



Q3 2017 Earnings Presentation

November 8, 2017

Disclaimer

This presentation contains “forward looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to risks and uncertainties. Actual outcomes and results could differ materially from those suggested by this presentation due to the impact of many factors beyond the control of American Capital Senior Floating, Ltd. (the “Company”), including those listed in the “Risk Factors” section of our filings with the Securities and Exchange Commission (“SEC”). Any such forward-looking statements are made pursuant to the safe harbor provisions available under applicable securities laws and the Company assumes no obligation to update or revise any such forward-looking statements.

Certain information discussed in this presentation (including information relating to general market conditions) was derived from third party sources and has not been independently verified and, accordingly, the Company makes no representation or warranty in respect of this information.

The following slides contain summaries of certain financial and statistical information about the 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. 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 the Company, or information about the market, as indicative of the Company’s future results. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company.

Q3 2017 Highlights

Investing activities

- Invested \$8.8 MM into 4 new loan obligors and 1 new collateralized loan obligations (“CLOs”)
- Sold \$15.7 MM of investments and received \$16.4 MM of repayments ⁽¹⁾
 - Net realized losses on exited investments of \$2.8 MM

Net investment income of \$0.26 per share, or \$2.6 MM

- Increased \$0.02 per share from Q2 2017 net investment income of \$0.24 per share

Net earnings of \$0.00 per share, or \$0.0 MM

- Decreased \$0.04 per share from the Q2 2017 net earnings of \$0.04 per share

Net Asset Value (“NAV”) as of September 30, 2017 of \$13.12 per share, or \$131.2 MM

- \$0.29 per share decrease from June 30, 2017 NAV per share of \$13.41

Monthly cash distributions to stockholders of \$0.097 per share (\$0.291 for the quarter)

- 8.8% annualized yield on the September 30, 2017 NAV per share

\$227.8 MM investment portfolio at fair value as of September 30, 2017

- \$175.3 MM, or 77%, in first lien floating rate loans
- \$13.3 MM, or 6%, in second lien floating rate loans
- \$39.2 MM, or 17%, in CLO equity

6.76% investment portfolio yield at cost as of September 30, 2017

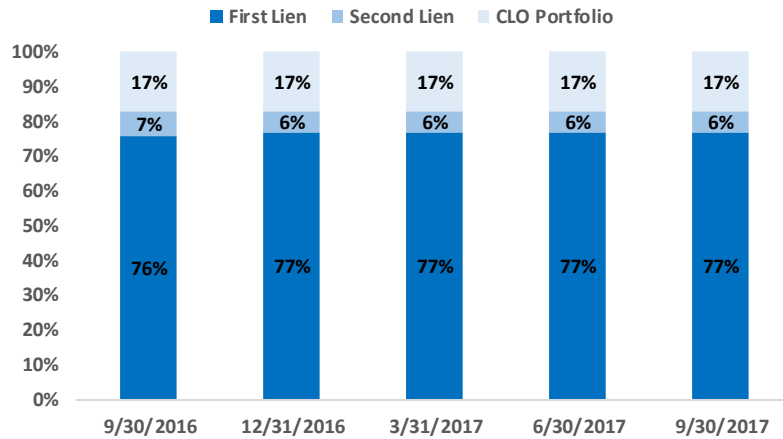
3.40% cost of funds as of September 30, 2017

0.74x debt to equity ratio as of September 30, 2017

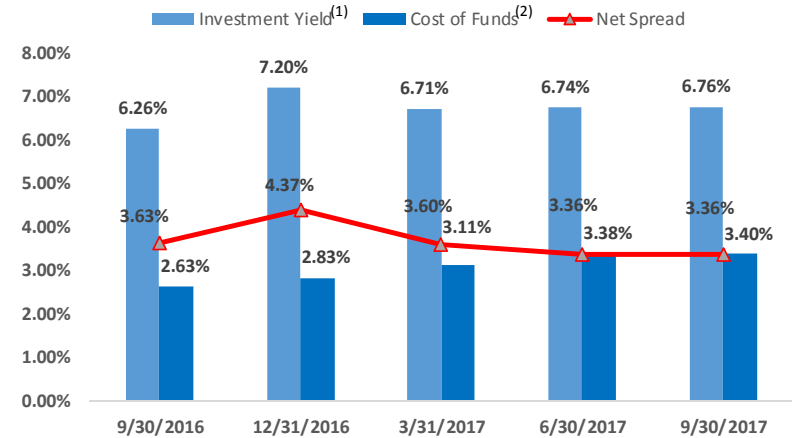
(1) Includes distributions received from our CLO Portfolio.

