments. However, it is possible that absent continued quantitative easing by the Federal Reserve, these developments, along with the European sovereign debt crisis, could cause interest rates and borrowing costs to rise, which may negatively impact the Operating Company's ability to access the debt markets on favorable terms.

A failure or the perceived risk of a failure to raise the statutory debt limit of the United States could have a material adverse effect on the New Mountain Finance Entities' business, financial condition and results of operations.

As has been widely reported, the United States Treasury Secretary has stated that the federal government may not be able to meet its debt payments in the relatively near future unless the federal debt ceiling is raised. If legislation increasing the debt ceiling is not enacted and the debt ceiling is reached, the federal government may stop or delay making payments on its obligations. A failure by Congress to raise the debt limit would increase the risk of default by the United States on its obligations, as well as the risk of other economic dislocations.

If the U.S. government fails to complete its budget process or to provide for a continuing resolution before the expiration of the current continuing resolution, another federal government shutdown may result. Such a failure or the perceived risk of such a failure, consequently, could have a material adverse effect on the financial markets and economic conditions in the United States and throughout the world. It could also limit the Operating Company's ability and the ability of its portfolio companies to obtain financing, and it could have a material adverse effect on the valuation of the Operating Company's portfolio companies. Consequently, the continued uncertainty in the general economic environment, including the recent government shutdown and potential debt ceiling implications, as well in specific economies of several individual geographic markets in which the Operating Company's portfolio companies operate, could adversely affect the New Mountain Finance Entities' business, financial condition and results of operations.

RISKS RELATED TO OUR BUSINESS AND STRUCTURE

The Operating Company's ability to achieve its investment objective depends on key investment personnel of the Investment Adviser. If the Investment Adviser were to lose any of its key investment personnel, the Operating Company's ability to achieve its investment objective could be significantly harmed.

The Operating Company depends on the investment judgment, skill and relationships of the investment professionals of the Investment Adviser, particularly Steven B. Klinsky and Robert A. Hamwee, as well as other key personnel to identify, evaluate, negotiate, structure, execute, monitor and service its investments. The Investment Adviser, as an affiliate of New Mountain Capital, is supported by New Mountain Capital's team, which as of December 31, 2013 consisted of approximately 100 staff members of New Mountain Capital and its affiliates to fulfill its obligations to the Operating Company under the Investment Management Agreement. The Investment Adviser may also depend upon New Mountain Capital to obtain access to investment opportunities originated by the professionals of New Mountain Capital and its affiliates. The Operating Company's future success depends to a significant extent on the continued service and coordination of the key investment personnel of the Investment Adviser. The departure of any of these individuals could have a material adverse effect on the Operating Company's ability to achieve its investment objective.

The Investment Committee, which provides oversight over the Operating Company's investment activities, is provided by the Investment Adviser. The Investment Committee currently consists of five members. The loss of any member of the Investment Committee or of other senior professionals of the Investment Adviser and its affiliates without suitable replacement could limit the

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Operating Company's ability to achieve its investment objective and operate as we anticipate. This could have a material adverse effect on our financial condition, results of operation and cash flows. To achieve the Operating Company's investment objective, the Investment Adviser may hire, train, supervise and manage new investment professionals to participate in its investment selection and monitoring process. If the Investment Adviser is unable to find investment professionals or do so in a timely manner, our business, financial condition and results of operations could be adversely affected.

The Operating Company borrows money, which could magnify the potential for gain or loss on amounts invested in us and increase the risk of investing in us.

The Operating Company borrows money as part of its business plan. Borrowings, also known as leverage, magnify the potential for gain or loss on invested equity capital and may, consequently, increase the risk of investing in us. We expect the Operating Company to continue to use leverage to finance its investments, through senior securities issued by banks and other lenders. The Operating Company is restricted from incurring additional indebtedness under the Credit Facilities, without obtaining any necessary approvals, consents, amendments or waivers from the lenders thereto. Lenders of these senior securities have fixed dollar claims on the Operating Company's assets that are superior to NMFC's claim as members of the Operating Company, and, consequently, superior to claims of NMFC's common stockholders. If the value of the Operating Company's assets decreases, leveraging would cause its net asset value and, consequently, NMFC's net asset value, to decline more sharply than it otherwise would have had it not leveraged. Similarly, any decrease in the Operating Company's income would cause its net income and consequently NMFC's net income to decline more sharply than they would have had it not borrowed. Such a decline could adversely affect the Operating Company's ability to make distributions to its members and, consequently, NMFC's ability to make common stock dividend payments. In addition, because the Operating Company's investments may be illiquid, the Operating Company may be unable to dispose of them or to do so at a favorable price in the event it needs to do so if it is unable to refinance any indebtedness upon maturity and, as a result, we may suffer losses. Leverage is generally considered a speculative investment technique.

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

At December 31, 2013, the Operating Company had $221.8 million and $214.7 million of indebtedness outstanding under the Holdings Credit Facility and the SLF Credit Facility, respectively. The Holdings Credit Facility had a weighted average interest rate of 2.9% for the year ended December 31, 2013 and the SLF Credit Facility had a weighted average interest rate of 2.3% for the year ended December 31, 2013.

Illustration. The following table illustrates the effect of leverage on returns from an investment in NMFC's common stock assuming various annual returns, net of expenses and adjusted for unsettled securities purchased. The calculations in the table below are hypothetical. Actual returns may be higher or lower than those appearing below and will also depend on NMFC's ownership interest in the Operating Company. The calculation assumes (i) $1,147.8 million in total assets, (ii) a weighted average cost of borrowings of 2.6%, (iii) $436.5 million in debt outstanding and (iv) $688.5 million in stockholders' equity.

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Assumed Return on Our Portfolio
(net of expenses)

	(10.0)%	(5.0)%	0%	5.0%	10.0%
Corresponding return to stockholder	(18.3)%	(10.0)%	(1.6)%	6.7%	15.0%

There is no assurance that the U.S. Small Business Administration will issue to us a license to form and operate a Small Business Investment Company subsidiary.

The U.S. Small Business Administration ("SBA") issued a "green light" letter inviting NMFC to continue its application process to obtain a license to form and operate a Small Business Investment Company ("SBIC") subsidiary. If approved, an SBIC license would provide NMFC with an incremental source of attractive long-term capital. Receipt of a green light letter from the SBA does not assure an applicant that the SBA will ultimately issue an SBIC license, and NMFC has received no assurance or indication from the SBA that it will receive an SBIC license, or of the timeframe in which NMFC would receive a license, should one ultimately be granted.

There are certain risks associated with the Operating Company's withdrawal of its election to be regulated as a BDC.

Although NMFC will remain a BDC following the Operating Company's withdrawal of BDC election, when the Operating Company ceases to be a BDC, NMFC as the sole unit holder (the "Sole Unit Holder"), will lose certain protections, including the following:

- the Operating Company will no longer be subject to the requirement that it maintain a ratio of assets to senior securities of at least 200.0%;
- the Operating Company will no longer be prohibited from protecting any director or officer against any liability to the Operating Company or the Operating Company's Sole Unit Holder arising from willful malfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of that person's office;
- the Operating Company will no longer be required to provide and maintain a bond issued by a reputable fidelity insurance company to protect it against larceny and embezzlement;
- the Operating Company will no longer be required to comply with Section 56 of the 1940 Act by ensuring that a majority of the directors are persons who are not "interested persons", as that term is defined in Section 2(a)(19) of the 1940 Act, and certain persons that would be prevented from serving on the Operating Company's board of directors if it were a BDC (such as investment bankers) will be able to serve on the Operating Company board of directors;
- the Operating Company will no longer be subject to provisions of the 1940 Act regulating transactions between BDCs and certain affiliates and restricting the Operating Company's ability to issue warrants and options;
- the Operating Company will no longer be subject to provisions of the 1940 Act prohibiting the issuance of securities at below net asset value; and
- the Operating Company will no longer be subject to the other provisions and protections set forth in Sections 55 through 64 of the 1940 Act and the rules and regulations promulgated under the 1940 Act.

The stockholders of NMFC still retain the benefit of these protections, however, as NMFC will remain a BDC and therefore subject to continued regulation under the 1940 Act. After withdrawal of the Operating Company's election to be treated as a BDC, the Operating Company intends to

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terminate its registration under Section 12(g) of the 1934 Act. As a result, the Operating Company will no longer be required to file periodic reports on Form 10-K, Form 10-Q, Form 8-K, proxy statements and other reports required under the 1934 Act. NMFC will continue to file periodic reports on Form 10-K, Form 10-Q, Form 8-K, proxy statements and other reports required under the 1934 Act. Despite its withdrawal of BDC election and it's termination of its registration under Section 12(g) of the 1934 Act, the Operating Company's Board of Directors will still be subject to customary principles of fiduciary duty with respect to the Operating Company and its Sole Unit Holder.

RISKS RELATED TO OUR OPERATIONS

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

The Operating Company's business requires a substantial amount of capital. The Operating Company may acquire additional capital from the issuance of senior securities, including borrowing under a credit facility or other indebtedness. In addition, NMFC may also issue additional equity capital, which would in turn increase the equity capital available to the Operating Company. Under the 1940 Act, NMFC is not permitted to own any other securities other than units of the Operating Company. As a result, any proceeds from offerings of NMFC's equity securities would be contributed to the Operating Company and subsequently used by the Operating Company for investment purposes. However, NMFC and the Operating Company may not be able to raise additional capital in the future on favorable terms or at all.

The Operating Company may issue debt securities, other evidences of indebtedness or preferred membership units, and it may borrow money from banks or other financial institutions, which we refer to collectively as "senior securities", up to the maximum amount permitted by the 1940 Act. The 1940 Act permits the Operating Company to issue senior securities in amounts such that its asset coverage, as defined in the 1940 Act, equals at least 200.0% after each issuance of senior securities. The Operating Company consolidates the assets and liabilities of NMF SLF for purposes of its financial statements and calculating compliance with the 200.0% asset coverage ratio. If the Operating Company's asset coverage ratio is not at least 200.0%, it would be unable to issue senior securities, and if it had senior securities outstanding (other than any indebtedness issued in consideration of a privately arranged loan, such as any indebtedness outstanding under the Credit Facilities), it would be unable to make distributions to its members and, consequently, NMFC would be unable to pay dividends. However, at December 31, 2013, the only senior securities outstanding were indebtedness under the Credit Facilities and therefore at December 31, 2013, the Operating Company would not have been precluded from paying distributions. If the value of the Operating Company's or NMF SLF's assets declines, the Operating Company may be unable to satisfy this test. If that happens, the Operating Company or NMF SLF may be required to liquidate a portion of its investments and repay a portion of its indebtedness at a time when such sales may be disadvantageous.

The Holdings Credit Facility matures on October 27, 2016 and permits borrowings of $280.0 million as of December 31, 2013. The Holdings Credit Facility had $221.8 million in debt outstanding as of December 31, 2013. The SLF Credit Facility matures on October 27, 2016 and permits borrowings of $215.0 million as of December 31, 2013. The SLF Credit Facility had $214.7 million in debt outstanding as of December 31, 2013.

In addition, the Operating Company may in the future seek to securitize other portfolio securities to generate cash for funding new investments. To securitize loans, the Operating

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

NMFC may also obtain capital for use by the Operating Company through the issuance of additional equity capital, which would in turn increase the equity capital available to the Operating Company. As a BDC, NMFC generally is not able to issue or sell its common stock at a price below net asset value per share. If NMFC's common stock trades at a discount to its net asset value per share, this restriction could adversely affect its ability to raise equity capital. NMFC may, however, sell its common stock, or warrants, options or rights to acquire its common stock, at a price below its net asset value per share of the common stock if its board of directors and independent directors determine that such sale is in its best interests and the best interests of its stockholders, and its stockholders approve such sale. In any such case, the price at which NMFC's securities are to be issued and sold may not be less than a price that, in the determination of NMFC's board of directors, closely approximates the market value of such securities (less any underwriting commission or discount). If NMFC raises additional funds by issuing more shares of its common stock or if the Operating Company issues senior securities convertible into, or exchangeable for, NMFC's common stock, the percentage ownership of NMFC's stockholders may decline and you may experience dilution. Any proceeds from the issuance of additional shares of NMFC's common stock would be contributed to the Operating Company and used to purchase, on a one-for-one basis, additional units of the Operating Company.

