



NEW MOUNTAIN FINANCE
CORPORATION

Q3 2011 Earnings Presentation

November 15, 2011

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Management Participants

Steven B. Klinsky

Chairman of the Board of Directors

Robert A. Hamwee

Chief Executive Officer, President and Director

Adam B. Weinstein

Chief Financial Officer and Treasurer

Q3 2011 Highlights

- Q3 Adjusted Net Investment Income and dividend of \$0.29 per share
 - Paid on September 30, 2011 to holders of record as of September 15, 2011
- September 30, 2011 book value of \$13.32 per share
- Q4 dividend of \$0.30 per share announced
 - Payable on December 30, 2011 to holders of record as of December 15, 2011
- Credit performance remains very strong
 - **No** non-accruals, defaults or credit losses since inception
- Approximately \$148 million of net assets originated in Q3 2011
- IPO proceeds fully deployed and target leverage ratio achieved
- Portfolio continues to be positioned in recession resistant, acyclical industries

Review of NMFC and NMFC Strategy

- NMFC's portfolio is externally managed by New Mountain Finance Advisers BDC, LLC, which is an affiliate of New Mountain Capital, L.L.C. ("New Mountain" or "NMC"), a leading private equity firm with approximately \$9 billion of assets under management⁽¹⁾, over 85 staff members, and a consistent focus on "defensive growth" business building and deep fundamental research
- NMFC's mandate is to primarily target businesses in the middle market that, consistent with New Mountain's private equity platform, are **quality, defensive growth** companies, in industries that are **well-researched** by New Mountain
 - Sustainable, highly differentiated and competitively protected niche
- Mandate achieved by **utilizing existing New Mountain investment team** as primary underwriting resource; team combines operating executives with financial executives
- Targets loan to value ratios typically less than 50% of both sponsor purchase price and NMC valuation

Credit Market Conditions

- Increasingly buyer friendly as credit spreads widened throughout Q3; modest reversal in first half of Q4
- Uncertain economic outlook
- Europe / U.S. fiscal problems
- Supply / demand dynamics
 - Private equity M&A continues to drive supply, but at a slower pace than in Q3
 - Fund-flows have normalized in recent weeks
- NMFC works to be well positioned to capitalize on volatile markets:
 - NMC and NMFC have **always** proactively focused on defensive, acyclical business models
 - Leverage facilities **not** subject to margin calls

Credit Performance

(\$ in millions, unaudited)

	<u>As of September 30, 2011</u>	<u>Cumulative Since Inception⁽¹⁾</u>
Investments (Cost)	\$606.7	\$1,018.8
On Internal Watch List (3 or 4 Rating)⁽²⁾	\$4.3	\$4.3
Non-Accrual	\$0	\$0
Default Loss	\$0	\$0

¹ Since inception of predecessor entity in October 2008 through September 30, 2011

² Determined on a quarterly basis by Management. In addition to various risk management and monitoring tools, NMFC also uses a four-level numeric investment rating system to characterize and monitor the credit profile and expected level of returns on each portfolio investment. Ratings of 1 and 2 indicate the investment is performing above, or in-line, with expectations, respectively. A rating of 3 indicates the investment is performing below expectations and risk has increased since the original investment. A rating of 4 indicates the investment is performing substantially below expectations and risks have increased substantially since the original investment. Where it is determined that an investment is underperforming, or circumstances suggest that the risk associated with a particular investment has significantly increased, a more aggressive monitoring of the affected portfolio company will be undertaken. The \$4.3m refers to the first lien investment in ATI Acquisition Company

Credit Performance – Operating Company (“OpCo”) Portfolio

Portfolio Company ⁽¹⁾	NMFC Leverage Ratio ⁽²⁾		Variance Positive / (Negative)
	At Purchase	Current	
Company A	1.8x	1.5x	0.4x
Company B	2.5x	2.1x	0.4x
Company C	5.0x	3.6x	1.4x
Company D	1.7x	1.0x	0.7x
Company E	3.2x	3.1x	0.1x
Company F	3.0x	3.0x	-
Company G	6.7x	6.2x	0.5x
Company H	4.4x	3.6x	0.7x
Company I	2.5x	2.4x	0.1x
Company J	5.0x	5.1x	(0.1x)
Company K	4.3x	3.0x	1.3x
Company L	2.8x	2.6x	0.2x
Company M	4.8x	4.4x	0.4x
Company N	5.2x	3.1x	2.1x
Company O	4.7x	4.8x	(0.0x)
Company P	3.7x	3.3x	0.4x
Company Q	6.4x	5.5x	0.9x
Company R	5.5x	4.8x	0.7x
Company S	4.6x	4.6x	-
Company T	5.0x	4.6x	0.4x
Company U	4.9x	4.6x	0.4x
Company V	4.5x	5.2x	(0.7x)
Weighted Average ⁽³⁾	4.2x	3.8x	0.3x
Memo: Weighted Average (June 30, 2011)	4.0x	3.8x	0.2x