ACSF Historical Overview

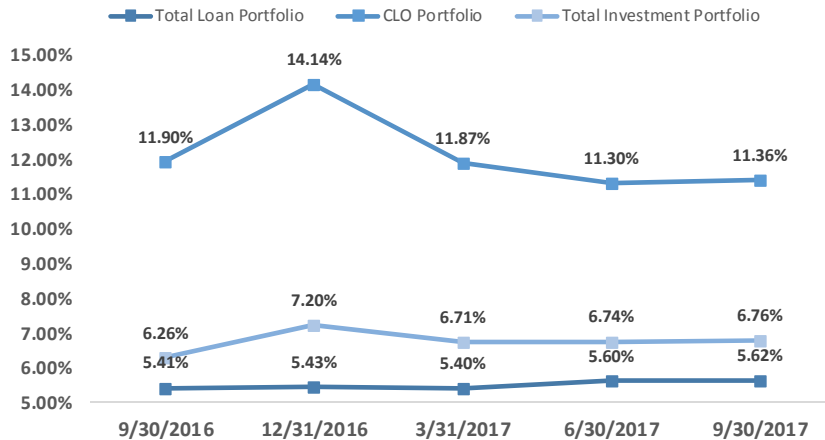
Portfolio Composition at Fair Value



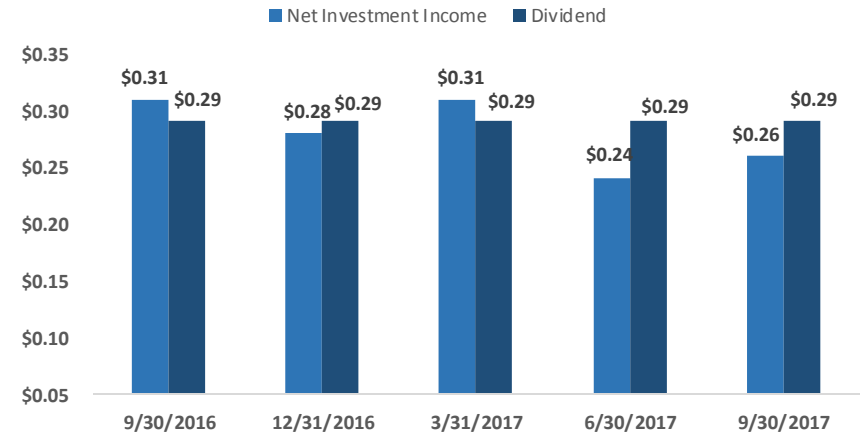
Net Spread



Investment Portfolio Yields⁽¹⁾



Per Share Data

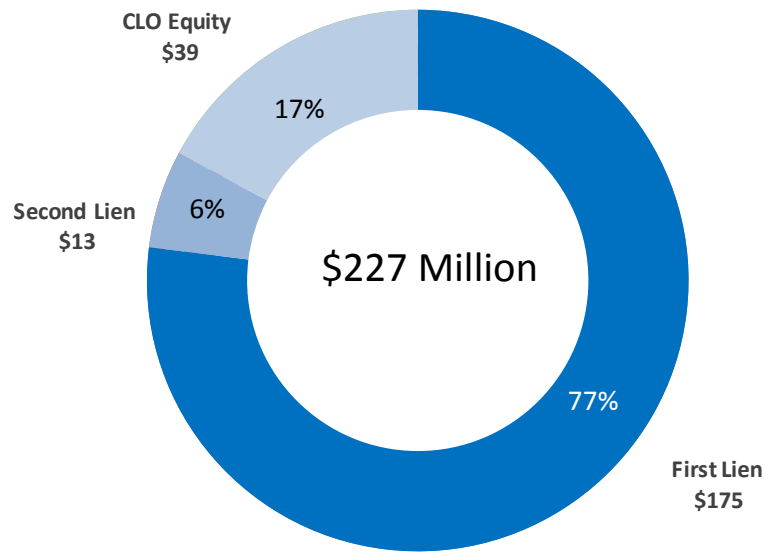


(1) Represents investment yield at cost at the end of each period.