Changes in laws or regulations governing the Operating Company's operations may adversely affect our business or cause the Operating Company to alter its business strategy.

Changes in the laws or regulations or the interpretations of the laws and regulations that govern BDCs, RICs or non-depository commercial lenders could significantly affect our operations and our cost of doing business. The New Mountain Finance Entities and the Operating Company's portfolio companies are subject to federal, state and local laws and regulations. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, any of which could materially adversely affect our business, including with respect to the types of investments the Operating Company is permitted to make, and your interest as a stockholder potentially with retroactive effect. In addition, any changes to the laws and regulations governing the Operating Company's operations relating to permitted investments may cause the Operating Company to alter its investment strategy in order to avail itself of new or different opportunities. These changes could result in material changes to the strategies and plans set forth in this prospectus and may result in the Operating Company's investment focus shifting from the areas of expertise of the Investment Adviser to other types of investments in which the Investment Adviser may have less expertise or little or no experience. Any such changes, if they occur, could have a material adverse effect on our business, results of operations and financial condition and, consequently, the value of your investment in us.

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On July 21, 2010, the Wall Street Reform and Consumer Protection Act, or Dodd-Frank Act, was signed into law. Although passage of the Dodd-Frank Act has resulted in extensive rulemaking and regulatory changes that affect the New Mountain Finance Entities and the financial industry as a whole, many of its provisions remain subject to extended implementation periods and delayed effective dates and will require extensive rulemaking by regulatory authorities. While the full impact of the Dodd-Frank Act on the New Mountain Finance Entities and the Operating Company's portfolio companies may not be known for an extended period of time, the Dodd-Frank Act, including future rules implementing its provisions and the interpretation of those rules, along with other legislative and regulatory proposals directed at the financial services industry or affecting taxation that are proposed or pending in the U.S. Congress, may negatively impact the operations, cash flows or financial condition of the New Mountain Finance Entities' or the Operating Company's portfolio companies, impose additional costs on the New Mountain Finance Entities or the Operating Company's portfolio companies, intensify the regulatory supervision of the New Mountain Finance Entities or the Operating Company's portfolio companies or otherwise adversely affect the New Mountain Finance Entities' business or the business of the Operating Company's portfolio companies.

Over the last several years, there has been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non-bank financial sector will be subject to new regulation. While it cannot be known at this time whether these regulations will be implemented or what form they will take, increased regulation of non-bank credit extension could negatively impact the New Mountain Finance Entities' operations, cash flows or financial condition, impose additional costs on the New Mountain Finance Entities, intensify the regulatory supervision of the New Mountain Finance Entities or otherwise adversely affect the New Mountain Finance Entities' business.

RISKS RELATING TO THE OPERATING COMPANY'S INVESTMENTS

The Operating Company's portfolio may be concentrated in a limited number of industries, which may subject the Operating Company to a risk of significant loss if there is a downturn in a particular industry in which a number of its investments are concentrated.

The Operating Company's portfolio may be concentrated in a limited number of industries. For example, as of December 31, 2013, the Operating Company's investments in the software, the education, the business services, and the distribution & logistics industries represented approximately 22.3%, 21.1%, 13.1% and 10.8%, respectively, of the fair value of the Operating Company's portfolio. A downturn in any particular industry in which the Operating Company is invested could significantly impact the portfolio companies operating in that industry, and accordingly, the aggregate returns that the Operating Company realizes from its investment in such portfolio companies.

Specifically, companies in the software industry often have narrow product lines and small market shares. Because of rapid technological change, the average selling prices of products and some services provided by software companies have historically decreased over their productive lives. As a result, the average selling prices of products and services offered by software companies in which we invest may decrease over time. In addition, companies in the education industry are required to comply with extensive regulatory and accreditation requirements, which could be subject to change by Congress, and which can limit their access to federal aid or similar loan programs, or otherwise increase their compliance costs. Likewise, companies in the business services industry are subject to general economic downturns and business cycles, and will often suffer reduced revenues and rate pressures during periods of economic uncertainty. Finally, companies in the distribution & logistics industry are subject to complex and stringent aviation, transportation, environmental, security, labor, employment and other governmental laws and

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regulations, both in the U.S. and in the other countries. In addition, companies in the distribution & logistics industry may be impacted by global climate change, including severe weather or other natural disasters, changes in regulation in response to climate change and changing prices for energy commodities. If an industry in which the Operating Company has significant investments suffers from adverse business or economic conditions, as these industries have to varying degrees, a material portion of its investment portfolio could be affected adversely, which, in turn, could adversely affect the Operating Company's financial position and results of operations.

A number of the Operating Company's portfolio companies provide services to the U.S. government. Changes in the U.S. government's priorities and spending, or significant delays or reductions in appropriations of the U.S. government's funds, could have a material adverse effect on the financial position, results of operations and cash flows of such portfolio companies.

A number of the Operating Company's portfolio companies derive a substantial portion of their revenue from the U.S. government. Levels of the U.S. government's spending in future periods are very difficult to predict and subject to significant risks. In addition, significant budgetary constraints may result in further reductions to projected spending levels. In particular, U.S. government expenditures are subject to the potential for automatic reductions, generally referred to as "sequestration". Sequestration occurred during 2013, and may occur again in the future, resulting in significant additional reductions to spending by the U.S. government on both existing and new contracts as well as disruption of ongoing programs. Even if sequestration does not occur again in the future, we expect that budgetary constraints and ongoing concerns regarding the U.S. national debt will continue to place downward pressure on U.S. government spending levels. Due to these and other factors, overall U.S. government spending could decline, which could result in significant reductions to the revenues, cash flow and profits of the Operating Company's portfolio companies that provide services to the U.S. government.

The performance of the Operating Company's portfolio companies may differ from its historical performance as its current investment strategy includes significantly more primary originations in addition to secondary market purchases.

Historically, the Operating Company's investment strategy consisted primarily of secondary market purchases in debt securities. The Operating Company adjusted its investment strategy to also include significantly more primary originations. While loans the Operating Company originates and loans it purchases in the secondary market face many of the same risks associated with the financing of leveraged companies, the Operating Company may be exposed to different risks depending on specific business considerations for secondary market purchases or origination of loans. Primary originations require substantially more time and resources for sourcing, diligencing and monitoring investments, which may consume a significant portion of the Operating Company's resources. Further, the valuation process for primary originations may be more cumbersome and uncertain due to the lack of comparable market quotes for the investment and would likely require more frequent review by a third-party valuation firm. This may result in greater costs for the Operating Company and fluctuations in the quarterly valuations of investments that are primary originations. As a result, this strategy may result in different returns from these investments than the types of returns the Operating Company has historically experienced from secondary market purchases of debt securities.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

interest rate volatility could adversely affect our results, particularly if we elect to use leverage as part of our investment strategy;

currency fluctuations could adversely affect the results of the Operating Company's investments in foreign companies, particularly to the extent that we receive payments denominated in foreign currency rather than U.S. dollars; and

the risks, uncertainties and other factors we identify in "Risk Factors" and elsewhere in this prospectus supplement, the accompanying prospectus and in our filings with the SEC.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. Important assumptions include the Operating Company's ability to originate new loans and investments,

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

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CAPITALIZATION

The following table sets forth the Operating Company's capitalization as of December 31, 2013:

- on an actual basis; and
- on an as adjusted basis to give effect to the sale of 3,500,000 shares of NMFC's common stock by us in this offering at a public offering price of $14.30 per share. Estimated sales load (underwriting discounts and commissions) of approximately $1.5 million will be borne by the Investment Adviser. The difference between the public offering price of $14.30 and the net proceeds per share received by the Operating Company in this offering of $14.57 will also be borne by the Investment Adviser as an additional supplemental payment to the underwriters of approximately $0.9 million. All payments made by the Investment Adviser will not be subject to reimbursement by either NMFC or the Operating Company. All other expenses of the offering will be borne by the Operating Company, including estimated offering expenses of approximately $0.2 million.

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

	As of December 31, 2013	
	Actual	**As Adjusted (unaudited)**
	(in thousands)	
Assets:		
Cash and cash equivalents	$ 14,981	$ 65,731
Investments at fair value	1,115,651	1,115,651
Other assets	17,209	16,962
Total assets	$ 1,147,841	$ 1,198,344
Liabilities:		
Credit facilities payable	$ 436,517	$ 436,517
Other liabilities	22,808	22,562
Total liabilities	$ 459,325	$ 459,079
Net assets	$ 688,516	$ 739,265
Members' Capital:		
Common membership units ("unit"), par value $0.01 per unit; 100,000,000 units authorized, 51,468,000 units outstanding		$ 515
Capital in excess of par value		738,750

Total members' capital	739,265

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USE OF PROCEEDS

We estimate that we will receive net proceeds from the sale of the 3,500,000 shares of NMFC's common stock in this offering of approximately $50.8 million, after deducting estimated offering expenses of approximately $0.2 million payable by the Operating Company. Estimated sales load (underwriting discounts and commissions) of approximately $1.5 million will be borne by the Investment Adviser. The difference between the public offering price and the net proceeds received by the Operating Company in this offering of approximately $0.9 million will also be borne by the Investment Adviser as an additional supplemental payment to the underwriters, which will not be subject to reimbursement by either NMFC or the Operating Company.

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

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

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

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PRICE RANGE OF COMMON STOCK AND DISTRIBUTIONS

NMFC's common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "NMFC". The following table sets forth the net asset value ("NAV") per share of NMFC's common stock, the high and low closing sale price for NMFC's common stock, the closing sale price as a percentage of NAV and the quarterly dividend distributions per share for each fiscal quarter since NMFC's IPO on May 19, 2011.

Fiscal Year Ended	NAV Per Share(2)	Closing Sales Price(3) High	Closing Sales Price(3) Low	Premium or Discount of High Sales to NAV(4)	Premium or Discount of Low Sales to NAV(4)	Declared Dividends Per Share(5)
December 31, 2014						
Second Quarter(1)	*	$ 14.61	$ 14.41	*	*	*
First Quarter	*	$ 15.19	$ 14.46	*	*	$ 0.34
December 31, 2013						
Fourth Quarter	$ 14.38	$ 15.19	$ 14.05	5.63%	(2.29)%	$ 0.34
Third Quarter	$ 14.32	$ 14.90	$ 14.21	4.05%	(0.77)%	$ 0.46(6)
Second Quarter	$ 14.32	$ 15.60	$ 13.82	8.94%	(3.49)%	$ 0.34
First Quarter	$ 14.31	$ 15.45	$ 14.30	7.97%	(0.07)%	$ 0.34
December 31, 2012						
Fourth Quarter	$ 14.06	$ 15.18	$ 13.75	7.97%	(2.20)%	$ 0.48(7)
Third Quarter	$ 14.10	$ 15.50	$ 14.18	9.93%	0.57%	$ 0.34
Second Quarter	$ 13.83	$ 14.29	$ 13.28	3.33%	(3.98)%	$ 0.57(8)
First Quarter	$ 14.05	$ 13.75	$ 13.14	(2.14)%	(6.48)%	$ 0.32

(1) Period from April 1, 2014 through April 8, 2014.

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

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

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

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

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

(7) Includes a fourth quarter dividend of $0.34 per share payable on December 28, 2012 and a special dividend of $0.14 per share payable on January 31, 2013.

