



NEW MOUNTAIN FINANCE
CORPORATION

Q4 2012 Earnings Presentation

March 7, 2013

Important Notice and Safe Harbor Statement

This presentation contains forward looking statements that involve substantial risks and uncertainties. All forward-looking statements included in this presentation are made only as of the date hereof and are subject to change without notice. Actual outcomes and results could differ materially from those suggested by this presentation due to the impact of many factors beyond the control of New Mountain Finance Corporation (“NMFC”) and its operating company, including those listed in the "Risk Factors" section of our filings with the U.S. Securities and Exchange Commission (“SEC”). Any such forward-looking statements are made pursuant to the safe harbor provisions available under applicable securities laws and NMFC assumes no obligation to update or revise any such forward-looking statements unless required by law.

Certain information discussed in this presentation (including information relating to portfolio companies) was derived from third party sources and has not been independently verified and, accordingly, NMFC makes no representation or warranty with respect to this information.

The following slides contain summaries of certain financial and statistical information about NMFC and its operating company. The information contained in this presentation is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. We undertake no duty or obligation to publicly update or revise the information contained in this presentation unless required by law. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. You should not view the past performance of NMFC, or information about the market, as indicative of NMFC’s and its operating company’s future results. The performance data stated herein may have been due to extraordinary market conditions, which may not be duplicated in the future. Current performance may be lower or higher than the performance data quoted. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of NMFC.



Management Participants

Steven B. Klinsky

Chairman of the Board of Directors

Robert A. Hamwee

Chief Executive Officer, President and Director

David M. Cordova

Chief Financial Officer and Treasurer



Q4 2012 and Annual Highlights

- Q4 Adjusted Net Investment Income (“NII”) of \$0.36 per weighted average share, above our expected range of \$0.33 - \$0.35
 - Q4 dividend of \$0.34 per share paid on December 28, 2012
 - Special dividend of \$0.14 per share paid on January 31, 2013
- 2012 total Adjusted NII of \$1.36 per weighted average share and total dividends of \$1.71 per share
 - Total 2012 dividends comprised of \$1.34 of regular and \$0.37 of special dividends per share
- December 31, 2012 book value of \$14.06 per share, a decrease of \$0.04 per share from the September 30, 2012 book value of \$14.10 per share (increase of \$0.10 per share prior to the declaration of the special dividend), and an increase of \$0.46 per share from the December 31, 2011 book value of \$13.60 per share
- Q1 2013 regular dividend of \$0.34 per share announced
 - Payable on March 28, 2013 to holders of record as of March 15, 2013
- Credit performance remains very strong
- Approximately \$266.7 million of gross and \$158.0 million of net assets originated in Q4 2012, and approximately \$673.2 million of gross and \$373.6 million of net assets originated in 2012
- On December 7, 2012, NMFC completed a primary offering of 3.6 million shares (including over-allotment) of its common stock at a public offering price of \$14.80 per share for total gross proceeds of ~\$52.8 million
- Portfolio continues to be positioned in recession resistant, acyclical industries



Review of NMFC and NMFC Strategy

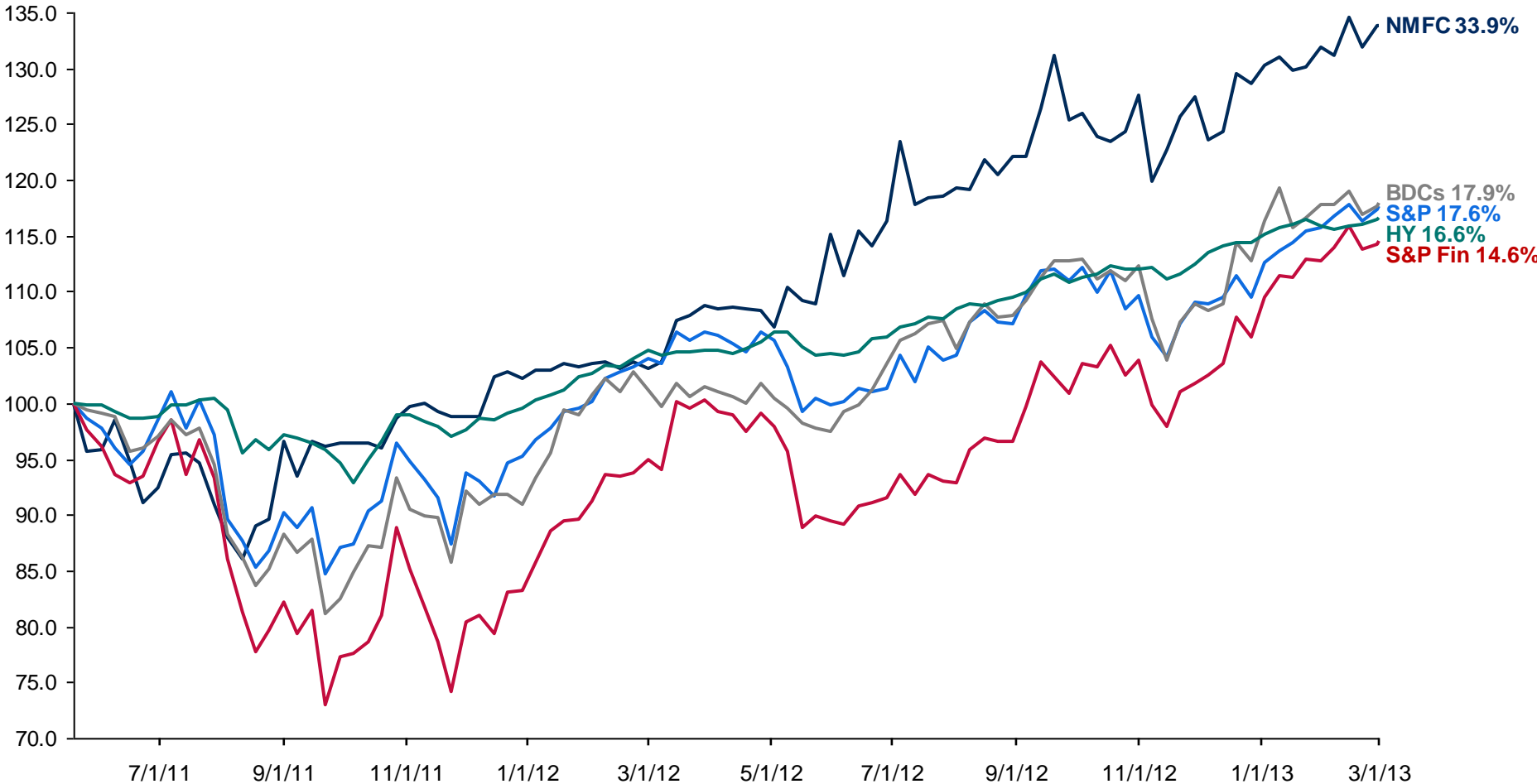
- NMFC's portfolio is externally managed by New Mountain Finance Advisers BDC, L.L.C., which is an affiliate of New Mountain Capital, L.L.C. ("New Mountain" or "NMC"), a leading private equity firm with approximately \$9 billion of assets under management⁽¹⁾, approximately 100 staff members, and a consistent 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
- Target loan to value ratios typically average less than 50% of both sponsor purchase price and NMC valuation