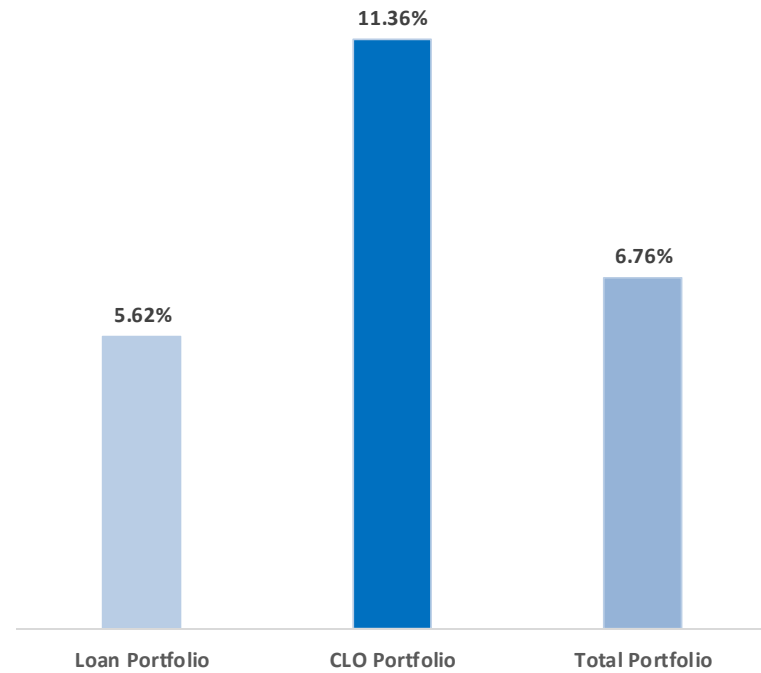
(2) Cost of funds represents the actual interest rate as of each period-end along with an estimate for the cost of unfunded fees based on debt outstanding at each period-end plus annual amortization of debt financing costs.

ACSF Investment Portfolio Overview

Portfolio Composition at Fair Value ⁽¹⁾



Portfolio Yield at Cost ⁽¹⁾



Portfolio diversified across 159 companies ⁽²⁾ with largest exposure of 1.94% and an average exposure of 0.6% per portfolio company ⁽³⁾

(1) As of September 30, 2017

(2) Number of portfolio companies includes individual loan obligors combined with the number of CLO issuers

(3) Largest and average exposure percentage based on total portfolio at fair value

ACSF Loan Portfolio Overview ⁽¹⁾

\$189 MM in senior floating rate loans at fair value

Loan Portfolio is diversified across industries and obligors

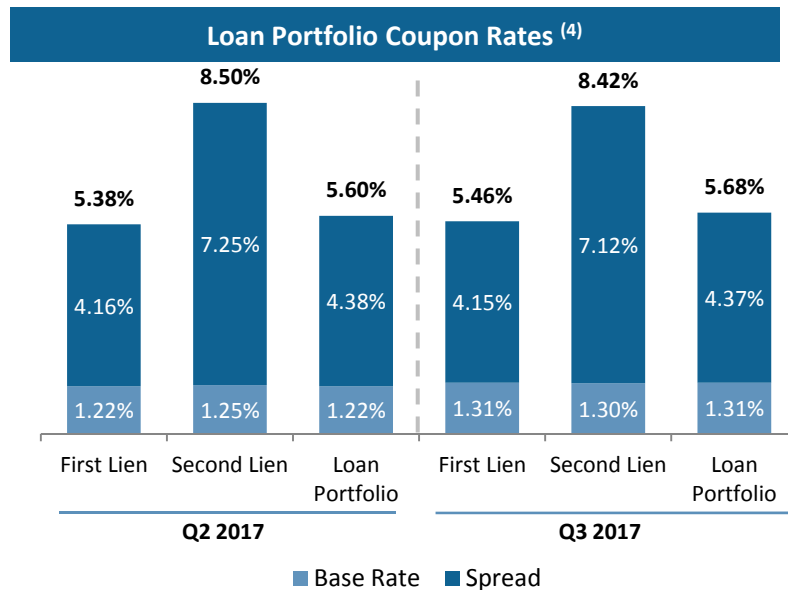
- 136 portfolio companies with largest exposure of 1.4% ⁽²⁾
- Invested across 36 different industries ⁽³⁾

