



NEW MOUNTAIN FINANCE  
CORPORATION

January 15, 2015

Dear New Mountain Finance Corporation (“NMFC”) Shareholders:

As a result of the 2014 cash distribution to NMFC shareholders, the Internal Revenue Service requires us to provide you with the attached Form 8937, *Report of Organizational Actions Affecting Basis of Securities*, as a portion of the cash distributions may affect your tax basis in NMFC stock.

The information provided on the Form 8937 is not final and you will be separately receiving a 2014 Form 1099-DIV which will reflect the tax characteristics of the distribution to be reported on your income tax return. Form 1099-DIV will be sent to you at the end of January 2015.

For any questions regarding your income taxes, please consult a professional tax advisor.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Cordova'.

David M. Cordova  
Chief Financial Officer and Treasurer

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

### Part I Reporting Issuer

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
NEW MOUNTAIN FINANCE CORPORATION		27-2978010	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
DAVID CORDOVA	212-720-0300	dcordova@newmountaincapital.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and Zip code of contact	
787 SEVENTH AVENUE, 48TH FLOOR		NEW YORK, NY 10019	
<b>8</b> Date of action		<b>9</b> Classification and description	
VARIOUS		COMMON STOCK	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
		NMFC	

### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ New Mountain Finance Corporation ("NMFC") made distributions totaling \$77,612,251.02 to its common shareholders. The distribution dates are listed as follows-

March 31, 2014

June 30, 2014

September 3, 2014

September 30, 2014

December 30, 2014

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**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ NMFC has concluded that the company does not have sufficient current or accumulated Earnings and Profits ("E&P") to cover the entire amount of the dividend distributions. As a result, approximately \$229,758.45 of the total distributions will be treated as a return of capital.

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**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Please refer to Part II, item 15 above.

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**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
In calculating NMFC's E&P, IRC Sec. 312 was applied. In determining the impact of the distributions on the shareholder's basis, IRC Sec. 301(c)(2) is applicable.

18 Can any resulting loss be recognized? ▶ No loss will be recognized as a result of the dividend distributions.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶  
The reportable tax year is 2014 and a corrected return will be filed after final earnings and profits amounts are determined.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ DC Date ▶ 11/8/15

Print your name ▶ DAVID CORDOVA Title ▶ CFO

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
ERIC BYRNES	<u>E. Byrnes</u>	01/08/2015		P01219832
Firm's name ▶	Firm's EIN ▶		Phone no.	
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