¹ Current positions with an initial cost greater than \$7.5mm as of September 30, 2011 (represents 85% of OpCo cost and 86% of OpCo fair value)

² Defined as total debt (assuming par for debt senior to our security, purchase price for our security, and no value for debt subordinated to our security) less total cash for the period, divided by the trailing twelve month EBITDA as of the most recently reported fiscal quarter

³ Includes all OpCo assets except equity, revolvers and one portfolio company where EBITDA is not a relevant metric; weighted by cost

Credit Performance – Senior Loan Funding (“SLF”) Portfolio

Portfolio Company ⁽¹⁾	NMFC Leverage Ratio ⁽²⁾		Variance Positive / (Negative)
	At Purchase	Current	
Company W	4.1x	3.7x	0.4x
Company X	3.1x	3.0x	0.1x
Company Y	4.1x	3.9x	0.2x
Company Z	4.3x	4.2x	0.1x
Company AA	3.1x	2.2x	1.0x
Company AB	1.8x	1.4x	0.4x
Company AC	2.2x	1.8x	0.5x
Company AD	1.3x	1.3x	-
Company AE	3.3x	3.3x	(0.0x)
Company AF	3.6x	2.9x	0.7x
Company AG	3.4x	2.9x	0.5x
Company AH	4.2x	4.0x	0.2x
Company AI	4.2x	3.3x	0.9x
Company AJ	5.0x	3.7x	1.3x
Company AK	4.0x	3.3x	0.7x
Company AL	3.2x	3.3x	(0.0x)
Weighted Average ⁽³⁾	3.5x	3.1x	0.4x
Memo: Weighted Average (June 30, 2011)	3.6x	3.3x	0.3x

¹ Current positions with an initial cost greater than \$7.5mm as of September 30, 2011 (represents 89% of SLF cost and 89% of SLF fair value)








² Defined as total debt (assuming par for debt senior to our security, purchase price for our security, and no value for debt subordinated to our security) less total cash for the period, divided by the trailing twelve month EBITDA as of the most recently reported fiscal quarter

³ Includes all SLF assets; weighted by cost

Q3 Originations and Repayments

(\$ in millions)

Portfolio Originations⁽¹⁾

Date ⁽²⁾	Name	Industry	Amount (\$'s Invested)	Tranche Size	Type of Investment	Advance Rate	YTM at Purchase ⁽³⁾	
							Unlevered	Levered
7/13/11		Federal Services	\$14.3	\$875	1 st Lien	67%	8.9%	18.7%
7/29/11		Education	\$9.9 / \$19.7	\$125 / \$65	1 st Lien / 2 nd Lien	67% / 25%	8.4% / 13.2%	18.6% / 15.9%
8/3/11		Information Services	\$15.7	\$115	1 st Lien	67%	9.2%	21.3%
8/5/11 ⁽⁵⁾		Education	\$23.8 / \$4.8 / \$2.4	\$24 / \$73 / \$58	2 nd Lien / 1 st Lien / Equity	45% / 67% / 0%	13.0% / 7.4% / N/A	20.3% / 15.5% / N/A
8/8/11 ⁽⁵⁾		Logistics	\$19.5	\$40	2 nd Lien	45%	12.3%	19.3%
8/17/11		Healthcare Services	\$9.6 /	\$615 /	1 st Lien / Subordinated	67% / 25%	8.8% / 11.9%	20.5% / 14.4%
8/16/11			\$4.9	\$400				
8/26/11		Healthcare Products	\$24.0	\$145	2 nd Lien	25%	15.4%	19.4%
	Other		\$11.3		Q2 2011		OpCo-13.1% /	OpCo-17.6% /
	Total Originations		\$159.9		\$130.7		SLF-8.8%⁽⁴⁾	SLF-19.8%⁽⁴⁾
	Repayments		(\$11.5)		(\$42.2)			
	Net Originations		\$148.4		\$88.5			
	Sales		(\$18.5)		(\$10.3)			
	Net Originations less Sales		\$129.9		\$78.2			

¹ Origination commitments over \$7.5m shown, originations less than \$7.5m included in "Other"; excludes U.S. Treasury bill and Immucor bridge

² Date of commitment

³ Assumes that investments are purchased at purchase price on settlement date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. The actual yield to maturity may be higher or lower due to the future selection of LIBOR contracts by the individual companies in our portfolio or other factors. See "Important Notice and Safe Harbor Statement."