NMFC Relative Trading Performance – Indexed Total Return

May 19, 2011 (IPO) – March 1, 2013

Indexed Total Return



— NMFC — S&P 500 — S&P 500 Financials — BDC Index⁽¹⁾ — High Yield Index

Source: Capital IQ, Credit Suisse Research & Analytics
¹ BDC Index includes median of Ares, Apollo, Prospect, Solar, Fifth Street, Blackrock Kelso, Pennant Park, MVC, Golub, THL Credit, Gladstone, Medley, Solar Senior and Horizon Technology; equal-weighted



Credit Market Conditions

- Significant rally in credit since the beginning of the year
 - Dearth of supply from new issuers
 - Expectation of low base rates for an extended period
 - Strong demand particularly from rapidly expanding CLO new issues
 - Stabilization of global economic data
 - Continued equity market strength
- 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 12/31/2012</u>	<u>Cumulative Since Inception⁽¹⁾</u> <u>(October 2008 – December 31, 2012)</u>
	<u>Cost</u> / <u>FMV</u>	<u>Cost</u>
Investments	\$976.2 / \$989.8	\$1,831.2
On Internal Watch List (3 or 4 Rating, excl. Non-Accrual)⁽²⁾	\$14.6 / \$10.3	\$20.5
Non-Accrual⁽³⁾	\$5.9 / \$0.8	\$5.9
Default Loss	\$0 / \$0	\$0

¹ Since inception of predecessor entity in 10/2008 through 12/31/2012

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 materially above, or materially in-line, with expectations, respectively. All new loans are rated 2 when approved. A rating of 3 indicates the investment is performing materially below expectations and risk has increased materially 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. Payments may be delinquent. There is a meaningful possibility that we will not recoup our original cost basis in the investment and may realize a substantial loss upon exit. 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

³ The \$5.9m, at cost, refers to the first lien investments in ATI Acquisition Company



Credit Performance – Operating Company (“OpCo”) Portfolio

Portfolio Company ⁽¹⁾	NMFC Leverage Ratio ⁽²⁾		Variance
	At Purchase	Current	Positive / (Negative)
Company A	6.0x	5.9x	0.1x
Company B	5.7x	5.7x	-
Company C	4.8x	4.6x	0.2x
Company D	3.1x	2.3x	0.8x
Company E	4.3x	2.6x	1.7x
Company F	6.3x	6.3x	-
Company G	1.8x	1.1x	0.7x
Company H	5.9x	5.9x	0.1x
Company I	5.3x	5.3x	-
Company J	6.7x	6.1x	0.6x
Company K	2.0x	2.0x	-
Company L	5.5x	5.5x	-
Company M	4.7x	4.7x	-
Company N	2.5x	2.9x	(0.3x)
Company O	3.7x	3.9x	(0.2x)
Company P	5.9x	5.9x	-
Company Q	5.1x	5.0x	0.2x
Company R	4.5x	4.0x	0.6x
Company S	6.8x	6.8x	-
Company T	5.1x	5.0x	0.1x
Company U	3.2x	3.3x	(0.1x)
Company V	1.5x	1.6x	(0.1x)
Company W	4.9x	3.9x	1.0x
Company X	5.9x	5.9x	-
Company Y	4.8x	4.8x	-
Company Z	3.4x	3.0x	0.4x
Company AA	4.6x	5.0x	(0.4x)
Company AB	5.0x	3.8x	1.2x
Company AC	3.3x	3.3x	0.0x
Company AD	3.7x	3.7x	-
Company AE	3.3x	3.5x	(0.2x)
Company AF	5.8x	5.8x	-
Company AG	4.1x	4.1x	-
Weighted Average (12/31/2012)⁽³⁾	4.5x	4.4x	0.1x
Memo: Weighted Average (9/30/2012)	4.0x	3.8x	0.2x
Memo: Weighted Average (6/30/2012)	4.0x	3.7x	0.3x
Memo: Weighted Average (3/31/2012)	4.1x	3.7x	0.4x