(8)

Includes a special dividend of $0.23 per share payable on May 31, 2012 and a second quarter dividend of $0.34 per share payable on June 29, 2012.

*

Not determinable at the time of filing.

On April 8, 2014, the last reported sales price of NMFC's common stock was $14.49 per share. As of December 31, 2013, the Operating Company had two record holders, which were NMFC and AIV Holdings, whereas NMFC had approximately 9 stockholders of record and approximately two beneficial owners whose shares are held in the names of brokers, dealers, funds, trusts and clearing agencies. The Operating Company is not a publicly traded entity.

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Shares of BDCs may trade at a market price that is less than the value of the net assets attributable to those shares. The possibility that NMFC's shares of common stock will trade at a discount from net asset value or at premiums that are unsustainable over the long term are separate and distinct from the risk that our net asset value will decrease. Since NMFC's initial public offering on May 19, 2011, NMFC's shares of common stock have traded at times at a discount to the net assets attributable to those shares. As of April 8, 2014, NMFC's shares of common stock traded at a premium of approximately 0.8% of the net asset value attributable to those shares as of December 31, 2013. It is not possible to predict whether the shares offered hereby will trade at, above, or below net asset value.

Since NMFC was a holding company, distributions were paid on NMFC's common stock from distributions received from the Operating Company. The Operating Company made distributions to its unit holders that were sufficient to enable NMFC to pay quarterly distributions to NMFC's stock holders and to maintain NMFC's status as a regulated investment company. NMFC distributed approximately its entire portion of the Operating Company's Adjusted Net Investment Income on a quarterly basis and substantially its entire portion of the Operating Company's taxable income on an annual basis, except that they may have retained certain net capital gains for reinvestment.

With the completion of the underwritten secondary offering on February 3, 2014, NMFC intends to make the requisite distributions to its stockholders on a quarterly basis to maintain its status as a regulated investment company. For tax purposes, NMFC intends to distribute approximately all of its Adjusted Net Investment Income on a quarterly basis and substantially all of its taxable income on an annual basis, except that it may retain certain net capital gains for reinvestment. See "Prospectus Supplement Summary Additional Material Federal Income Tax Considerations" in this prospectus supplement for additional tax related discussions.

NMFC has adopted an "opt out" dividend reinvestment plan on behalf of its stockholders, whereas NMFC stockholders' cash dividends will be automatically reinvested in additional shares of NMFC's common stock, unless the stockholder elects to receive cash. Cash dividends reinvested in additional shares of NMFC's common stock will be automatically reinvested by NMFC into additional units of the Operating Company.

NMFC applies the following in implementing the dividend reinvestment plan. If the price at which newly issued shares are to be credited to stockholders' accounts is greater than 110.0% of the last determined net asset value of the shares, NMFC will use only newly issued shares to implement its dividend reinvestment plan. Under such circumstances, the number of shares to be issued to a stockholder is determined by dividing the total dollar amount of the distribution payable to such stockholder by the market price per share of NMFC's common stock on the NYSE on the distribution payment date. Market price per share on that date will be the closing price for such shares on the NYSE or, if no sale is reported for such day, the average of their electronically reported bid and asked prices. If NMFC uses newly issued shares to implement the plan, NMFC will receive, on a one-for-one basis, additional units of the Operating Company in exchange for cash distributions that are reinvested in shares of NMFC's common stock under the dividend reinvestment plan.

If the price at which newly issued shares are to be credited to stockholders' accounts is less than 110.0% of the last determined net asset value of the shares, NMFC will either issue new shares or instruct the plan administrator to purchase shares in the open market to satisfy the additional shares required. Shares purchased in open market transactions by the plan administrator will be allocated to a stockholder based on the average purchase price, excluding any brokerage charges or other charges, of all shares of common stock purchased in the open market. The number of shares of NMFC's common stock to be outstanding after giving effect to payment of the

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distribution cannot be established until the value per share at which additional shares will be issued has been determined and elections of NMFC's stockholders have been tabulated.

The following table reflects the cash distributions, including dividends and returns of capital, if any, per unit/share that have been declared by the Operating Company's board of directors, and subsequently NMFC's board of directors, since NMFC's IPO:

Date Declared	Record Date	Payment Date	Amount
March 4, 2014	March 17, 2014	March 31, 2014	$ 0.34
			$ 0.34
November 8, 2013	December 17, 2013	December 31, 2013	$ 0.34
August 7, 2013	September 16, 2013	September 30, 2013	0.34
August 7, 2013	August 20, 2013	August 30, 2013	0.12(1)
May 6, 2013	June 14, 2013	June 28, 2013	0.34
March 6, 2013	March 15, 2013	March 28, 2013	0.34
			$ 1.48
December 27, 2012	December 31, 2012	January 31, 2013	$ 0.14(2)
November 6, 2012	December 14, 2012	December 28, 2012	0.34
August 8, 2012	September 14, 2012	September 28, 2012	0.34
May 8, 2012	June 15, 2012	June 29, 2012	0.34
May 8, 2012	May 21, 2012	May 31, 2012	0.23(3)
March 7, 2012	March 15, 2012	March 30, 2012	0.32
			$ 1.71
November 8, 2011	December 15, 2011	December 30, 2011	$ 0.30
August 10, 2011	September 15, 2011	September 30, 2011	0.29
August 10, 2011	August 22, 2011	August 31, 2011	0.27
			$ 0.86
Total			$ 4.39

(1) Special dividend related to a distribution received attributable to the Operating Company's investment in YP Equity Investors LLC.

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

(3) Special dividend related to estimated realized capital gains attributable to the Operating Company's investments in Lawson Software, Inc. and Infor Lux Bond Company.

Tax characteristics of all dividends paid by NMFC are reported to stockholders on Form 1099 after the end of the calendar year. Future quarterly dividends, if any, for the New Mountain Finance Entities will be determined by their respective board of directors.

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

The information contained in this section should be read in conjunction with the Selected Financial and Other Data and our Financial Statements and notes thereto appearing elsewhere in this prospectus supplement and the accompanying prospectus. In addition to historical information, the following discussion and other parts of this prospectus supplement and the accompanying prospectus contain forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated by such forward-looking information due to the factors discussed under "Risk Factors" appearing in this prospectus supplement and the accompanying prospectus and "Cautionary Statement Regarding Forward-Looking Statements" appearing elsewhere in this prospectus supplement and the accompanying prospectus.

Overview

The Operating Company is a Delaware limited liability company. The Operating Company is externally managed and has elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). As such, the Operating Company is obligated to comply with certain regulatory requirements. The Operating Company was treated as a partnership for federal income tax purposes for so long as it had at least two members. With the completion of the underwritten secondary offering on February 3, 2014, the Operating Company's existence as a partnership for U.S. federal income tax purposes terminated and the Operating Company became an entity that is disregarded as a separate entity from its owner for U.S. federal tax purposes. See "Prospectus Supplement Summary" for the section on *Additional Material Federal Income Tax Considerations* in this prospectus supplement.

The Operating Company is externally managed by the Investment Adviser. The Administrator provides the administrative services necessary for operations. The Investment Adviser and Administrator are wholly-owned subsidiaries of New Mountain Capital. New Mountain Capital is a firm with a track record of investing in the middle market and with assets under management (which includes amounts committed, not all of which have been drawn down and invested to date) totaling more than $12.0 billion as of December 31, 2013, which includes total assets held by the Operating Company. New Mountain Capital focuses on investing in defensive growth companies across its private equity, public equity, and credit investment vehicles. The Operating Company, formerly known as New Mountain Guardian (Leveraged), L.L.C., was originally formed as a subsidiary of Guardian AIV by New Mountain Capital in October 2008. Guardian AIV was formed through an allocation of approximately $300.0 million of the $5.1 billion of commitments supporting New Mountain Partners III, L.P., a private equity fund managed by New Mountain Capital. In February 2009, New Mountain Capital formed a co-investment vehicle, New Mountain Guardian Partners, L.P., comprising $20.4 million of commitments.

NMFC is a Delaware corporation that was originally incorporated on June 29, 2010. NMFC is a closed-end, non-diversified management investment company that has elected to be treated as a BDC under the 1940 Act. As such, NMFC is obligated to comply with certain regulatory requirements. NMFC has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended, (the "Code").

AIV Holdings is a Delaware corporation that was originally incorporated on March 11, 2011. Guardian AIV, a Delaware limited partnership, is AIV Holdings' sole stockholder. AIV Holdings is a closed-end, non-diversified management investment company that has elected to be treated as a BDC under the 1940 Act. As such, AIV Holdings is obligated to comply with certain regulatory

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requirements. AIV Holdings has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a RIC under the Code.

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

NMFC and AIV Holdings are holding companies with no direct operations of their own, and their sole asset is their ownership in the Operating Company. NMFC and AIV Holdings each entered into a joinder agreement with respect to the Limited Liability Company Agreement, as amended and restated, of the Operating Company, pursuant to which NMFC and AIV Holdings were admitted as members of the Operating Company. NMFC acquired from the Operating Company, with the gross proceeds of the IPO and the Concurrent Private Placement, units of the Operating Company (the number of units are equal to the number of shares of NMFC's common stock sold in the IPO and the Concurrent Private Placement). Additionally, NMFC received units of the Operating Company equal to the number of shares of common stock of NMFC issued to the partners of New Mountain Guardian Partners, L.P. Guardian AIV was the parent of the Operating Company prior to the IPO and, as a result of the transactions completed in connection with the IPO, obtained units in the Operating Company. Guardian AIV contributed its units in the Operating Company to its newly formed subsidiary, AIV Holdings, in exchange for common stock of AIV Holdings. AIV Holdings has the right to exchange all or any portion of its units in the Operating Company for shares of NMFC's common stock on a one-for-one basis at any time.

Since NMFC's IPO, and through December 31, 2013, NMFC raised approximately $233.4 million in net proceeds from additional offerings of common stock and issued shares of its common stock valued at approximately $249.6 million on behalf of AIV Holdings for exchanged units. NMFC acquired from the Operating Company units of the Operating Company equal to the number of shares of NMFC's common stock sold in additional offerings. As of December 31, 2013, NMFC and AIV Holdings owned approximately 94.4% and 5.6%, respectively, of the units of the Operating Company.

The current structure was designed to generally prevent NMFC from being allocated taxable income with respect to unrecognized gains that existed at the time of the IPO in the Predecessor Entities' assets, and rather such amounts would be allocated generally to AIV Holdings. The result is that any distributions made to NMFC's stockholders that are attributable to such gains generally will not be treated as taxable dividends but rather as return of capital.

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The diagram below depicts the New Mountain Finance Entities' organizational structure as of December 31, 2013.

*

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

**

These common membership units are exchangeable into shares of NMFC common stock on a one-for-one basis.

The Operating Company's investment objective is to generate current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure, including first and second lien debt, notes, bonds and mezzanine securities. In some cases, the Operating Company's investments may also include equity interests. The primary focus is in the debt of defensive growth companies, which are defined as generally exhibiting the following characteristics: (i) sustainable secular growth drivers, (ii) high barriers to competitive entry, (iii) high free cash flow after capital expenditure and working capital needs, (iv) high returns on assets and (v) niche market dominance.

As of December 31, 2013, the Operating Company's net asset value was $688.5 million and its portfolio had a fair value of approximately $1,115.7 million in 59 portfolio companies, with a

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weighted average Yield to Maturity of approximately 10.6%. This Yield to Maturity calculation assumes that all investments not on non-accrual are purchased at fair value on December 31, 2013 and held until their respective maturities with no prepayments or losses and exited at par at maturity. The actual yield to maturity may be higher or lower due to the future selection of the London Interbank Offered Rate ("LIBOR") contracts by the individual companies in the Operating Company's portfolio or other factors.