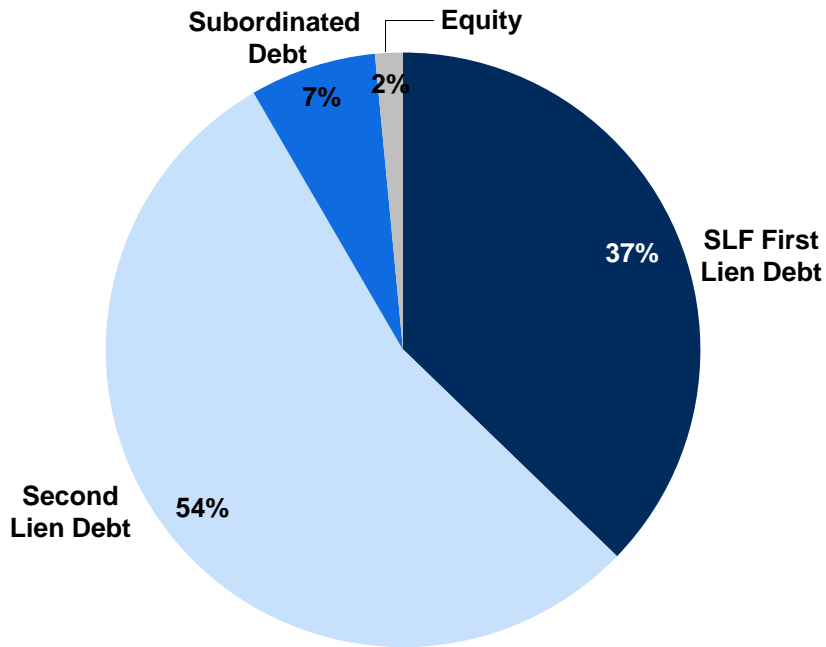
⁴ Weighted average YTM

⁵ Committed to in Q3 2011 but not funded until Q4 2011; Transplace and Global Knowledge funded on October 12, 2011 and October 24, 2011, respectively

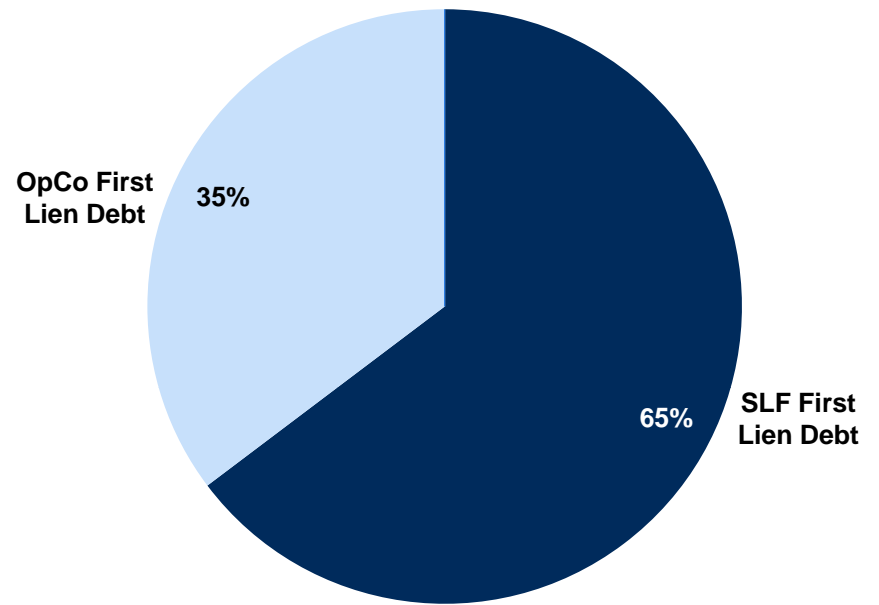


Q3 Originations and Repayments

Originations by Type⁽¹⁾



Sales / Repayments by Type⁽¹⁾






¹ By \$s invested / \$s received at time of origination / sale / repayment

Investment Activity Since Quarter End

(\$ in millions)