¹ Current positions with an initial cost greater than \$7.5mm as of 12/31/2012 (represents 90% of OpCo cost and 89% 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 third calendar quarter of 2012, if available, or otherwise, the most recently reported fiscal quarter

³ Includes all OpCo assets not on non-accrual 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 AH	4.2x	4.2x	-
Company AI	3.2x	6.3x	(3.0x)
Company AJ	4.1x	4.3x	(0.1x)
Company AK	2.4x	1.0x	1.5x
Company AL	3.5x	3.2x	0.3x
Company AM	1.6x	1.5x	0.1x
Company AN	2.3x	2.3x	0.1x
Company AO	4.0x	3.7x	0.3x
Company AP	4.1x	4.1x	(0.0x)
Company AQ	3.8x	3.6x	0.2x
Company AR	2.7x	2.6x	0.2x
Company AS	3.8x	3.8x	(0.0x)
Company AT	3.2x	2.8x	0.4x
Company AU	3.1x	2.7x	0.4x
Company AV	3.3x	2.9x	0.4x
Company AW	4.3x	3.4x	0.9x
Company AX	3.8x	3.4x	0.4x
Company AY	4.1x	4.4x	(0.4x)
Company AZ	3.5x	3.5x	0.1x
Weighted Average (12/31/2012)⁽³⁾	3.5x	3.4x	0.1x
Memo: Weighted Average (9/30/2012)	3.5x	3.2x	0.2x
Memo: Weighted Average (6/30/2012)	3.3x	3.1x	0.2x
Memo: Weighted Average (3/31/2012)	3.3x	3.0x	0.3x

¹ Current positions with an initial cost greater than \$7.5mm as of 12/31/2012 (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 third calendar quarter of 2012, if available, or otherwise, the most recently reported fiscal quarter

³ Includes all SLF assets; weighted by cost



Share Ownership Migration

(shares in millions)

	<u>IPO - May-11</u>	<u>Primary Offering - Jul-12</u>		<u>Secondary Offering - Sep-12</u>		<u>Primary Offering - Dec-12</u>	
	<u>Issuances</u>	<u>Issuances</u>	<u>Cumulative</u>	<u>Issuances</u>	<u>Cumulative</u>	<u>Issuances</u>	<u>Cumulative</u>
Public Shares ("PubCo")	10.7	5.9 ⁽¹⁾	16.6	4.1 ⁽²⁾	20.7	3.6 ⁽¹⁾⁽²⁾	24.3
<i>% of Total</i>	34.6%		45.1%		56.1%		60.0%
NMC Fund Shares ("AIV Holdings")	20.2	-	20.2	(4.0)	16.2	-	16.2
<i>% of Total</i>	65.4%		54.9%		43.9%		40.0%
Total Shares	30.9	5.9	36.8	0.1	36.9	3.6	40.5

Since IPO, NMFC's public float has more than doubled, from 10.7 million to 24.3 million shares, which represents 60% of the total shares



¹ Includes shares issued in connection with overallotment option

² Includes shares issued in connection with dividend reinvestment program

Performance Since IPO

(\$ in millions, unaudited)⁽¹⁾

	IPO ⁽²⁾						
	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012
Regular Dividend	\$8.3	\$9.0	\$9.3	\$9.9	\$10.5	\$12.6	\$13.8
Cumulative Regular Dividend	8.3	17.3	26.6	36.5	47.0	59.5	73.3
Adj. NII	8.4	8.8	9.3	9.8	10.9	11.9	13.6
Cumulative Adj. NII	8.4	17.2	26.5	36.3	47.2	59.1	72.7
Dividend Coverage (Cumulative Adj. NII / Dividend)	101%	100%	100%	100%	100%	99%	99%

Adj. Realized Gains	\$0.1	\$0.2	\$1.3	\$0.9	\$8.3	\$1.7	\$3.0
Adj. Realized Credit & Other Losses	(0.3)	(0.2)	(0.3)	(0.6)	(0.8)	(0.3)	(0.3)
Total Adj. Realized Gains / (Losses)	(0.2)	0.0	1.1	0.3	7.5	1.4	2.7
Cumulative Adj. Realized Gains / (Losses)	(0.2)	(0.2)	0.9	1.2	8.6	10.1	12.8
Adj. Change in Unrealized Appreciation	3.4	1.9	11.8	16.4	4.2	13.4	12.5
Adj. Change in Unrealized Depreciation	(1.9)	(22.0)	(4.2)	(1.9)	(11.4)	(1.9)	(10.8)
Total Adj. Change in Unrealized Appreciation / (Depreciation)	1.4	(20.1)	7.5	14.5	(7.2)	11.5	1.6
Cumulative Adj. Change in Unrealized Appreciation / (Depreciation)	1.4	(18.6)	(11.1)	3.4	(3.8)	7.7	9.3
Cumulative Net Realized & Unrealized Values	\$1.3	(\$18.8)	(\$10.2)	\$4.6	\$4.8	\$17.7	\$22.0