Recent Developments

On January 27, 2014, NMFC announced that the U.S. Small Business Administration ("SBA") issued a "green light" letter inviting NMFC to continue its application process to obtain a license to form and operate a Small Business Investment Company ("SBIC") subsidiary. If approved, a SBIC license would provide NMFC with an incremental source of attractive long-term capital.

Receipt of a green light letter from the SBA does not assure an applicant that the SBA will ultimately issue an SBIC license, and NMFC has received no assurance or indication from the SBA that it will receive a SBIC license, or of the timeframe in which it would receive a license, should one ultimately be granted.

On February 3, 2014, NMFC completed an underwritten secondary public offering of 2,325,000 shares of its common stock on behalf of a selling stockholder, AIV Holdings, at a public offering price of $14.70 per share. In connection with the underwritten secondary public offering, the underwriters purchased an additional 346,938 shares of NMFC's common stock from AIV Holdings with the exercise of the overallotment option to purchase up to an additional 346,938 shares of common stock. NMFC did not receive any proceeds from the sale of shares of NMFC's common stock by AIV Holdings. The Operating Company and NMFC did not bear any expenses in connection with this offering. The offering expenses were borne by the selling stockholder, AIV Holdings. As of February 3, 2014, AIV Holdings no longer owns any units of the Operating Company and NMFC owns 100.0% of the units of the Operating Company. As a result, the New Mountain Finance Entities' current organizational structure may be collapsed or simplified in the future.

On March 4, 2014, the Operating Company's board of directors, and subsequently NMFC's board of directors, declared a first quarter 2014 distribution of $0.34 per unit/share which was paid on March 31, 2014 to holders of record as of March 17, 2014.

Critical Accounting Policies

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

Basis of Accounting

The Operating Company consolidates its wholly-owned subsidiary, NMF SLF. NMFC does not consolidate the Operating Company. NMFC applies investment company master-feeder financial statement presentation, as described in Accounting Standards Codification 946, *Financial Services Investment Companies*, ("ASC 946") to its interests in the Operating Company. NMFC observes that it is industry practice to follow the presentation prescribed for a master fund-feeder fund structure in ASC 946 in instances in which a master fund is owned by more than one feeder

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fund and that such presentation provides stockholders of NMFC with a clearer depiction of their investment in the master fund.

Valuation and Leveling of Portfolio Investments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

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

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

The inputs into the determination of fair value require significant judgment or estimation by management and consideration of factors specific to each investment. A review of the fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation inputs may result in the transfer of certain investments within the fair value hierarchy from period to period. Reclassifications impacting the fair value hierarchy are reported as transfers in/out of the respective leveling categories as of the beginning of the quarter in which the reclassifications occur.

The following table summarizes the levels in the fair value hierarchy that the Operating Company's portfolio investments fall into as of December 31, 2013:

(in thousands)	Total	Level I	Level II	Level III
First lien	$ 553,549	$	$ 525,138	$ 28,411
Second lien	468,945		413,407	55,538
Subordinated	26,863		21,692	5,171
Equity and other	66,294	1,694		64,600
Total investments	$ 1,115,651	$ 1,694	$ 960,237	$ 153,720

NMFC is a holding company with no direct operations of its own, and its sole asset is its ownership in the Operating Company. NMFC's investments in the Operating Company are carried at fair value and represent the pro-rata interest in the net assets of the Operating Company as of the applicable reporting date. NMFC values its ownership interest on a quarterly basis, or more frequently if required under the 1940 Act.

The Operating Company generally uses the following framework when determining the fair value of investments where there are little, if any, market activity or observable pricing inputs.

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

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companies and ultimately form the valuation of its investment in each portfolio company. When an external event such as a purchase transaction, public offering or subsequent sale occurs, the Operating Company will consider the pricing indicated by the external event to corroborate the private valuation.

Market Based Approach: The Operating Company typically estimates the total enterprise value of each portfolio company by utilizing market value cash flow (EBITDA) multiples of publicly traded comparable companies. The Operating Company considers numerous factors when selecting the appropriate companies whose trading multiples are used to value its portfolio companies. These factors include, but are not limited to, the type of organization, similarity to the business being valued, relevant risk factors, as well as size, profitability and growth expectations. The Operating Company generally applies an average of various relevant comparable company EBITDA multiples to the portfolio company's latest twelve month ("LTM") EBITDA or projected EBITDA to calculate portfolio company enterprise value. In applying the market based approach as of December 31, 2013, the Operating Company used the relevant EBITDA ranges set forth in the table below to determine the enterprise value of investments in six of its portfolio companies. The Operating Company believes this was a reasonable range in light of current comparable company trading levels and the specific companies involved.

Income Based Approach: The Operating Company also typically uses a discounted cash flow analysis to estimate the fair value of the investment. Projected cash flows represent the relevant security's contractual interest, fee and principal payments plus the assumption of full principal recovery at the investment's expected maturity date. These cash flows are discounted at a rate established utilizing a yield calibration approach, which incorporates changes in the credit quality (as measured by relevant statistics) of the portfolio company, as compared to changes in the yield associated with comparable credit quality market indices, between the date of origination and the valuation date. In applying the income based approach as of December 31, 2013, the Operating Company used the discount ranges set forth in the table below to value investments in eight of its portfolio companies.

				Range		
Type	**Fair Value**	**Approach**	**Unobservable Input**	**Low**	**High**	**Weighted Average**
First lien	$ 28,411	Market approach	EBITDA multiple	7.0x	10.0x	8.5x
		Income approach	Discount rate	9.2%	10.2%	9.7%
Second lien	55,538	Market approach	EBITDA multiple	5.0x	7.5x	6.2x
		Income approach	Discount rate	10.1%	11.7%	11.1%
Subordinated	5,171	Market approach	EBITDA multiple	7.0x	9.0x	8.0x
		Income approach	Discount rate	13.0%	15.0%	14.0%
Equity and other	64,600	Market approach	EBITDA multiple	1.3x	7.5x	4.7x
		Income approach	Discount rate	8.0%	20.0%	13.6%
	$ 153,720	Black Scholes analysis	Expected life in years	2.0	4.0	2.6
			Volatility	21.0%	36.6%	27.9%
			Discount rate	0.3%	3.0%	0.8%

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Revenue Recognition

The Operating Company's revenue recognition policies are as follows:

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

Interest income: Interest income, including amortization of premium and discount using the effective interest method, is recorded on the accrual basis and periodically assessed for collectability. Interest income also includes interest earned from cash on hand. Upon the prepayment of a loan or debt security, any prepayment penalties are recorded as part of interest income. The Operating Company has loans in the portfolio that contain a payment-in-kind ("PIK") provision. PIK represents interest that is accrued and recorded as interest income at the contractual rates, added to the loan principal on the respective capitalization dates, and generally due at maturity.

Non-accrual income: Loans are placed on non-accrual status when principal or interest payments are past due 30 days or more and when there is reasonable doubt that principal or interest will be collected. Accrued cash and un-capitalized PIK interest is generally reversed when a loan is placed on non-accrual status. Previously capitalized PIK interest is not reversed when an investment 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 of the ultimate outcome. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current.

Dividend income: Dividend income is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies.

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

NMFC's revenue recognition policies are as follows:

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

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net asset value per unit of the Operating Company. As a result, NMFC experienced immediate unrealized appreciation on its investment in the Operating Company.

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

Monitoring of Portfolio Investments

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

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

Investment Rating 1 Investment is performing materially above expectations;

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

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

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

As of December 31, 2013, all investments in the Operating Company's portfolio had an Investment Rating of 1 or 2 with the exception of two portfolio company names; one with an Investment Rating of 3 and the other with an Investment Rating of 4. During the quarter ended December 31, 2013, the Operating Company sold its first lien position in ATI Acquisition Company, resulting in a realized loss of $4.3 million. Prior to the sale, this investment had a cost basis of $4.3 million, a zero fair value and total unearned interest income of $0.6 million for the year ended. As of December 31, 2013, the Operating Company's two super priority first lien positions in ATI Acquisition Company and related equity positions in Ancora Acquisition LLC had an Investment Rating of 4 due to the underlying business encountering significant regulatory constraints which have led to the portfolio company's underperformance. As of December 31, 2013, the Operating Company's two super priority first lien positions in ATI Acquisition Company remained on non-accrual status due to the inability of the portfolio company to service its interest payments for the year then ended and uncertainty about its ability to pay such amounts in the future. During the third quarter of 2013, the Operating Company received preferred shares and warrants in Ancora Acquisition LLC, in relation to the two super priority first lien positions in ATI Acquisition Company. As of December 31, 2013, the Operating Company's investment in ATI Acquisition Company and Ancora Acquisition LLC had an aggregate cost basis of $1.6 million, an aggregate fair value of $0.4 million and total unearned interest income of $0.3 million for the year ended. Unrealized gains (losses) include a fee that the Operating Company would receive upon maturity of the two super priority first lien debt investments.

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Portfolio and Investment Activity

The fair value of the Operating Company's investments was approximately $1,115.7 million in 59 portfolio companies at December 31, 2013, $989.8 million in 63 portfolio companies at December 31, 2012 and $703.5 million in 55 portfolio companies at December 31, 2011.

The following table shows the Operating Company's portfolio and investment activity for the years ended December 31, 2013, December 31, 2012 and December 31, 2011:

	Years ended December 31,		
(in millions)	**2013**	**2012**	**2011**
New investments in 34, 45 and 37 portfolio companies, respectively	$ 529.3	$ 673.2	$ 493.3
Debt repayments in existing portfolio companies	395.4	299.2	146.4
Sales of securities in 12, 22 and 17 portfolio companies, respectively	31.2	124.7	85.6
Change in unrealized appreciation on 45, 48 and 17 portfolio companies, respectively	27.9	27.0	6.1
Change in unrealized depreciation on 29, 30 and 48 portfolio companies, respectively	(19.9)	(17.1)	(29.2)

At December 31, 2013 and December 31, 2012, the Operating Company's weighted average Yield to Maturity was approximately 10.6% and 10.1%, respectively.

Recent Accounting Standards Updates

In June 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2013-08, *Financial Services Investment Companies (Topic 946)* Amendments to the Scope, Measurement and Disclosure Requirements ("ASU 2013-08"), which contains new guidance on assessing whether an entity is an investment company, requiring non-controlling ownership interests in investment companies to be measured at fair value and requiring certain additional disclosures. ASU 2013-08 is effective for interim and annual periods beginning after December 15, 2013. The adoption of ASU 2013-08 is not expected to have a material impact on the New Mountain Finance Entities' financial statements.

Results of Operations

Since NMFC is a holding company with no direct operations of its own, and its only business and sole asset is its ownership of units of the Operating Company, NMFC's results of operations are based on the Operating Company's results of operations.

Under GAAP, NMFC's IPO did not step-up the cost basis of the Operating Company's existing investments to fair market value at the IPO date. Since the total value of the Operating Company's investments at the time of the IPO was greater than the investments' cost basis, a larger amount of amortization of purchase or original issue discount, and different amounts in realized gain and unrealized appreciation, may be recognized under GAAP in each period than if the step-up had occurred. This will remain until such predecessor investments are sold or mature in the future. The Operating Company tracks the transferred (or fair market) value of each of its investment as of the time of the IPO and, for purposes of the incentive fee calculation, adjusts income as if each investment was purchased at the date of the IPO (or stepped up to fair market value). The respective "Adjusted Net Investment Income" (defined as net investment income adjusted to reflect income as if the cost basis of investments held at the IPO date had stepped-up to fair market value as of the IPO date) is used in calculating both the incentive fee and dividend payments. See *Note 5, Agreements* to the December 31, 2013 financial statements appearing elsewhere in this prospectus supplement for additional details.

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The following table for the Operating Company for the year ended December 31, 2013 is adjusted to reflect the step-up to fair market value and the allocation of the incentive fees related to hypothetical capital gains out of the adjusted post-incentive fee net investment income.