Portfolio Originations⁽¹⁾

Date ⁽²⁾	Name	Industry	Amount (\$'s Invested)	Tranche Size	Type of Investment	Advance Rate	YTM at Purchase ⁽³⁾	
							Unlevered	Levered
10/18/11	 TRIPLE POINT	Software	\$13.9	\$165	1 st Lien	67%	9.5%	23.6%
10/19/11	 Renaissance Learning	Education	\$19.0	\$75	2 nd Lien	25%	14.4%	17.9%
10/26/11	 OPENLINK	Software	\$14.7	\$340	1 st Lien	67%	8.8%	18.6%
	Other		\$8.6				OpCo–12.3%/	OpCo–18.2%/
	Total Originations		\$56.2				SLF–9.5%⁽⁴⁾	SLF–23.6%⁽⁴⁾
	Repayments		(\$1.7)					
	Net Originations		\$54.5					
	Sales		(\$16.9)					
	Net Originations less Sales		\$37.6					

Investment Pipeline

- \$50 million of potential investments in near-term pipeline
- Over \$100 million additional in earlier-stage pipeline

¹ Origination commitments over \$7.5m shown, originations less than \$7.5m included in "Other"; excludes U.S. Treasury bill

² Date of commitment

³ Assumes that investments are purchased at purchase price on settlement date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. The actual yield to maturity may be higher or lower due to the future selection of LIBOR contracts by the individual companies in our portfolio or other factors. See "Important Notice and Safe Harbor Statement."

⁴ Weighted average YTM

Investment Activity Bridge

(\$ in millions, unaudited)⁽¹⁾

Portfolio Bridge

Cash & Debt Bridge

			Available Cash & Equivalents ⁽⁴⁾	Debt	Total Fundings (Cash + Debt)
June 30, 2011 Portfolio	\$544	June 30, 2011	\$45	\$161	
Plus: Q3 2011 Net Originations Less Sales	130				
Less: Q3 2011 Originations Not Funded in Q3 2011 ⁽²⁾	(50)				
Less: Q3 2011 Adj. Net Change in Unrealized Depreciation of Investments	(20)				
Plus: Q3 2011 Accretion of Discount, Realized Gain, PIK ⁽³⁾	1				
Total Q3 2011 Change	60	Total Q3 2011 Change	(18)	63	81
September 30, 2011 Portfolio	\$604	September 30, 2011	\$27	\$225	
Plus: Q3 2011 Originations Funded Post Q3 2011 ⁽²⁾	50				
Plus: Post Q3 2011 Net Originations Less Sales	38				
Total Post Q3 2011 Change	88	Total Post Q3 2011 Change	(24)	64	88
Current Portfolio	\$692	Current	\$3	\$289	
		Pro Forma Debt / September 30, 2011 Equity		0.70x	

- Currently exploring options to raise additional equity capital, which will not be priced below current book value



¹ Numbers may not add due to rounding

² Includes Global Knowledge and Transplace, which were committed to in Q3 2011 but not funded until Q4 2011

³ Includes adjusted accretion of discount of \$0.5m, adjusted realized gain of \$0.0m, and PIK of \$0.2m

⁴ Cash & equivalents plus receivable from unsettled securities sold plus interest receivable less net current liabilities less Q2 dividend for the June 30, 2011 period

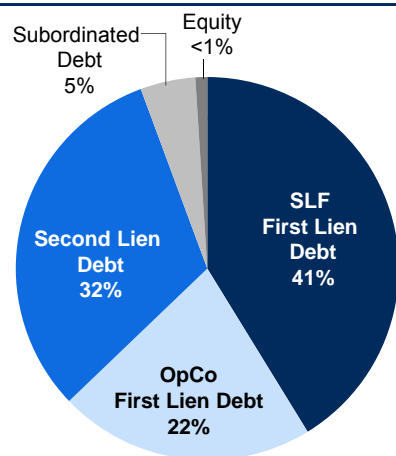
Investment Portfolio Review

(unaudited)