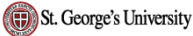



¹ Numbers may not add due to rounding; see footnote 2 on p.21 for "Adjustments"

² NMFC priced its initial public offering on 5/19/2011. Breakouts between realized and unrealized gain/(loss) amounts reflect estimates from the period from May 19, 2011 to June 30, 2011

Q4 Originations and Repayments

(\$ in millions, unaudited)

Portfolio Originations⁽¹⁾

Date ⁽²⁾	Name	Industry	Amount (\$'s Invested)	Tranche Size	Type of Investment	Advance Rate	YTM at Purchase ⁽³⁾	
							Unlevered	Levered
10/2/12	 TRAVSTAR	Distribution	\$27.8	\$140	2 nd Lien	25%	10.8%	13.2%
10/11/12	 FIRST AMERICAN PAYMENT SYSTEMS	Business Services	\$24.5	\$125	2 nd Lien	25%	11.9%	14.8%
10/19/12	 LANDMARK AVIATION	Business Services	\$19.7	\$130	2 nd Lien	25%	10.5%	12.8%
10/26/12	 Insight Global A Staffing Services Company	Business Services	\$14.9	\$130	2 nd Lien	25%	11.3%	13.8%
10/26/12	 KRONOS	Software	\$29.7	\$690	2 nd Lien	25%	10.6%	12.9%
11/8/12	 SEGUROS CONFIE	Consumer Services	\$7.8	\$110	2 nd Lien	25%	11.3%	13.3%
11/8/12	 KEYPOINT ENTERPRISE SOLUTIONS	Federal Services	\$29.3	\$150	1 st Lien	67% ⁽⁴⁾	8.1%	18.5%
12/10/12	 PRA	Healthcare Services	\$29.4	\$135	2 nd Lien	25%	11.7%	14.4%
12/14/12	 St. George's University	Education	\$24.5	\$250	1 st Lien	70%	9.3%	24.6%
12/20/12	 ADERANT	Software	\$22.2	\$75	2 nd Lien	25%	11.0%	13.5%
12/20/12	 ascensus SM	Business Services	\$16.7	\$175	1 st Lien	70%	8.9%	24.6%
12/20/12	 TRANSFIRST	Business Services	\$9.7	\$225	2 nd Lien	25%	12.5%	15.6%
	Other		\$10.5				9.2%	14.2%
Total			\$266.7				Non-SLF: 11.1% / SLF: 8.7%⁽⁵⁾	Non-SLF: 13.6% / SLF: 21.8%⁽⁵⁾



¹ Origination commitments over \$7.5m shown, originations less than \$7.5m included in "Other"; excludes PIK, revolvers, and bridges

² Date of commitment; where multiple trade dates, the first trade date is listed

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 During Q4 2012, the advance rate on first-lien assets was increased from 67% to 70%.

⁵ Weighted average YTM; SLF eligible includes all assets with 70% advance rate

Originations and Repayments (continued)

(\$ in millions, unaudited)

Quarterly Portfolio Originations (\$'s Invested)

	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011 ⁽¹⁾
Total Originations	\$266.7	\$173.4	\$126.4	\$106.7	\$88.7	\$159.9	\$130.7
Repayments	(\$108.7)	(\$63.6)	(\$104.4)	(\$22.9)	(\$32.8)	(\$11.5)	(\$42.2)
Net Originations	\$158.0	\$109.8	\$22.0	\$83.8	\$55.9	\$148.4	\$88.5
Sales	(\$46.8)	(\$1.0)	(\$26.4)	(\$48.8)	(\$16.9)	(\$18.5)	(\$10.3)
Net Originations less Sales	\$111.2	\$108.8	(\$4.4)	\$35.0	\$39.0	\$129.9	\$78.2

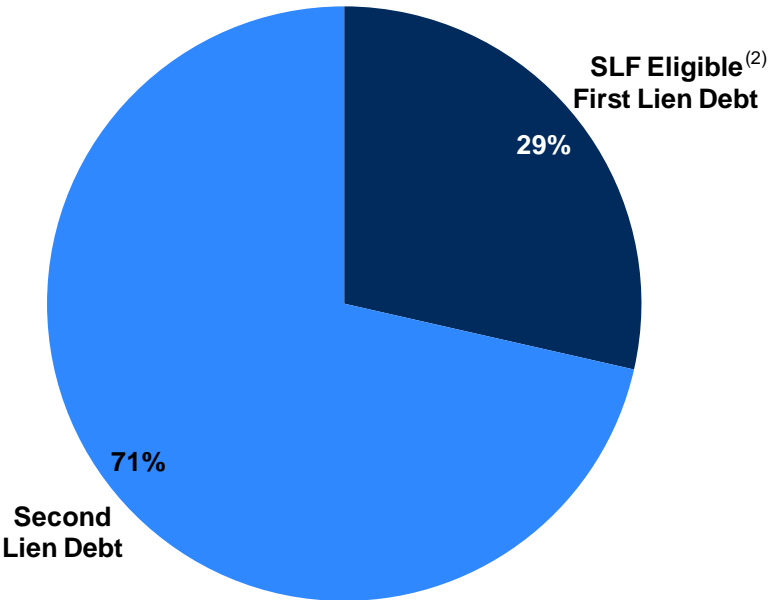
Annual Portfolio Originations (\$'s Invested)