5.62% Loan Portfolio yield at cost as of September 30, 2017

- 2 bps increase from 5.60% yield at cost as of June 30, 2017

100% of our Loan Portfolio is in senior floating rate loans

- 96% of our Loan Portfolio has LIBOR floors (weighted-average LIBOR floor of 1.0%)



Top 10 Industries ^{(3) (5) (6)}

	% Loans	% Portfolio
Electronics/Electric	18.0%	14.9%
Health Care	12.6%	10.4%
Business Equipment and Services	9.6%	7.9%
Aerospace and Defense	5.8%	4.8%
Clothing/Textiles	4.2%	3.4%
Industrial Equipment	4.0%	3.3%
Food/Drug Retailers	2.9%	2.4%
Utilities	2.9%	2.4%
Telecommunications	2.8%	2.4%
Oil and Gas	2.5%	2.0%
Top 10 Industries	65.3%	54.0%

(1) As of September 30, 2017.

(2) Obligor exposure of Total Portfolio.

(3) Utilized Standard & Poor's Industry Classification Standard ("S&P") to classify the loan investments.

(4) Based on cost basis as of September 30, 2017.

(5) Based on fair value as of September 30, 2017.

(6) May not foot due to rounding.

ACSF Loan Portfolio Credit Quality ⁽¹⁾

Portfolio quality

- One investment was on non-accrual status, which represents 0.6% of the total investments at cost and 0.2% of the total investments at fair value

Weighted average cost of our Loan Portfolio is approximately par vs a weighted average fair value of 97.4% of par

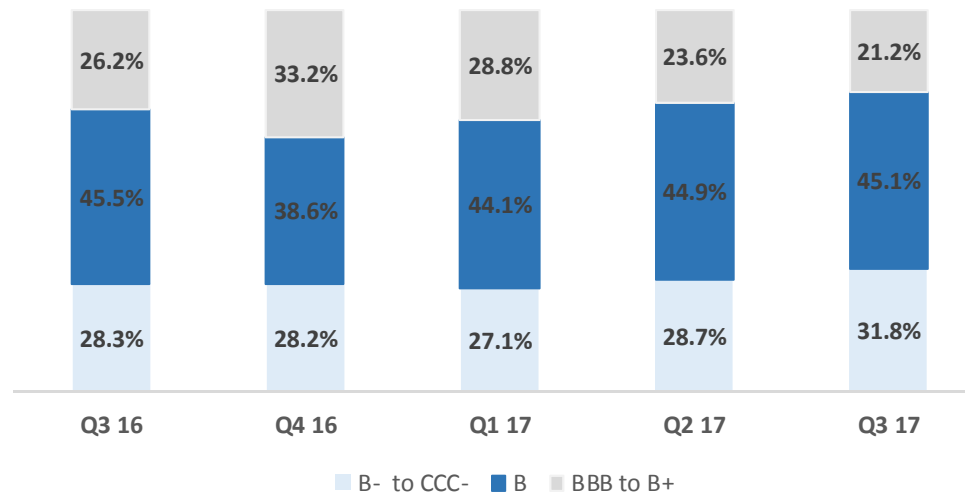
- Loan Portfolio fair value price decreased from the June 30, 2017 fair value price of 97.6% of par

Only 5.4% of the Loan Portfolio at cost has direct or indirect exposure to commodities sectors

- Granular portfolio seeks to prevent over-concentrations in individual obligors or industries

Approximately 66% of our Loan Portfolio consisted of loans with a facility credit rating by S&P of at least “B” or higher

Loan Portfolio by S&P Facility Rating ⁽²⁾



(1) All data as of September 30, 2017 unless otherwise noted.