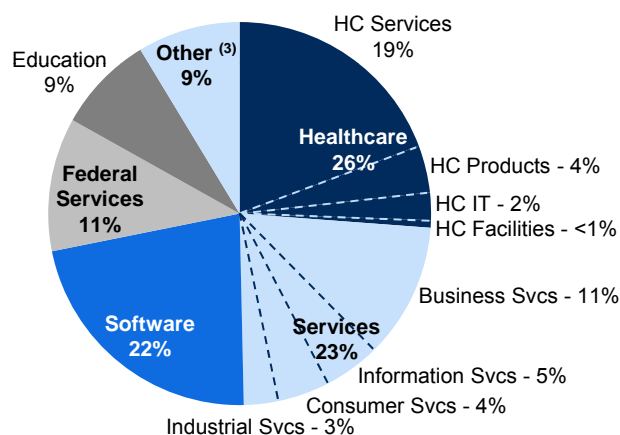
	As of September 30, 2011	As of June 30, 2011
Fair Value	\$604 million	\$544 million
Unadjusted / Adjusted YTM ⁽¹⁾	10.9% / 14.0%	10.4% / 12.7%
# of Portfolio Companies	50	47
Middle Market Focus	79% Portfolio Companies < \$100m EBITDA ⁽²⁾ ; 84% Facilities < \$300 million	80% Portfolio Companies < \$100m EBITDA ⁽²⁾ ; 85% Facilities < \$300 million

Fair Value as of September 30, 2011

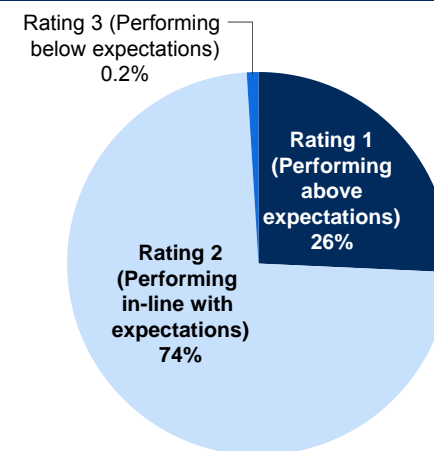
By Type of Investment



By Industry



By Rating



¹ References to "Adjusted Yield to Maturity" assume that the investments in our portfolio as of a certain date, the "Portfolio Date", are purchased at fair value on that date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. This calculation excludes the impact of existing leverage, except for the non-recourse debt of SLF. SLF is treated as a fully levered asset of the operating company, with SLF's net asset value being included for yield calculation purposes. The actual yield to maturity may be higher or lower due to the future selection of LIBOR contracts by the individual companies in our portfolio or other factors. See "Important Notice and Safe Harbor Statement." References to "Unadjusted Yield to Maturity" have the same assumptions as Adjusted Yield to Maturity except that SLF is not treated as a fully levered asset of the operating company, but rather the assets themselves are consolidated into the operating company