	2012	2011 (IPO – 12/31/2011)	Cumulative (IPO – 12/31/2012)
Total Originations	\$673.2	\$379.3	\$1,052.5
Repayments	(\$299.6)	(\$86.5)	(\$386.1)
Net Originations	\$373.6	\$292.8	\$666.4
Sales	(\$123.0)	(\$45.7)	(\$168.7)
Net Originations less Sales	\$250.6	\$247.1	\$497.7

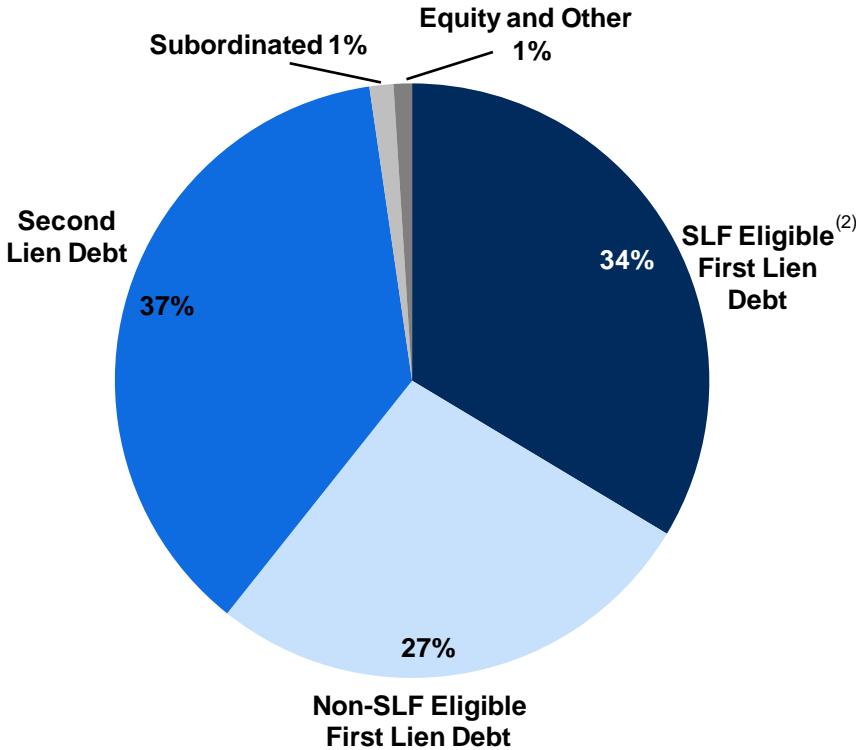


Q4 Originations and Repayments

Originations by Type⁽¹⁾



Sales / Repayments by Type⁽¹⁾











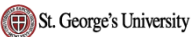



¹ By \$s invested / \$s received at time of origination / sale / repayment

² SLF eligible includes all assets with 70% advance rate

Q4 Investment Activity Roll

(\$ in millions, unaudited)

Originations⁽¹⁾


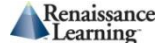








Name	Amount (\$'s Invested)	YTM at Purchase ⁽³⁾
 TRANSTAR®	\$27.8	10.8%
 FIRST AMERICAN PAYMENT SYSTEMS	\$24.5	11.9%
 LANDMARK AVIATION	\$19.7	10.5%
 Insight Global <small>A World of Services</small>	\$14.9	11.3%
 KRONOS®	\$29.7	10.6%
 SEGIROS CONFIE	\$7.8	11.3%
 KEYPOINT	\$29.3	8.1%
 PRA	\$29.4	11.7%
 St. George's University	\$24.5	9.3%
 ADERANT	\$22.2	11.0%
 ascensus™	\$16.7	8.9%
 TRANSFIRST	\$9.7	12.5%
Other	\$10.5	9.2%

Total Originations

\$266.7

10.5%

Sales / Repayments⁽²⁾

Name	Amount (\$'s Sold/Repaid)	YTM at Cost ⁽⁴⁾
 IPREO	\$21.6	8.7%
 Renaissance Learning™	\$20.0	13.8%
 KEYPOINT	\$16.4	10.8%
 Centerplate	\$14.7	10.8%
 Paradigm®	\$12.0	7.1%
 TravelCLICK	\$11.3	6.8%
 CHG Healthcare Services™	\$10.0	11.2%
 Western Dental	\$10.0	12.2%
 YellowPages™	\$6.9	18.2%
 insight Pharmaceuticals™	\$5.7	15.0%
Other	\$26.9	9.6%

Total Sales / Repayments

\$155.5

10.7%

As of 9/30/12

Q4 Originations

Q4 Sales / Repayments

As of 12/31/12

Cost	\$844.5	\$266.7	\$155.5	\$976.2 ⁽⁵⁾
YTM at Purchase / Cost	10.2%	10.5%	10.7%	10.3%