(in thousands)	Year ended December 31, 2013	Stepped-up Cost Basis Adjustments	Incentive Fee Adjustments(1)	Adjusted year ended December31, 2013
Investment income				
Interest income	$ 107,027	$ (896)	$	$ 106,131
Dividend income	5,049			5,049
Other income	2,836			2,836
Total investment income	114,912	(896)		114,016
Total net expenses pre-incentive fee(2)	31,504			31,504
Pre-Incentive Fee Net Investment Income	83,408	(896)		82,512
Incentive fee	19,731		(3,229)	16,502
Post-Incentive Fee Net Investment Income	63,677	(896)	3,229	66,010
Net realized gains (losses) on investments	7,253	(3,158)		4,095
Net change in unrealized appreciation of investments	7,994	4,054		12,048
Capital gains incentive fees			(3,229)	(3,229)
Net increase in members' capital resulting from operations	$ 78,924			$ 78,924

(1) For the year ended December 31, 2013, the Operating Company incurred total incentive fees of $19.7 million, of which $3.2 million related to capital gains incentive fees on a hypothetical liquidation basis.

(2) Includes expense waivers and reimbursements of $3.2 million.

For the year ended December 31, 2013, the Operating Company had a $0.9 million adjustment to interest income for amortization, a decrease of $3.2 million to net realized gains and an increase of $4.1 million to net change in unrealized appreciation to adjust for the stepped-up cost basis of the transferred investments as discussed above. For the year ended December 31, 2013, total adjusted investment income of $114.0 million consisted of approximately $94.5 million in cash interest from investments, approximately $3.4 million in PIK interest from investments, approximately $5.8 million in prepayment fees, net amortization of purchase premiums and discounts and origination fees of approximately $2.5 million, approximately $5.0 million in dividend income and approximately $2.8 million in other income. The Operating

Company's Adjusted Net Investment Income was $66.0 million for the year ended December 31, 2013.

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In accordance with GAAP, for the year ended December 31, 2013, the Operating Company accrued $3.2 million of hypothetical capital gains incentive fee based upon the cumulative net Adjusted Realized Capital Gains and Adjusted Realized Capital Losses and the cumulative net Adjusted Unrealized Capital Appreciation and Adjusted Unrealized Capital Depreciation on investments held at the end of each period. Actual amounts paid to the Investment Adviser are consistent with the Investment Management Agreement and are based only on actual Adjusted Realized Capital Gains computed net of all Adjusted Realized Capital Losses and Adjusted Unrealized Capital Depreciation on a cumulative basis from inception through the end of each calendar year as if the entire portfolio was sold at fair value. As of December 31, 2013, approximately $1.1 million of capital gains incentive fees was owed under the Investment Management Agreement, as cumulative net Adjusted Realized Gains exceeded cumulative Adjusted Unrealized Depreciation. As of December 31, 2013, no payments have been made relating to the capital gains incentive fee.

The following table for the Operating Company for the year ended December 31, 2012 is adjusted to reflect the step-up to fair market value and the allocation of the incentive fees related to hypothetical capital gains out of the adjusted post-incentive fee net investment income.

(in thousands)	**Year ended December 31, 2012**	**Stepped-up Cost Basis Adjustments**	**Incentive Fee Adjustments(1)**	**Adjusted year ended December 31, 2012**
Investment income				
Interest income	$ 83,646	$ (3,476)	$	$ 80,170
Dividend income	812			812
Other income	1,328			1,328
Total investment income	85,786	(3,476)		82,310
Total expenses pre-incentive fee(2)	24,625			24,625
Pre-Incentive Fee Net Investment Income	61,161	(3,476)		57,685
Incentive fee	15,944		(4,407)	11,537
Post-Incentive Fee Net Investment Income	45,217	(3,476)	4,407	46,148
Net realized gains (losses) on investments	18,851	(6,958)		11,893
Net change in unrealized appreciation of investments	9,928	10,434		20,362
Capital gains incentive fees			(4,407)	(4,407)
Net increase in members' capital resulting from operations	$ 73,996			$ 73,996

(1) For the year ended December 31, 2012, the Operating Company incurred total incentive fees of $15.9 million, of which $4.4 million related to capital gains incentive fees on a hypothetical liquidation basis.

(2) Includes expense waivers and reimbursements of $2.5 million.

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For the year ended December 31, 2012, the Operating Company had a $3.5 million adjustment to interest income for amortization, a decrease of $6.9 million to net realized gains and an increase of $10.4 million to net change in unrealized appreciation to adjust for the stepped-up cost basis of the transferred investments as discussed above. For the year ended December 31, 2012, total adjusted interest income of $80.2 million consisted of approximately $71.9 million in cash interest from investments, approximately $2.2 million in PIK interest from investments, approximately $3.6 million in prepayment fees and net amortization of purchase premiums and discounts and origination fees of approximately $2.5 million. The Operating Company's Adjusted Net Investment Income was $46.1 million for the year ended December 31, 2012.

The following table for the Operating Company for the period May 19, 2011 (effective date of the Investment Management Agreement) to December 31, 2011 is adjusted to reflect the step-up to fair market value.

(in thousands)	**Period from May 19, 2011 to December 31, 2011**	**Stepped-up Cost Basis Adjustments**	**Adjusted period from May 19, 2011 to December 31, 2011**
Investment income			
Interest income	$ 38,836	$ (2,019)	$ 36,817
Other income	670		670
Total investment income	39,506	(2,019)	37,487
Total expenses pre-incentive fee(1)	11,863		11,863
Pre-Incentive Fee Net Investment Income	27,643	(2,019)	25,624
Incentive fee(2)	3,522		3,522
Post-Incentive Fee Net Investment Income	24,121	(2,019)	22,102
Net realized gains (losses) on investments	3,298	(2,422)	876
Net change in unrealized (depreciation) appreciation of investments	(15,538)	4,441	(11,097)
Net increase in members' capital resulting from operations	$ 11,881		$ 11,881

(1) Includes expense waivers and reimbursements of $2.2 million.

(2)

For the year ended December 31, 2011, the Operating Company had no incentive fees related to capital gains incentive fees on a hypothetical liquidation basis.

For the period May 19, 2011 (effective date of the Investment Management Agreement) to December 31, 2011, the Operating Company had a $2.0 million adjustment to interest income for amortization, a decrease of $2.4 million to realized gains and an increase of $4.4 million to unrealized depreciation to adjust for the stepped-up cost basis of the transferred investments as discussed above. The Operating Company's Adjusted Net Investment Income was $22.1 million for the period May 19, 2011 (effective date of the Investment Management Agreement) to December 31, 2011.

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Results of Operations for the Operating Company for the Years Ended December 31, 2013, December 31, 2012 and December 31, 2011

Revenue

	Years ended December 31,		
(in thousands)	**2013**	**2012**	**2011**
Interest income	$ 107,027	$ 83,646	$ 55,809
Dividend income	5,049	812	
Other income	2,836	1,328	714
Total investment income	$ 114,912	$ 85,786	$ 56,523

The Operating Company's total investment income increased by $29.1 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. The 34.0% increase in investment income results from the increase in interest and other income for the year ended December 31, 2013, which was primarily attributable to larger invested balances, driven by the proceeds from the 2012 and 2013 primary offerings of NMFC's common stock, the Operating Company's use of leverage for its revolving credit facilities to originate new investments and prepayment fees received associated with the early repayments or partial repayments of 20 different portfolio companies held by the Operating Company as of December 31, 2012. Additionally, the Operating Company's other income increased due to commitment fees received from three bridge facilities and consent, amendment and forbearance fees received associated with 10 different portfolio companies held by the Operating Company as of December 31, 2012. The increase in dividend income for the year ended December 31, 2013 was attributable to distributions received from two portfolio companies, which was recorded as dividend income.

The Operating Company's total investment income increased by $29.3 million for the year ended December 31, 2012 as compared to the year ended December 31, 2011. The 51.8% increase in investment income from the year ended 2011 to the year ended 2012 was primarily attributable to larger invested balances, mainly driven by the proceeds from the July 2012 and December 2012 equity offerings, and the Operating Company's use of leverage from its revolving credit facilities to originate new investments. In the year ended December 31, 2012, the Operating Company's other income increased due to commitment fees received from three bridge facilities and fees received associated with amendments of 14 different portfolio companies. Additionally, during the year ended December 31, 2012, the Operating Company received distributions from two portfolio companies, which was recorded as dividend income.

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Operating Expenses

	Years ended December 31,		
(in thousands)	**2013**	**2012**	**2011**
Management fee	$ 14,905	$ 11,109	$ 4,938
Incentive fee	16,502	11,537	3,522
Capital gains incentive fee(1)	3,229	4,407	
Interest and other credit facility expenses	12,470	10,085	7,086
Administrative fees	3,429	2,426	1,615
Professional fees	2,349	2,091	2,037
Other expenses	1,584	1,374	986
Total expenses	54,468	43,029	20,184
Less: expenses waived and reimbursed	(3,233)	(2,460)	(2,186)
Net expenses	$ 51,235	$ 40,569	$ 17,998

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

The Operating Company's total net operating expenses increased by $10.7 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. The Operating Company's management fees increased by $3.8 million and incentive fees increased by $5.0 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. The increase in management and incentive fees from the year ended December 31, 2012 to the year ended December 31, 2013 was attributable to larger invested balances, driven by the proceeds from the 2012 and 2013 primary offerings of NMFC's common stock, the Operating Company's use of leverage from its revolving credit facilities to originate new investments and the receipt of a dividend distribution from one of the Operating Company's warrant investments. The Operating Company's capital gains incentive fees decreased $1.2 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012, which was attributable to lower net Adjusted Realized Capital Gains (Losses) and Adjusted Unrealized Capital Appreciation (Depreciation) of investments during the period. As of December 31, 2013, approximately $1.1 million of capital gains incentive fees was owed under the Investment Management Agreement, as cumulative net Adjusted Realized Gains exceeded cumulative Adjusted Unrealized Depreciation. As of December 31, 2013, no payments have been made relating to the capital gains incentive fee.

Interest and other credit facility expenses increased by $2.4 million during the year ended December 31, 2013, primarily due to the increase of average debt outstanding from $133.6 million to $184.1 million for the Holdings Credit Facility and from $181.4 million to $214.3 million for the SLF Credit Facility for the year ended December 31, 2012 compared to December 31, 2013. For the year ended December 31, 2013, the Operating Company incurred $0.1 million in other expenses that were not subject to the expense cap pursuant to an administration agreement, as amended and restated (the "Administration Agreement"), with the Administrator, and further restricted by the Operating Company.

The Operating Company's total net operating expenses increased by $22.6 million for the year ended December 31, 2012 as compared to the year ended December 31, 2011. The Operating Company's management fees increased by $6.2 million and incentive fees increased by $8.0 million, respectively, for the year ended December 31, 2012 as compared to the year ended December 31, 2011. The increase in management and incentive fees from the year ended December 31, 2011 to the year ended December 31, 2012 was attributable to larger invested balances, driven by the proceeds from the July 2012 and December 2012 primary offerings of

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NMFC's common stock and the Operating Company's use of leverage from its revolving credit facilities to originate new investments. As a result of the net increase in Adjusted Realized Capital Gains (Losses) and Adjusted Unrealized Capital Appreciation (Depreciation), a capital gains incentive fees accrual of $4.4 million was booked for the year ended December 31, 2012. No capital gains incentive fees were booked for the year ended December 31, 2011. As a result of the IPO on May 19, 2011, the Operating Company pays management fees and incentive fees under its Investment Management Agreement, which provides a different basis for the calculation of these fees as compared to amounts previously paid prior to the completion of the IPO. As such, management and incentive fees were calculated in accordance with this agreement for a full year in 2012 as compared to a partial year in 2011. Prior to the IPO, an affiliate of the Predecessor Entities paid a majority of the management and incentive fees.