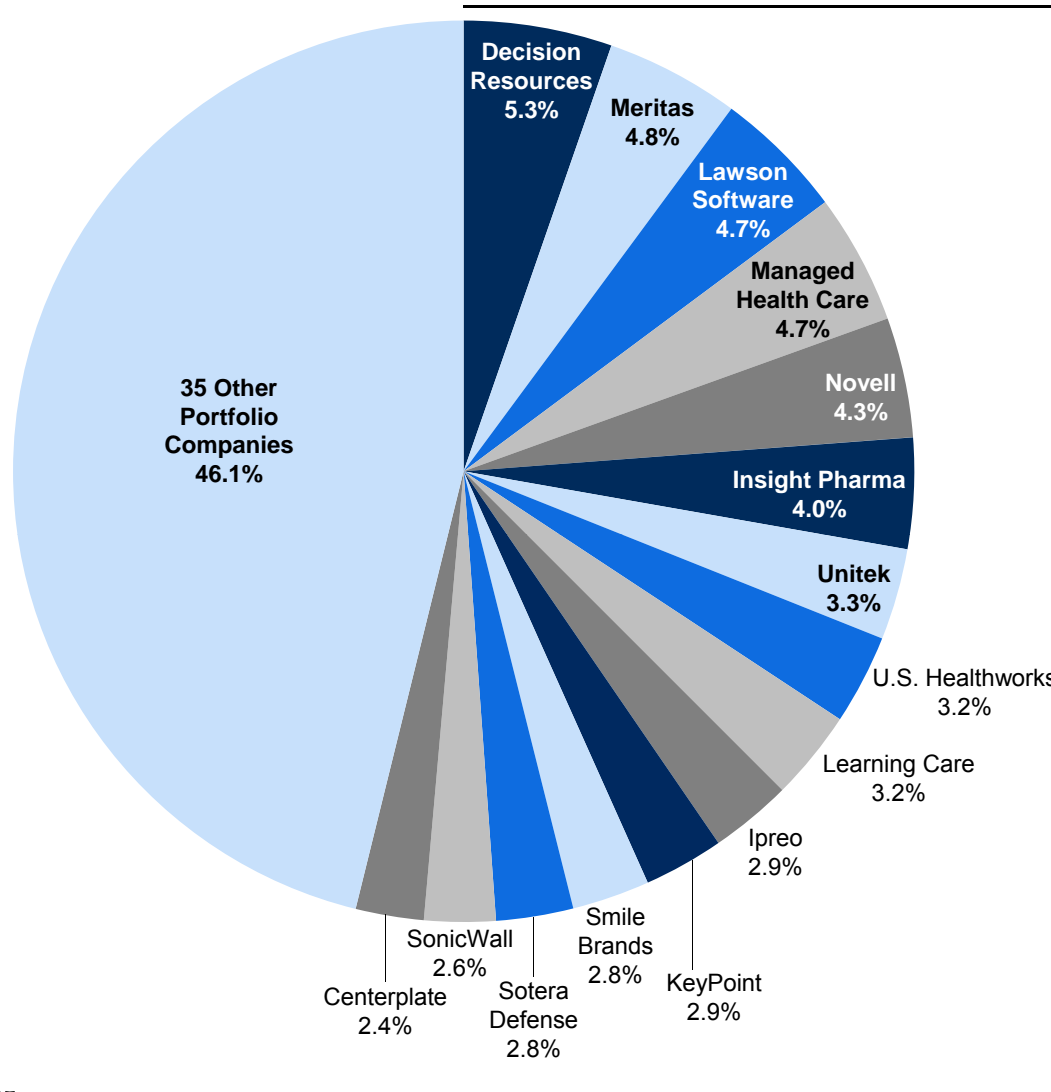
² LTM EBITDA at the time of investment, weighted by fair value

³ Includes 2% telecommunication, 2% media, 2% specialty chemicals and materials, 1% power generation, 1% information technology, and 1% logistics



Investment Portfolio Review – As of September 30, 2011

Portfolio Names By Fair Value



Top 15 portfolio companies represent \$325.5 million, or 53.9%, of consolidated investments

Memo:
As of June 30, 2011, top 15 portfolio companies represented \$306.4 million, or 56.3%, of consolidated investments

Net Asset Value – As of September 30, 2011

(\$ in millions, unaudited)

Net Asset Value ⁽¹⁾

Unconsolidated		Consolidated	
OpCo Portfolio	\$352.9	Portfolio	\$604.3
SLF Equity	84.8	Cash & Equivalents	18.4
Cash & Equivalents	18.4	Other Assets ⁽²⁾	18.9
Other Assets ⁽²⁾	18.9		
Total Assets	475.0	Total Assets	641.6
Less: OpCo Debt	(57.9)	Less: Total Debt	(224.5)
Less: Other Liabilities ⁽³⁾	(5.2)	Less: Other Liabilities ⁽³⁾	(5.2)
NAV	\$411.9	NAV	\$411.9
Shares Outstanding	30.9	Debt / Equity	0.55x
NAV / Share	\$13.32		
Memo: NAV / Share at June 30, 2011 ⁽⁴⁾	\$13.98	Memo: Debt / Equity at June 30, 2011	0.37x

¹ Financials for OpCo unless otherwise noted

² Includes receivable from unsettled securities sold of \$6.8m, interest receivable of \$6.8m, deferred credit facility costs of \$3.8m, and other assets of \$1.5m

³ Includes management fee payable of \$2.0m, incentive fee payable of \$0.7m, interest payable of \$1.2m, and other liabilities of \$1.3m