¹ Origination commitments over \$7.5m shown, originations less than \$7.5m included in "Other"; excludes PIK, revolvers, and bridges

² Sales and repayments over \$5.0m shown, sales and repayments less than \$5.0m included in "Other"

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 References to "YTM at Cost" have the same assumptions as YTM except that investments are purchased at adjusted cost (estimated) rather than fair value on the later of 9/30/12 or the settlement date (see footnote 2 on p. 21 for "Adjustments") and the LIBOR curve as of 12/31/12 is used for all periods shown



⁵ Will not sum across due to amortization, PIK, realized gain / loss, revolvers and a commitment from Q3 2012 funded in Q4 2012



Investment Activity Since Quarter End (Through 3/1/13)

(\$ in millions, unaudited)

Portfolio Originations⁽¹⁾

Date ⁽²⁾	Name	Industry	Amount (\$'s Invested)	Tranche Size	Type of Investment	Advance Rate	YTM at Purchase ⁽³⁾	
							Unlevered	Levered
2/1/13		Energy	\$24.8	\$200	1 st Lien	45%	10.6%	16.5%
2/21/13		Federal Services	\$9.7	\$875	1 st Lien	70%	7.7%	20.4%
Other			\$13.7				Non-SLF: 11.3%	Non-SLF: 14.8%
Total Originations			\$48.2				SLF: 7.9%⁽⁴⁾	SLF: 21.3%⁽⁴⁾
Repayments			(\$32.6)					
Net Originations			\$15.6					
Sales			(\$13.5)					
Net Originations less Sales			\$2.1					

Investment Pipeline

- Over \$125 million of potential investments in near-term pipeline
- Over \$175 million additional in earlier-stage pipeline



¹ Origination commitments over \$7.5m shown, originations less than \$7.5m included in "Other"; excludes PIK, revolvers, and bridges

² Date of commitment; where multiple trade dates, the first trade date is listed

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."

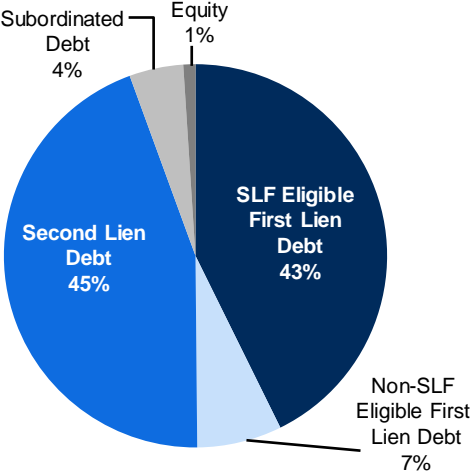
⁴ Weighted average YTM; SLF eligible includes all assets with 70% advance rate

Investment Portfolio Review

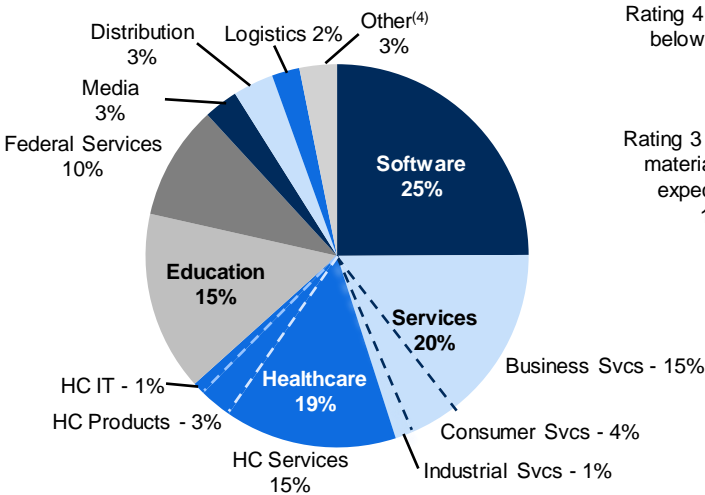
<i>(unaudited)</i>	12/31/12	9/30/12	6/30/12	3/31/12	IPO - 6/30/11 ⁽⁵⁾
Fair Value	\$990 million	\$859 million	\$751 million	\$758 million	\$544 million
YTM ⁽¹⁾	10.1%	9.9%	10.7%	10.6%	10.4%
YTM at Cost ⁽²⁾	10.3%	10.2%	10.5%	10.5%	9.6%
# Portfolio Companies	63	58	56	57	47
Middle Market Focus (% <\$100m EBITDA ⁽³⁾ / % Facilities <\$300m)	77% / 79%	75% / 77%	78% / 81%	75% / 80%	80% / 85%

Fair Value as of 12/31/12

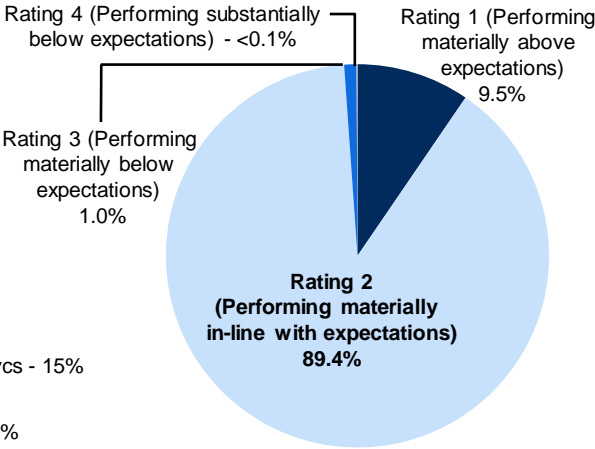
By Type of Investment



By Industry



By Rating



¹ References to "Yield to Maturity" assume that the accruing 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. 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."