(2) Based on fair value as of September 30, 2017.

Confidential – Not for Publication or Distribution

ACSF CLO Equity Portfolio Overview ⁽¹⁾

\$39.2 MM of CLO equity ⁽²⁾ at fair value invested across 22 CLOs managed by 17 different CLO managers

Weighted average yield at cost of 11.36% as of September 30, 2017 ⁽³⁾

\$0.1 MM increase in Q3 2017 GAAP revenue

- Increase in weighted average yield at cost from 11.30% at June 30, 2017 to 11.36% at September 30, 2017

Cash distributions of \$3.6 MM versus GAAP income of \$1.5 MM in Q3 2017

CLO Statistics (\$ in thousands)					
	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16
Cash Received	\$3,612	\$2,415	\$2,646	\$3,137	\$3,365
GAAP Revenue	\$1,509	\$1,428	\$1,835	\$1,567	\$1,910
Fair Value as a % of Par	57.0%	58.8%	54.6%	55.1%	52.6%
Cost as a % of Par	69.2%	70.6%	68.9%	69.8%	70.7%
Weighted Average Yield at Cost End of Period	11.36%	11.30%	11.87%	14.14%	11.90%
# of Cash Flowing	22/22	23/23	22/22	21/21	22/22
Cumulative Cash Receipts as % of Original Cost ^{(4) (5)}	50.4%	62.4%	54.8%	52.1%	48.1%

(1) All data as of September 30, 2017 unless otherwise noted.

(2) Cost basis of \$47.5MM as of September 30, 2017.

(3) Yield calculated as of September 30, 2017.

(4) Original cost only for CLOs that have begun to make quarterly distributions to ACSF and were held as of each reporting date.

(5) Cash received represents quarterly distributions and does not include proceeds from sales or complete exits of any CLO.

Appendices



Balance Sheet

	September 30, 2017 (unaudited)	June 30, 2017 (unaudited)	March 31, 2017 (unaudited)	December 31, 2016	September 30, 2016 (unaudited)
<i>\$ in thousands, except per share data</i>					
Assets					
Investments, fair value	\$ 227,796	\$ 252,032	\$ 247,327	\$ 244,872	\$ 231,006
Cash and cash equivalents	2,902	1,247	5,355	8,795	4,724
Receivable for investments sold	5,224	1,824	6,596	2,272	4,975
Other assets	1,298	1,484	1,884	1,401	1,275
Total assets	\$ 237,220	\$ 256,587	\$ 261,162	\$ 257,340	\$ 241,980
Liabilities					
Credit facility payable	\$ 96,800	\$ 98,200	\$ 103,400	\$ 104,900	\$ 100,000
Payable for investments purchased	7,396	22,407	18,244	12,202	7,043
Distributions to stockholders payable	970	970	-	970	970
Management fee payable	497	533	2,577	2,046	1,520
Other liabilities	332	363	410	433	463
Total liabilities	105,995	122,473	124,631	120,551	109,996
Total net assets	131,225	134,114	136,631	136,789	131,984
Total liabilities and net assets	\$ 237,220	\$ 256,587	\$ 261,262	\$ 257,340	\$ 241,980
Net asset value per share	\$ 13.12	\$ 13.41	\$ 13.66	\$ 13.68	\$ 13.20