⁴ Q2 NAV share adjusted for payment of Q2 dividend

OpCo Adjusted Consolidated Income Statement

(\$ in millions, unaudited)⁽¹⁾

	Three Months Ended September 30, 2011	Adjustments ⁽²⁾	Adjusted Three Months Ended September 30, 2011	Adjusted Three Months Ended June 30, 2011
Investment income				
Interest income	\$14.9	(\$1.2)	\$13.7	\$11.7
Other income	0.2		0.2	0.3
Total investment income	<u>15.1</u>	<u>(1.2)</u>	<u>13.9</u>	<u>12.0</u>
Expenses				
Interest and other credit facility expenses	1.7		1.7	1.5
Management fee	1.9		1.9	0.8
Incentive fee	0.7		0.7	0.5
Professional fees (net of reimbursable expenses of \$816,530)	0.1		0.1	0.5
Administrative expenses (net of reimbursable expenses of \$218,396)	0.3		0.3	0.1
Other general and administrative expenses	0.4		0.4	0.2
Total expenses	<u>5.1</u>		<u>5.1</u>	<u>3.6</u>
Net investment income	10.0	(1.2)	8.8	8.4
Realized gains on investments	1.4	(1.4)	0.0	(0.4)
Net change in unrealized (depreciation) appreciation of investments	<u>(22.7)</u>	2.6	<u>(20.1)</u>	<u>0.6</u>
Net decrease in capital resulting from operations	<u>(\$11.3)</u>	-	<u>(\$11.3)</u>	<u>\$8.7</u>
Dividend per share (Based on Adjusted NII)			0.29	\$0.27

Note:

SLF investment income	\$4.6			\$3.8
SLF expenses	<u>(1.6)</u>			<u>(1.3)</u>
Net SLF investment income	<u>\$3.0</u>			<u>\$2.5</u>

¹ Numbers may not add due to rounding; adjustments sum to zero

² Under GAAP, NMFC's IPO did not step-up the cost basis of the Company's existing investments to fair market value at the IPO date. Since the total value of the 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, as well as different amounts in realized gain and unrealized appreciation, may be recognized under GAAP in each period than if the step-up had occurred. The Company tracks the transferred (or fair market) value of each of its investments as of the time of the IPO and, for purposes of the incentive fee calculation, adjusts Pre-Incentive Fee Net Investment Income to reflect the amortization of purchase or original issue discount on our investments as if each investment was purchased at the date of the IPO, or stepped up to fair market value. The Company also uses the transferred (or fair market) value of each of its investments as of the time of the IPO to adjust capital gains or losses and unrealized capital depreciation

Dividend – Q4 2011

(\$ in millions, unaudited)

	June 30, 2011	September 30, 2011	Estimated December 31, 2011
Net Asset Value	\$440.6	\$411.9	
NAV / Share ⁽¹⁾	\$13.98	\$13.32	
Hurdle Rate	\$8.6	\$8.8	\$8.2
Catch-up	2.2	2.2	2.1
Total	10.8	11.0	10.3
Pre-Incentive Fee Adjusted NII	\$8.9	\$9.5	\$11.4 - \$11.8
Quarter Over Quarter Change		6.4%	19.9% - 23.9%
Adjusted NII	\$8.4	\$8.8	\$9.1 - \$9.4
Adjusted NII / Share	\$0.27	\$0.29	\$0.30