Interest and other credit facility expenses increased by $3.0 million during the year ended December 31, 2012, primarily due to the increase of average debt outstanding from $61.6 million to $133.6 million for the Holdings Credit Facility and from $133.8 million to $181.4 million for the SLF Credit Facility for the year ended December 31, 2011 compared to December 31, 2012. For the year ended December 31, 2012, the Operating Company incurred less than $0.1 million in other expenses that were not subject to the expense cap pursuant to the Administration Agreement and further restricted by the Operating Company. No expenses were incurred by the Operating Company outside the expense cap for the year ended December 31, 2011.

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

	Years ended December 31,		
(in thousands)	**2013**	**2012**	**2011**
Net realized gains on investments	$ 7,253	$ 18,851	$ 16,252
Net change in unrealized appreciation (depreciation) of investments	7,994	9,928	(23,100)
Total net realized gains and net change in unrealized appreciation (depreciation) of investments	$ 15,247	$ 28,779	$ (6,848)

The Operating Company's net realized and unrealized gains or losses resulted in a net gain of $15.2 million for the year ended December 31, 2013 compared to a net gain of $28.8 million for the year ended December 31, 2012, and a net loss of $6.8 million for the same period in 2011. We look at net realized and unrealized gains or losses together as movement in unrealized appreciation or depreciation can be the result of realizations. The net gain for the year ended December 31, 2013 was primarily driven by sales or repayment of investments with fair values in excess of December 31, 2012 valuations, resulting in net realized gains being greater than the reversal of the cumulative net unrealized gains for those investments. Additionally, during the year ended December 31, 2013, a distribution from a warrant investment resulted in a realized gain of approximately $1.1 million, the modification of terms on one debt investment that was accounted for as an extinguishment resulted in a realized gain of $1.7 million and the sale of the first lien position in ATI Acquisition Company resulted in a realized loss of $4.3 million. The total net gain for the year ended December 31, 2012 was primarily related to the overall increase in the market and the quality of the Operating Company's portfolio, directly impacting the prices of the Operating Company's portfolio. The appreciation of the Operating Company's portfolio and the sale or repayment of investments with fair values in excess of December 31, 2011 valuations, resulted in net realized gains being greater than the reversal of the cumulative net unrealized gains for those investments. The total net loss for the year ended December 31, 2011 was primarily related to the overall market decline, directly impacting the prices of the Operating Company's portfolio.

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Liquidity and Capital Resources

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

Since NMFC's IPO, and through December 31, 2013, NMFC raised approximately $233.4 million in net proceeds from additional offerings of common stock and issued shares valued at approximately $249.6 million on behalf of AIV Holdings for exchanged units. NMFC acquired from the Operating Company units of the Operating Company equal to the number of shares of NMFC's common stock sold in the additional offerings.

On March 25, 2013, NMFC completed a public offering of 2,000,000 shares of its common stock and an underwritten secondary public offering of 4,000,000 shares of its common stock on behalf of a selling stockholder, AIV Holdings, at a public offering price of $14.30 per share. In connection with the underwritten secondary public offering, the underwriters purchased an additional 900,000 shares of NMFC's common stock from AIV Holdings with the exercise of the overallotment option to purchase up to an additional 900,000 shares of common stock. The Operating Company received net proceeds of $28.4 million in connection with the sale of 2,000,000 shares by NMFC of its common stock. NMFC did not receive any proceeds from the sale of shares of NMFC's common stock by AIV Holdings. The Operating Company and NMFC bore only their allocable portion of offering expenses related to the public offering of 2,000,000 shares, and did not bear any expenses in connection with the secondary public offering of the 4,900,000 shares of NMFC's common stock on behalf of AIV Holdings, which were borne by AIV Holdings.

On June 21, 2013, NMFC completed a public offering of 2,000,000 shares of its common stock and an underwritten secondary public offering of 4,000,000 shares of its common stock on behalf of a selling stockholder, AIV Holdings, at a public offering price of $14.55 per share. In connection with the underwritten secondary public offering, the underwriters purchased an additional 750,000 shares of NMFC's common stock from AIV Holdings with the exercise of the overallotment option to purchase up to an additional 900,000 shares of common stock. The Operating Company received net proceeds of $28.6 million in connection with the sale of 2,000,000 shares by NMFC of its common stock. NMFC did not receive any proceeds from the sale of shares of NMFC's common stock by AIV Holdings. The Operating Company and NMFC bore only their allocable portion of offering expenses related to the public offering of 2,000,000 shares, and did not bear any expenses in connection with the secondary public offering of the 4,750,000 shares of NMFC's common stock on behalf of AIV Holdings, which were borne by AIV Holdings.

On October 17, 2013, NMFC completed a public offering of 3,000,000 shares of its common stock and an underwritten secondary public offering of 3,000,000 shares of its common stock on behalf of a selling stockholder, AIV Holdings, at a public offering price of $14.34 per share. In connection with the underwritten secondary public offering, the underwriters purchased an additional 900,000 shares of NMFC's common stock from AIV Holdings with the exercise of the overallotment option to purchase up to an additional 900,000 shares of common stock. The Operating Company received net proceeds of $43.0 million in connection with the sale of 3,000,000 shares by NMFC of its common stock. NMFC did not receive any proceeds from the sale of shares of NMFC's common stock by AIV Holdings. The Operating Company and NMFC bore only their allocable portion of offering expenses related to the public offering of 3,000,000 shares, and did not bear any expenses in connection with the secondary public offering of the 3,900,000 shares of NMFC's common stock on behalf of AIV Holdings, which were borne by AIV Holdings.

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

At December 31, 2013, December 31, 2012 and December 31, 2011, the Operating Company had cash and cash equivalents of approximately $15.0 million, $12.8 million and $15.3 million, respectively. Cash used in operating activities for the years ended December 31, 2013, December 31, 2012 and December 31, 2011 was approximately $(40.4) million, $(212.6) million and $(316.3) million, respectively. We expect that all current liquidity needs by the Operating Company will be met with cash flows from operations and other activities.

Credit Facilities

Holdings Credit Facility The Loan and Security Agreement, as amended and restated, dated May 19, 2011 (the "Holdings Credit Facility") among the Operating Company as the Borrower and Collateral Administrator, Wells Fargo Securities, L.L.C. as the Administrative Agent, and Wells Fargo Bank, National Association, as the Collateral Custodian, is structured as a revolving credit facility and matures on October 27, 2016, as amended on May 8, 2012.

The maximum amount of revolving borrowings available under the Holdings Credit Facility is $280.0 million, as amended on October 28, 2013. As of December 31, 2013, the Operating Company was permitted to borrow up to 45.0% or 25.0% of the purchase price of pledged first lien or non-first lien debt securities, and up to 70.0% and 45.0% of the purchase price of specified first lien debt securities and specified non-first lien debt securities, respectively, subject to approval by Wells Fargo Bank, National Association. The Holdings Credit Facility is collateralized by all of the investments of the Operating Company on an investment by investment basis. All fees associated with the origination or upsizing of the Holdings Credit Facility are capitalized on the Operating Company's Consolidated Statement of Assets, Liabilities, and Members' Capital and charged against income as other credit facility expenses over the life of the Holdings Credit Facility. The Holdings Credit Facility contains certain customary affirmative and negative covenants and events of default, including the occurrence of a change in control. In addition, the Holdings Credit Facility requires the Operating Company to maintain a minimum asset coverage ratio. However, the covenants are generally not tied to mark to market fluctuations in the prices of the Operating Company's investments, but rather to the performance of the underlying portfolio companies.

The Holdings Credit Facility bears interest at a rate of the London Interbank Offered Rate ("LIBOR") plus 2.75% per annum, as amended on May 8, 2012, and charges a non-usage fee, based on the unused facility amount multiplied by the Non-Usage Fee Rate (as defined in the credit agreement).

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The following table summarizes the interest expense and non-usage fees incurred by the Operating Company on the Holdings Credit Facility for the years ended December 31, 2013, December 31, 2012 and December 31, 2011.

	Years ended December 31,		
(in millions)	**2013**	**2012**	**2011**
Interest expense	$ 5.5	$ 4.2	$ 2.0
Non-usage fee	$ 0.4	$ 0.3	$ 0.6
Weighted average interest rate	2.9%	3.1%	3.2%
Average debt outstanding	$ 184.1	$ 133.6	$ 61.6

The outstanding balance of Holdings Credit Facility as of December 31, 2013, December 31, 2012 and December 31, 2011 was $221.8 million, $206.9 million and $129.0 million, respectively. As of December 31, 2013, December 31, 2012 and December 31, 2011, the Operating Company was not aware of any instances of non-compliance related to the Holdings Credit Facility on such dates.

SLF Credit Facility NMF SLF's Loan and Security Agreement, as amended and restated, dated October 27, 2010 (the "SLF Credit Facility") among NMF SLF as the Borrower, the Operating Company as the Collateral Administrator, Wells Fargo Securities, L.L.C. as the Administrative Agent, and Wells Fargo Bank, National Association, as the Collateral Custodian, is structured as a revolving credit facility and matures on October 27, 2016, as amended on May 8, 2012. The maximum amount of revolving borrowings available under the SLF Credit Facility is $215.0 million, as amended on December 18, 2012. The loan is non-recourse to the Operating Company and secured by all assets owned by the borrower on an investment by investment basis. All fees associated with the origination or upsizing of the SLF Credit Facility are capitalized on the Consolidated Statement of Assets, Liabilities, and Members' Capital and charged against income as other credit facility expenses over the life of the SLF Credit Facility. The SLF Credit Facility contains certain customary affirmative and negative covenants and events of default, including the occurrence of a change in control. The covenants are generally not tied to mark to market fluctuations in the prices of the Operating Company's investments, but rather to the performance of the underlying portfolio companies. Due to an amendment to the SLF Credit Facility on October 27, 2011, NMF SLF is no longer restricted from the purchase or sale of loans with an affiliate. Therefore, specified first lien loans can be moved as collateral between the Holdings Credit Facility and the SLF Credit Facility.

As of December 31, 2013, the SLF Credit Facility permits borrowings of up to 70.0% of the purchase price of pledged first lien debt securities and up to 25.0% of the purchase price of specified second lien loans, of which, up to 25.0% of the aggregate outstanding loan balance of all pledged debt securities in the SLF Credit Facility is allowed to be derived from second lien loans, subject to approval by Wells Fargo Bank, National Association, as amended on March 11, 2013.

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

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The following table summarizes the interest expense and non-usage fees incurred by the Operating Company on the SLF Credit Facility for the years ended December 31, 2013, December 31, 2012 and December 31, 2011.

	Years ended December 31,		
(in millions)	**2013**	**2012**	**2011**
Interest expense	$ 4.9	$ 4.2	$ 3.4
Non-usage fee	$ (1)	$ (1)	$ 0.1
Weighted average interest rate	2.3%	2.3%	2.5%
Average debt outstanding	$ 214.3	$ 181.4	$ 133.8

(1) For the year ended December 31, 2013 and December 31, 2012, the total non-usage fee was less than $50 thousand.

The outstanding balance as of December 31, 2013, December 31, 2012 and December 31, 2011 was $214.7 million, $214.3 million and $165.9 million, respectively. As of December 31, 2013, December 31, 2012 and December 31, 2011, NMF SLF was not aware of any instances of non-compliance related to the SLF Credit Facility on such dates.

Off-Balance Sheet Arrangements

The Operating Company may become a party to financial instruments with off- balance sheet risk in the normal course of business to meet the financial needs of its portfolio companies. These instruments may include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. As of December 31, 2013 and December 31, 2012, the Operating Company had outstanding commitments to third parties to fund investments totaling $15.5 million and $10.5 million, respectively, under various undrawn revolving credit facilities, delayed draw commitments or other future funding commitments.