² References to "YTM at Cost" have the same assumptions as YTM except that investments are purchased at adjusted cost (estimated) rather than fair value on the Portfolio Date (see footnote 2 on p. 21 for "Adjustments") and the LIBOR curve as of 12/31/12 is used for all periods shown

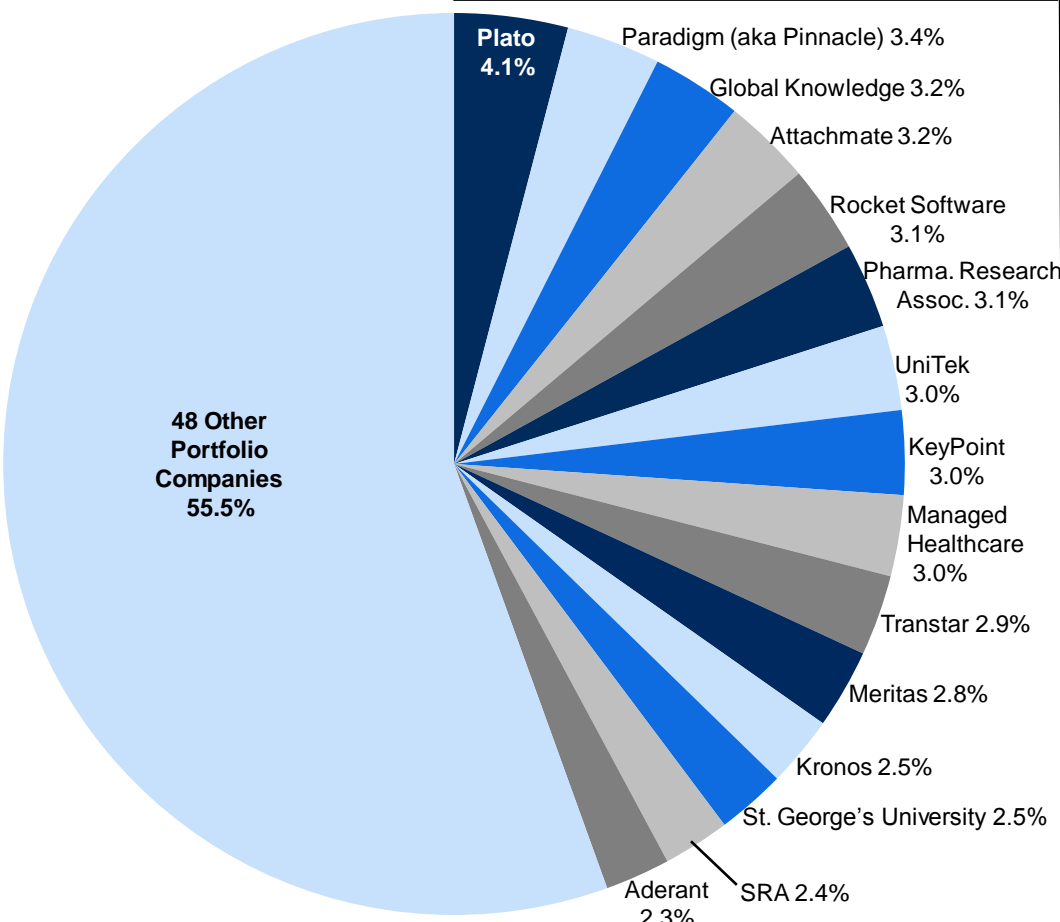
³ LTM EBITDA at the time of investment, weighted by fair value

⁴ Includes 1% retail, 1% energy, 1% information technology, and <1% power generation

⁵ NMFC priced its initial public offering on 5/19/2011

Investment Portfolio Review – As of 12/31/2012

Portfolio Names By Fair Value



Top 15 portfolio companies represent \$440.3 million, or 44.5%, of consolidated investments

Memo: Top 15 Portfolio Companies

As of		
9/30/2012	6/30/2012	3/31/2012
\$417.3m	\$353.1m	\$345.9m
48.6%	47.0%	45.6%



Net Asset Value – As of 12/31/2012

(\$ in millions, unaudited)

Net Asset Value⁽¹⁾

Consolidated NAV		Memo: NAV / Share	
Portfolio	\$989.8	9/30/12	\$14.10
Cash & Equivalents	12.8	6/30/12	\$13.83
Other Assets ⁽²⁾	23.0	3/31/12 ⁽⁴⁾	\$13.82
Total Assets	1,025.6	12/31/11	\$13.60
		9/30/11	\$13.32
Less: Total Debt	(421.2)	6/30/11 ⁽⁵⁾	\$13.98
Less: Other Liabilities ⁽³⁾	(34.5)	At IPO	\$13.94
NAV	\$569.9	Memo: Debt / Equity	
		9/30/12	0.65x
Shares Outstanding (millions)	40.5	6/30/12	0.73x
NAV / Share	\$14.06	3/31/12	0.75x
		12/31/11	0.70x
Debt / Equity	0.74x	9/30/11	0.55x
		6/30/11	0.37x