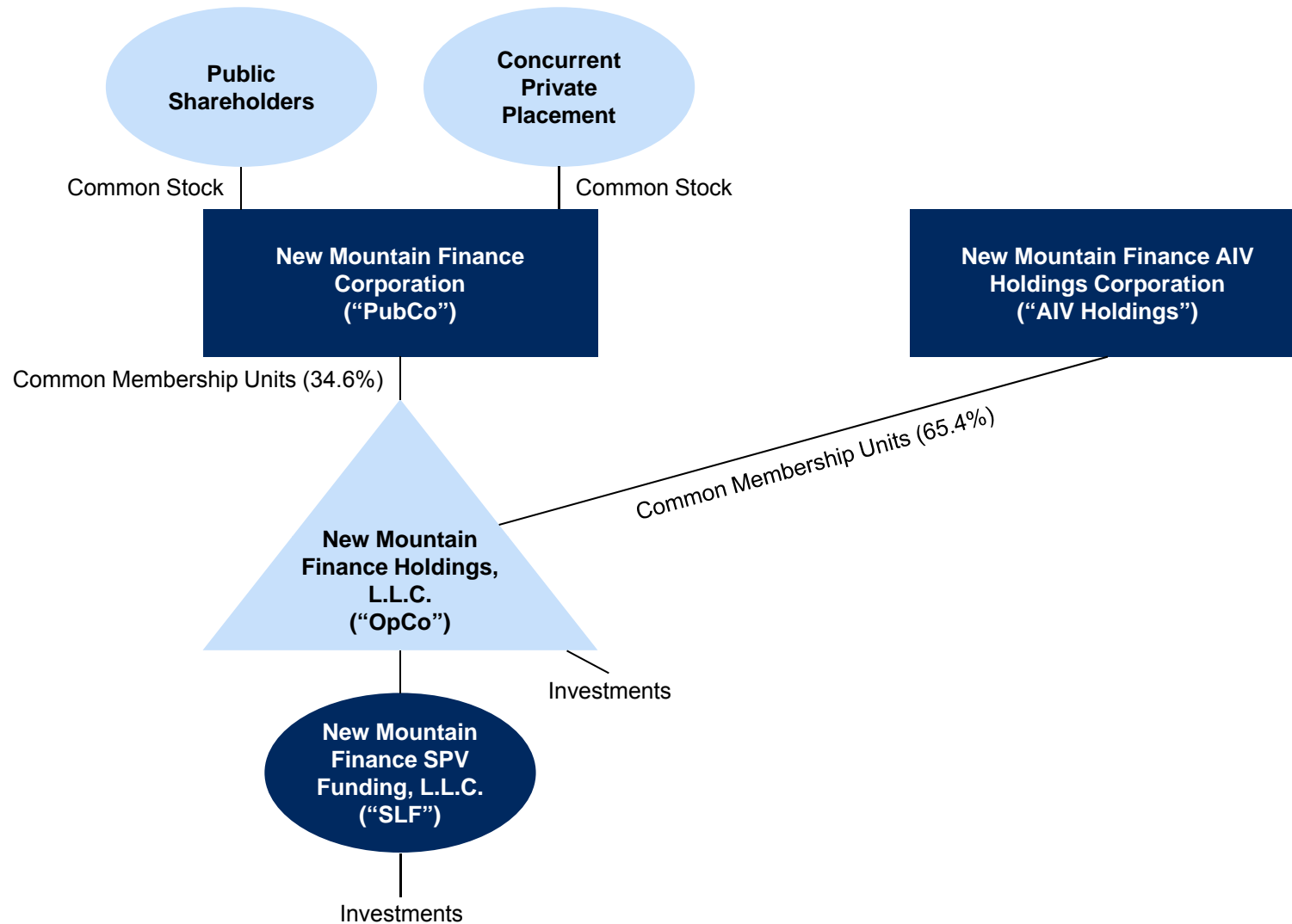
We believe our Q4 2011 Pre-Incentive Fee Adjusted NII will be in the \$11.4 - \$11.8 million range and therefore our board of directors has declared a fourth quarter dividend of \$0.30 per share





**NEW MOUNTAIN FINANCE
CORPORATION**

Appendix A: Structure Chart



Appendix B: Adjusted Consolidated Income Statement

(\$ in millions, unaudited)⁽¹⁾

	OpCo		PubCo	
	Three Months Ended September 30, 2011		Three Months Ended September 30, 2011	Adjusted Three Months Ended September 30, 2011
Investment income				
Interest income	\$14.9		\$5.1	(\$0.4)
Other income	0.2		0.1	0.1
Total investment income	15.1		5.2	(0.4)
Expenses				
Interest and other credit facility expenses	1.7		0.6	0.6
Management fee	1.9		0.7	0.7
Incentive fee	0.7		0.2	0.2
Professional fees	0.1		0.0	0.0
Administrative expenses	0.3		0.1	0.1
Other general and administrative expenses	0.4		0.1	0.1
Total expenses	5.1		1.8	1.8
Net investment income	10.0		3.5	(0.4)
Realized gains on investments	1.4		0.5	(0.5)
Net change in unrealized (depreciation) appreciation of investments	(22.7)		(7.8)	0.9
Net increase in capital resulting from operations	(\$11.3)		(\$3.9)	-
Dividend per Share				\$0.29

34.6%
PubCo
Ownership

¹ Numbers may not add due to rounding; adjustments sum to zero

² Under GAAP, NMFC's IPO did not step-up the cost basis of the Company's existing investments to fair market value at the IPO date. Since the total value of the 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, as well as different amounts in realized gain and unrealized appreciation, may be recognized under GAAP in each period than if the step-up had occurred. The Company tracks the transferred (or fair market) value of each of its investments as of the time of the IPO and, for purposes of the incentive fee calculation, adjusts Pre-Incentive Fee Net Investment Income to reflect the amortization of purchase or original issue discount on our investments as if each investment was purchased at the date of the IPO, or stepped up to fair market value. The Company also uses the transferred (or fair market) value of each of its investments as of the time of the IPO to adjust capital gains or losses and unrealized capital depreciation