The Operating Company may from time to time enter into financing commitment letters or bridge financing commitments, which could require funding in the future. As of December 31, 2013 and December 31, 2012, the Operating Company did not enter into any commitment letters to purchase debt investments. As of December 31, 2013 and December 31, 2012, the Operating Company had not entered into any bridge financing commitments which could require funding in the future.

Borrowings

The Operating Company had borrowings of $221.8 million and $206.9 million outstanding as of December 31, 2013 and December 31, 2012, respectively, under the Holdings Credit Facility. The Operating Company had borrowings of $214.7 million and $214.3 million outstanding as of December 31, 2013 and December 31, 2012, respectively, under the SLF Credit Facility.

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Contractual Obligations

A summary of the Operating Company's significant contractual payment obligations as of December 31, 2013 is as follows:

	Contractual Obligations Payments Due by Period (in millions)				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Holdings Credit Facility(1)	$ 221.8	$	$ 221.8	$	$
SLF Credit Facility(2)	214.7		214.7		
Total Contractual Obligations	$ 436.5	$	$ 436.5	$	$

(1) Under the terms of the $280.0 million Holdings Credit Facility, all outstanding borrowings under that facility ($221.8 million as of December 31, 2013) must be repaid on or before October 27, 2016. As of December 31, 2013, there was approximately $58.2 million of possible capacity remaining under the Holdings Credit Facility.

(2) Under the terms of the $215.0 million SLF Credit Facility, all outstanding borrowings under that facility ($214.7 million as of December 31, 2013) must be repaid on or before October 27, 2016. As of December 31, 2013, there was approximately $0.3 million of possible capacity remaining under the SLF Credit Facility.

The Operating Company has certain contracts under which it has material future commitments. The Operating Company has $15.5 million of undrawn funding commitments as of December 31, 2013 related to its participation as a lender in revolving credit facilities, delayed draw commitments or other future funding commitments of the Operating Company's portfolio companies. As of December 31, 2013, the Operating Company did not enter into any bridge financing commitments, which could require funding in the future.

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

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

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

Distributions and Dividends

Dividends declared and paid to stockholders / unit holders of the New Mountain Finance Entities for the year ended December 31, 2013 totaled $65.1 million.

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The following table summarizes the Operating Company's and NMFC's quarterly cash distributions, including dividends and returns of capital, if any, per unit/share that have been declared by the Operating Company's board of directors, and subsequently NMFC's board of directors, since NMFC's IPO:

Fiscal Year Ended	**Date Declared**	**Record Date**	**Payment Date**	**Per Share/ Unit Amount**
December 31, 2013				
Fourth Quarter	November 8, 2013	December 17, 2013	December 31, 2013	$ 0.34
Third Quarter	August 7, 2013	September 16, 2013	September 30, 2013	0.34
Third Quarter	August 7, 2013	August 20, 2013	August 30, 2013	0.12(1)
Second Quarter	May 6, 2013	June 14, 2013	June 28, 2013	0.34
First Quarter	March 6, 2013	March 15, 2013	March 28, 2013	0.34
				$ 1.48
December 31, 2012				
Fourth Quarter	December 27, 2012	December 31, 2012	January 31, 2013	$ 0.14(2)
Fourth Quarter	November 6, 2012	December 14, 2012	December 28, 2012	0.34
Third Quarter	August 8, 2012	September 14, 2012	September 28, 2012	0.34
Second Quarter	May 8, 2012	June 15, 2012	June 29, 2012	0.34
Second Quarter	May 8, 2012	May 21, 2012	May 31, 2012	0.23(3)
First Quarter	March 7, 2012	March 15, 2012	March 30, 2012	0.32
				$ 1.71
December 31, 2011				
Fourth Quarter	November 8, 2011	December 15, 2011	December 30, 2011	$ 0.30
Third Quarter	August 10, 2011	September 15, 2011	September 30, 2011	0.29
Second Quarter	August 10, 2011	August 22, 2011	August 31, 2011	0.27
				$ 0.86
Total				$ 4.05

(1) Special dividend related to a distribution received attributable to the Operating Company's investment in YP Equity Investors LLC.

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

(3)

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

Tax characteristics of all dividends paid by NMFC are reported to stockholders on Form 1099 after the end of the calendar year. Future quarterly dividends, if any, for the New Mountain Finance Entities will be determined by their respective boards of directors.

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Since NMFC was a holding company, distributions were paid on NMFC's common stock from distributions received from the Operating Company. The Operating Company made distributions to its unit holders that were sufficient to enable NMFC to pay quarterly distributions to NMFC's stock holders and to maintain NMFC's status as a regulated investment company. NMFC distributed approximately its entire portion of the Operating Company's Adjusted Net Investment Income on a quarterly basis and substantially its entire portion of the Operating Company's taxable income on an annual basis, except that they may have retained certain net capital gains for reinvestment.

With the completion of the underwritten secondary offering on February 3, 2014, NMFC intends to make the requisite distributions to its stockholders on a quarterly basis to maintain its status as a regulated investment company. For tax purposes, NMFC intends to distribute approximately all of its Adjusted Net Investment Income on a quarterly basis and substantially all of its taxable income on an annual basis, except that it may retain certain net capital gains for reinvestment. See "Prospectus Supplement Summary Additional Material Federal Income Tax Considerations" in this prospectus supplement for additional tax related discussions.

NMFC maintains an "opt out" dividend reinvestment plan for its common stockholders. As a result, if the Operating Company declares a dividend, then NMFC stockholders' cash dividends will be automatically reinvested in additional shares of NMFC's common stock, unless they specifically "opt out" of the dividend reinvestment plan so as to receive cash dividends. Cash dividends reinvested in additional shares of NMFC's common stock will be automatically reinvested by NMFC in the Operating Company in exchange for additional units of the Operating Company. See *Note 2, Summary of Significant Accounting Policies* for additional details regarding NMFC's dividend reinvestment plan.

Related Parties

The New Mountain Finance Entities have entered into a number of business relationships with affiliated or related parties, including the following:

- As of December 31, 2013, NMFC and AIV Holdings own approximately 94.4% and 5.6%, respectively, of the units of the Operating Company.

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

- The New Mountain Finance Entities have entered into an Administration Agreement, with the Administrator, a wholly-owned subsidiary of New Mountain Capital. The Administrator arranges office space for the New Mountain Finance Entities and provides office equipment and administrative services necessary to conduct their respective day-to-day operations pursuant to the Administration Agreement. The Operating Company reimburses the Administrator for the allocable portion of overhead and other expenses incurred by it in performing its obligations to the New Mountain Finance Entities under the Administration Agreement, including rent, the fees and expenses associated with performing administrative, finance, and compliance functions, and the compensation of the Operating Company's chief financial officer and chief compliance officer and their respective staffs. Pursuant to the Administration Agreement and further restricted by the Operating Company, expenses payable to the Administrator by the Operating Company as well as other direct and indirect expenses (excluding interest, other credit facility expense, trading expenses and management and incentive fees) has been capped at $3.5 million for the time period from

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April 1, 2012 to March 31, 2013 and capped at $4.25 million for the time period from April 1, 2013 to March 31, 2014. The expense cap will expire on March 31, 2014. Thereafter, the Administrator may, in its own discretion, submit to the Operating Company for reimbursement some or all of the expenses that the Administrator has incurred on behalf of the Operating Company during any quarterly period. As a result, the amount of expenses for which the Operating Company will have to reimburse the Administrator may fluctuate in future quarterly periods and there can be no assurance given as to when, or if, the Administrator may determine to limit the expenses that the Administrator submits to the Operating Company for reimbursement in the future. However, it is expected that the Administrator will continue to support part of the expense burden of the Operating Company in the near future.

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

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

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

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

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SENIOR SECURITIES

Information about the Operating Company's senior securities is shown in the following table as of December 31, 2013, 2012, 2011, 2010 and 2009. Deloitte & Touche, LLP's report on the December 31, 2013, 2012, 2011, 2010 and 2009 information included in this senior securities table is attached as an exhibit to the registration statement of which this prospectus is a part.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1) (in millions)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
December 31, 2013				
Holdings Credit Facility	$ 221.8	$ 2,577	$	N/A
SLF Credit Facility	214.7	2,577		N/A
December 31, 2012				
Holdings Credit Facility	$ 206.9	$ 2,353	$	N/A
SLF Credit Facility	214.3	2,353		N/A
December 31, 2011				
Holdings Credit Facility	129.0	2,426		N/A
SLF Credit Facility	165.9	2,426		N/A
December 31, 2010(5)				
Holdings Credit Facility	59.7	3,074		N/A
SLF Credit Facility	56.9	3,074		N/A
December 31, 2009(5)				
Holdings Credit Facility	77.7	4,080		N/A

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

(2) Asset coverage per unit is the ratio of the carrying value of our total assets, less all liabilities excluding indebtedness represented by senior securities in this table, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per $1,000 of indebtedness and is calculated on a consolidated basis.

(3) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it. The " " in this column indicates that the SEC expressly does not require this information to be disclosed for certain types of senior securities.

(4) Not applicable because the senior securities are not registered for public trading.

(5) Prior to NMFC's IPO on May 19, 2011, these credit facilities existed at the Predecessor Entities.

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UNDERWRITING

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

Underwriter	Number of Shares
Goldman, Sachs & Co.	1,050,000
Wells Fargo Securities, LLC	1,050,000
Morgan Stanley & Co. LLC	700,000
Robert W. Baird & Co. Incorporated	192,500
Keefe, Bruyette & Woods, Inc.	192,500
BB&T Capital Markets, *a division of BB&T Securities, LLC*	105,000
Janney Montgomery Scott LLC	105,000
Oppenheimer & Co. Inc.	105,000
Total	3,500,000

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

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional 525,000 shares from NMFC. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions (sales load) to be paid to the underwriters by the Operating Company. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 525,000 additional shares. The Investment Adviser has agreed to bear all of the commissions (sales load) in this offering, which is reflected in the following table and will not be subject to reimbursement by either NMFC or the Operating Company.

	No Exercise	Full Exercise
Per Share	$ 0.4290	$ 0.4290
Total	$ 1,501,500	$ 1,726,725

Because the Financial Industry Regulatory Authority, or FINRA, views the common stock offered hereby as interests in a direct participation program, the offering is being made in compliance with the requirements of FINRA Rule 2310. In compliance with such requirements, the underwriting discounts and commissions in connection with the sale of securities will not exceed 10.0% of gross proceeds of this offering. Investor suitability with respect to the common stock should be judged similarly to suitability with respect to other securities that are listed for trading on a national securities exchange.

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

Shares sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover of this prospectus supplement. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $0.0000 per share from the public offering price. If all the shares are not sold at the initial offering price, the representatives may change the public offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

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

The 60 day restricted period described in the preceding paragraph will be automatically extended if: (1) during the last 17 days of the 60 day restricted period the NMFC issues an earnings release or announce material news or a material event; or (2) prior to the expiration of the 60 day restricted period, the NMFC announces that it will release earnings results during the 15-day period following the last day of the 60 day period, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release of the announcement of the material news or material event.

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

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

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

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

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

The Investment Adviser has agreed to bear all of the sales load in connection with this offering, which will not be subject to reimbursement by either NMFC or the Operating Company. The Operating Company will incur approximately $246,392 of estimated expenses in connection with this offering. Existing stockholders of NMFC will, and purchasers in this offering would, indirectly bear such expenses through NMFC's ownership of common membership units of the Operating Company.

NMFC and the Operating Company have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates may, from time to time, perform various financial advisory and investment banking services for the company, for which they will receive customary fees and expenses. In addition, an affiliate of Wells Fargo Securities, LLC is a lender under our Credit Facilities.