¹ Financials for OpCo unless otherwise noted

² Includes receivable from unsettled securities sold of \$10.0m, interest and dividends receivable of \$6.3m, deferred credit facility costs of \$5.5m, receivable from affiliates of \$0.5m and other assets of \$0.7m

³ Includes dividends payable of \$11.2m, payable for unsettled securities purchased of \$9.7m, incentive fee payable of \$7.8m, management fee payable of \$3.2m, interest payable of \$0.7m, and other liabilities of \$1.9m

⁴ 3/31/2012 NAV / share adjusted for payment of special dividend

⁵ 6/30/2011 NAV / share adjusted for payment of Q2 dividend



OpCo Adjusted Consolidated Income Statement by Quarter

(\$ in millions, unaudited)⁽¹⁾

	Three Months Ended 12/31/2012			Adj. Three Months Ended		
	Unadjusted	Adjustments ⁽²⁾	Adjusted	9/30/2012	6/30/2012	3/31/2012
Investment income						
Interest income	\$23.6	(\$0.8)	\$22.7	\$20.6	\$19.3	\$17.6
Dividend and other income	1.2		1.2	0.4	0.2	0.4
Total investment income	24.7	(0.8)	23.9	20.9	19.5	18.0
Expenses						
Incentive fee	3.4		3.4	3.0	2.7	2.5
Management fee	3.2		3.2	2.8	2.6	2.5
Interest and other credit facility expenses	2.8		2.8	2.4	2.4	2.5
Professional fees (net of reimbursable expenses of \$0.5, \$0.2, \$0.1, and \$0.2)	0.3		0.3	0.2	0.3	0.2
Administrative expenses (net of reimbursable expenses of \$0.5, \$0.3, \$0.3, and \$0.3)	0.3		0.3	0.3	0.2	0.3
Other general and administrative expenses	0.4		0.4	0.4	0.3	0.3
Total expenses	10.3		10.3	9.0	8.6	8.2
Net investment income	14.4	(0.8)	13.6	11.9	10.9	9.8
Net realized gains (losses) on investments	4.3	(1.6)	2.7	1.4	7.5	0.3
Net change in unrealized (depreciation) appreciation of investments	(0.8)	2.4	1.6	11.5	(7.2)	14.5
Capital gains incentive fees	(0.9)		(0.9)	(2.6)	(0.1)	(0.9)
Net increase (decrease) in capital resulting from operations	\$17.0		\$17.0	\$22.2	\$11.1	\$23.7
Adjusted NII per weighted average share			\$0.36	\$0.33	\$0.35	\$0.32

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



OpCo Adjusted Consolidated Income Statement for 2012

(\$ in millions, unaudited)⁽¹⁾

	Year ended December 31, 2012		
	Unadjusted	Adjustments ⁽²⁾	Adjusted
Investment income			
Interest income	\$83.6	(\$3.5)	\$80.2
Dividend and other income	2.1		2.1
Total investment income	85.8	(3.5)	82.3
Expenses			
Incentive fee	11.5		11.5
Management fee	11.1		11.1
Interest and other credit facility expenses	10.1		10.1
Professional fees (net of reimbursable expenses of \$1.1)	1.0		1.0
Administrative expenses (net of reimbursable expenses of \$1.4)	1.0		1.0
Other general and administrative expenses	1.4		1.4
Total expenses	36.2		36.2
Net investment income	49.6	(3.5)	46.1
Net realized gains (losses) on investments	18.9	(7.0)	11.9
Net change in unrealized (depreciation) appreciation of investments	9.9	10.5	20.4
Capital gains incentive fees	(4.4)		(4.4)
Net increase (decrease) in capital resulting from operations	\$74.0		\$74.0
Adjusted NII per weighted average share			\$1.36
Total Regular Dividends Declared			\$1.34
Total Special Dividends Declared			0.37
Total Dividends Declared			\$1.71

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 2012

(\$ in millions, unaudited)

	IPO ⁽¹⁾ 6/30/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	Estimated 3/31/2013
Net Asset Value	\$440.6	\$434.3	\$427.7	\$520.4	\$569.9	
NAV / Share	\$13.98 ⁽²⁾	\$13.82 ⁽³⁾	\$13.83	\$14.10	\$14.06	
Pre-Incentive Fee Adjusted NII	\$8.9	\$12.3	\$13.6	\$14.9	\$17.0	\$16.5 - \$18.0
Adjusted NII	\$8.4	\$9.8	\$10.9	\$11.9	\$13.6	\$13.2 - \$14.4
Adjusted NII / Weighted Average Shares	\$0.27	\$0.32	\$0.35	\$0.33	\$0.36	\$0.33 - \$0.35
Regular Dividend / Share	\$0.27	\$0.32	\$0.34	\$0.34	\$0.34	\$0.34
Special Dividend / Share	-	-	\$0.23	-	\$0.14	-

We believe our Q1 2013 Adjusted NII will be in the \$13.2 – \$14.4 million range. Our board of directors has declared a first quarter dividend of \$0.34 per share.





**NEW MOUNTAIN FINANCE
CORPORATION**

Appendix A: Structure Chart