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

The Operating Company intends to use the net proceeds from the sale of shares of NMFC's common stock sold by us in this offering primarily for new investments in portfolio companies in accordance with the Operating Company's investment objective and strategies described in this prospectus supplement and the accompanying prospectus. The Operating Company may also use a portion of the net proceeds from the sale of shares of NMFC's common stock sold by us in this offering for other general corporate purposes, including to temporarily repay indebtedness (which will be subject to reborrowing), and other working capital needs. Affiliates of Wells Fargo Securities, LLC are lenders under the Credit Facilities. Accordingly, affiliates of Wells Fargo Securities, LLC may receive more than 5% of the net proceeds of this offering to the extent such proceeds are used to temporarily repay outstanding indebtedness under the Credit Facilities.

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

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

Switzerland

This document does not constitute a prospectus within the meaning of Art. 652a of the Swiss Code of Obligations. The shares of common stock may not be sold directly or indirectly in or into Switzerland except in a manner which will not result in a public offering within the meaning of the Swiss Code of Obligations. Neither this document nor any other offering materials relating to the shares of common stock may be distributed, published or otherwise made available in Switzerland except in a manner which will not constitute a public offer of the shares of common stock in Switzerland.

Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

LEGAL MATTERS

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

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements of New Mountain Finance Holdings, L.L.C. as of December 31, 2013, 2012 and 2011 and for each of the three years ended December 31, 2013, and the financial statements of New Mountain Finance Corporation and New Mountain Finance AIV Holdings Corporation as of December 31, 2013, 2012 and 2011, for the years ended December 31, 2013, 2012 and for the period from May 19, 2011 (Commencement of Operations) to December 31, 2011, including the Senior Securities table, included in this prospectus supplement, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports appearing herein and elsewhere in the Registration Statement. Such financial statements and information included in the Senior Securities table as of December 31, 2013, 2012, 2011 and 2010 have been so included in reliance upon the reports of such firm, given their authority as experts in accounting and auditing.

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

AVAILABLE INFORMATION

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

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

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Boards of Directors and investors of
New Mountain Finance Holdings, L.L.C.,
New Mountain Finance Corporation and
New Mountain Finance AIV Holdings Corporation
New York, New York

We have audited the accompanying consolidated statement of assets, liabilities and members' capital of New Mountain Finance Holdings, L.L.C., including the consolidated schedules of investments as of December 31, 2013 and 2012, and the related consolidated statements of operations, consolidated statements of changes in members' capital, and cash flows for the three years in the period ended December 31, 2013 and the financial highlights for each of the five years in the period ended December 31, 2013. Also, we have audited the statements of assets and liabilities of New Mountain Finance Corporation and New Mountain Finance AIV Holdings Corporation as of December 31, 2013 and 2012, and the related statements of operations, changes in net assets, cash flows and the financial highlights for the period from May 19, 2011(commencement of operations) to December 31, 2011 and for the years ended December 31, 2013 and 2012. These financial statements are the responsibility of the management of New Mountain Finance Holdings, L.L.C., New Mountain Finance Corporation and New Mountain Finance AIV Holdings Corporation. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. New Mountain Finance Holdings, L.L.C. and New Mountain Finance AIV Holdings Corporation are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits of New Mountain Finance Holdings, L.L.C. and New Mountain Finance AIV Holdings Corporation included consideration of their internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of their internal control over financial reporting. Accordingly we express no such opinion for New Mountain Finance Holdings, L.L.C. and New Mountain Finance AIV Holdings Corporation. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of investments as of December 31, 2013 and 2012, by correspondence with the custodian, loan agent or borrower; where replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights referred to above present fairly, in all material respects, the consolidated financial position of New Mountain Finance Holdings, L.L.C. as of December 31, 2013 and 2012, and the consolidated results of its operations, its consolidated changes in members' capital, and its consolidated cash flows for each of the three years in the period ended December 31, 2013 and the financial highlights for the each of the five years in the period ended December 31,2013; and the financial positions of New Mountain Finance Corporation and New Mountain Finance AIV Holdings Corporation as of December 31, 2013 and 2012 and the results of their operations, changes in their net assets, their cash flows, and the

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financial highlights for the period from May 19, 2011(commencement of operations) to December 31, 2011 and for the years ended December 31, 2013 and 2012, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 16, on February 3, 2014, New Mountain Finance AIV Holdings sold its remaining units in New Mountain Finance Holdings, L.L.C. (the "Operating Company") and no longer owns any units of the Operating Company.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), New Mountain Finance Corporation's internal control over financial reporting as of December 31, 2013, based on the criteria established in Internal Control Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 5, 2014, expressed an unqualified opinion on New Mountain Finance Corporation's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

New York, New York
March 5, 2014

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New Mountain Finance Holdings, L.L.C.

Consolidated Statements of Assets, Liabilities and Members' Capital

(in thousands, except units and per unit data)

	December 31, 2013	December 31, 2012
Assets		
Investments at fair value (cost of $1,094,080 and $976,243, respectively)	$ 1,115,651	$ 989,820
Cash and cash equivalents	14,981	12,752
Interest and dividend receivable	10,531	6,340
Deferred credit facility costs (net of accumulated amortization of $3,562 and $2,016, respectively)	4,727	5,490
Receivable from affiliate	459	534
Receivable from unsettled securities sold		9,962
Other assets	1,492	666
Total assets	$ 1,147,841	$ 1,025,564
Liabilities		
Holdings Credit Facility	221,849	206,938
SLF Credit Facility	214,668	214,262
Capital gains incentive fee payable	7,636	4,407
Incentive fee payable	4,104	3,390
Management fee payable	3,856	3,222
Payable for unsettled securities purchased	3,690	9,700
Interest payable	814	712
Payable to affiliate	80	
Dividends payable		11,192
Other liabilities	2,628	1,802
Total liabilities	459,325	455,625
Members' Capital	688,516	569,939
Total liabilities and members' capital	$ 1,147,841	$ 1,025,564
Outstanding common membership units	47,896,693	40,548,189
Capital per unit	$ 14.38	$ 14.06

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

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New Mountain Finance Holdings, L.L.C.

Consolidated Statements of Operations

(in thousands)

	Years ended December 31,		
	2013	**2012**	**2011**
Investment income			
Interest income	$ 107,027	$ 83,646	$ 55,809
Dividend income	5,049	812	
Other income	2,836	1,328	714
Total investment income	114,912	85,786	56,523
Expenses			
Incentive fee	16,502	11,537	3,522
Capital gains incentive fee	3,229	4,407	
Total incentive fees	19,731	15,944	3,522
Management fee	14,905	11,109	4,938
Interest and other credit facility expenses	12,470	10,085	7,086
Administrative expenses	3,429	2,426	1,615
Professional fees	2,349	2,091	2,037
Other general and administrative expenses	1,584	1,374	986
Total expenses	54,468	43,029	20,184
Less: expenses waived and reimbursed (see Note 5)	(3,233)	(2,460)	(2,186)
Net expenses	51,235	40,569	17,998
Net investment income	63,677	45,217	38,525
Net realized gains on investments	7,253	18,851	16,252
Net change in unrealized appreciation (depreciation) of investments	7,994	9,928	(23,100)
Net increase in members' capital resulting from operations	$ 78,924	$ 73,996	$ 31,677

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

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New Mountain Finance Holdings, L.L.C.

Consolidated Statements of Changes in Members' Capital

(in thousands)

	Years ended December 31,		
	2013	**2012**	**2011**
Increase (decrease) in members' capital resulting from operations:			
Net investment income	$ 63,677	$ 45,217	$ 38,525
Net realized gains on investments	7,253	18,851	16,252
Net change in unrealized appreciation (depreciation) of investments	7,994	9,928	(23,100)
Net increase in members' capital resulting from operations	78,924	73,996	31,677
Contributions	100,040	133,428	195,295
Distributions			(10,249)
Dividends declared	(65,140)	(59,378)	(26,591)
Offering costs	(331)	(564)	(11,557)
Reinvestment of dividends	5,084	1,955	
Net increase in members' capital	118,577	149,437	178,575
Members' capital at the beginning of the period	569,939	420,502	241,927
Members' capital at the end of the period	$ 688,516	$ 569,939	$ 420,502

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

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New Mountain Finance Holdings, L.L.C.

Consolidated Statements of Cash Flows

(in thousands)

	Years ended December 31,		
	2013	**2012**	**2011**
Cash flows from operating activities			
Net increase in members' capital resulting from operations	$ 78,924	$ 73,996	$ 31,677
Adjustments to reconcile net (increase) decrease in members' capital resulting from operations to net cash (used in) provided by operating activities:			
Net realized gains on investments	(7,253)	(18,851)	(16,252)
Net change in unrealized (appreciation) depreciation of investments	(7,994)	(9,928)	23,100
Amortization of purchase discount	(3,365)	(5,996)	(5,862)
Amortization of deferred credit facility costs	1,546	1,160	786
Non-cash investment income	(4,473)	(2,187)	(1,538)
(Increase) decrease in operating assets:			
Purchase of investments	(529,695)	(673,355)	(494,694)
Proceeds from sales and paydowns of investments	426,561	423,874	231,962
Cash received for purchase of undrawn portion of revolving credit or delayed draw facilities	388	137	1,363
Cash paid for drawn revolver		(12,705)	(535)
Cash repayments on drawn revolvers		12,705	
Interest and dividend receivable	(4,191)	967	(4,299)
Receivable from affiliate	75	(165)	(369)
Receivable from unsettled securities sold	9,962	(9,962)	
Other assets	(225)	(50)	(351)
Increase (decrease) in operating liabilities:			
Capital gains incentive fee payable	3,229	4,407	
Incentive fee payable	714	1,073	2,317
Management fee payable	634	1,021	2,200
Payable for unsettled securities purchased	(6,010)	2,095	(86,857)
Interest payable	102	(1,035)	934
Payable to affiliate	80		(394)
Other liabilities	639	151	534
Net cash flows used in operating activities	(40,352)	(212,648)	(316,278)
Cash flows from financing activities			
Contributions	100,040	133,428	195,295
Distributions			(10,249)
Dividends paid	(71,248)	(46,231)	(26,591)
Offering costs paid	(720)	(268)	(11,557)
Proceeds from Holdings Credit Facility	457,978	523,099	336,508
Repayment of Holdings Credit Facility	(443,067)	(445,199)	(267,168)
Proceeds from SLF Credit Facility	23,306	112,993	172,060
Repayment of SLF Credit Facility	(22,900)	(64,659)	(63,068)
Deferred credit facility costs paid	(808)	(3,082)	(4,377)
Net cash flows provided by financing activities	42,581	210,081	320,853

Net increase (decrease) in cash and cash equivalents		2,229		(2,567)		4,575
Cash and cash equivalents at the beginning of the period		12,752		15,319		10,744
Cash and cash equivalents at the end of the period	$	14,981	$	12,752	$	15,319

Supplemental disclosure of cash flow information						
Cash interest paid	$	10,323	$	9,433	$	4,358
Non-cash operating activities:						
Non-cash activity on investments	$	1,986	$		$	
Non-cash financing activities:						
Dividends declared and payable	$		$	11,192	$	
Value of members' capital issued in connection with dividend reinvestment plan		5,084		1,955		
Accrual for offering costs		768		556		
Accrual for deferred credit facility costs		21		46		192

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

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New Mountain Finance Holdings, L.L.C.

Consolidated Schedule of Investments

December 31, 2013

(in thousands, except shares)

Portfolio Company, Location and Industry(1)	Type of Investment	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Members' Capital
Funded Debt Investments Bermuda							
Stratus Technologies Bermuda Holdings Ltd.(4)**							
Stratus Technologies Bermuda Ltd. / Stratus Technologies, Inc.							
Information Technology	First lien(2)(7)	12.00%	3/29/2015	$ 6,497	$6,335	$ 6,529	0.95%
Total Funded Debt Investments Bermuda				$ 6,497	$6,335	$ 6,529	0.95%
Funded Debt Investments Cayman Islands							
Pinnacle Holdco S.à r.l. / Pinnacle (US) Acquisition Co Limited**							