Income Statement

	Three Months Ended (unaudited)				
	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<i>\$ in thousands, except per share data</i>					
Investment Income:					
Senior floating rate loans	\$ 2,891	\$ 2,691	\$ 2,777	\$ 2,797	\$ 2,679
CLO equity	1,509	1,428	1,835	1,567	1,910
Total investment income	4,400	4,119	4,612	4,364	4,589
Expenses:					
Interest and other debt related costs	891	769	733	683	665
Management fee	497	533	531	525	512
Other operating expenses	417	541	713	580	564
Total expenses	1,805	1,843	1,977	1,788	1,741
Expense waiver	(59)	(176)	(437)	(299)	(283)
Net expenses	1,746	1,667	1,540	1,489	1,458
Net investment income before taxes	2,654	2,452	3,072	2,875	3,131
Income tax (provision) benefit	(5)	(9)	(19)	(31)	(23)
Net investment income	2,649	2,443	3,053	2,844	3,108
Net realized and unrealized gain (loss) on Investments:					
Net realized gain (loss) on investments	(2,785)	(3,735)	462	429	(154)
Net unrealized gain (loss) on investments	157	1,685	(763)	4,442	7,395
Net realized and unrealized gain (loss) on investments	(2,628)	(2,050)	(301)	4,871	7,241
Net increase in net assets resulting from operations ("Net Earnings")	\$ 21	\$ 393	\$ 2,752	\$ 7,715	\$ 10,349
Net investment income per share	\$0.26	\$0.24	\$0.31	\$0.28	\$0.31
Net Earnings per share	\$0.00	\$0.04	\$0.28	\$0.77	\$1.03
Distributions to stockholders per share	\$0.29	\$0.29	\$0.29	\$0.29	\$0.29

Interest Rate Sensitivity ⁽¹⁾

Loan Portfolio

100% of our Loan Portfolio is floating rate

96% of our Loan Portfolio has LIBOR floors (~1%)

Our credit facility is floating rate

Change to Libor	NII/Share Benefit ^{(2) (3)}
3%	\$0.29
2%	\$0.19
1%	\$0.10
-1%	\$0.03
-2%	\$0.05
-3%	\$0.05

CLO Portfolio

Our CLO Portfolio is backed by floating rate loans with similar LIBOR floors

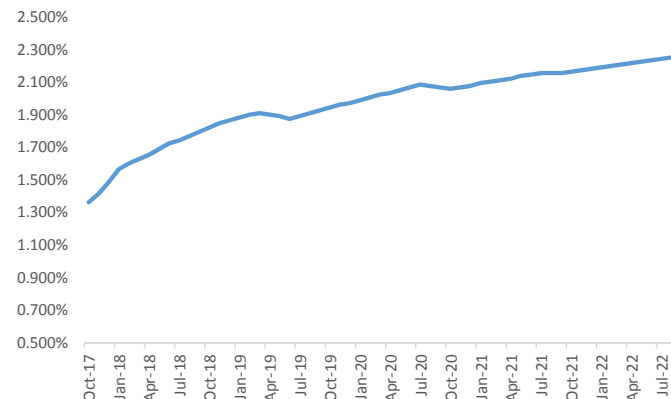
Funding within our CLO Portfolio is largely floating rate

Income from our CLO Portfolio is recognized using the effective interest method, which utilizes forecasted cash flows

Cash flows are modeled assuming a forward LIBOR curve, which incorporates current assumptions about future rates

If LIBOR rises differently from current projections or if underlying spreads change, our CLO cash flows and income will be affected either positively or negatively depending on the direction and magnitude of the change

Forward LIBOR Curve ^{(4) (5)}



(1) As of September 30, 2017.

(2) Although management believes that this measure is indicative of our sensitivity to interest rates, it does not reflect any potential impact to the fair value of our investments as a result of changes to interest rates, nor does it adjust for potential changes in spreads or changes in the credit market, credit quality, size and composition of the assets in our consolidated statements of assets and liabilities and other business developments that could affect the net increase/(decrease) in net assets resulting from operations or net investment income. Accordingly, no assurances can be given that actual results would not differ materially from those shown above.

(3) Approximate annualized impact to the components of our results of operations from hypothetical base rate changes in interest rates to our Loan Portfolio and debt financing. The sensitivity analysis does not include the impact of rising base interest rates on revenue from our CLO Portfolio.

(4) 3 month LIBOR curve reflected on a monthly basis as of September 30, 2017.

(5) Any change to base interest rates that is not in-line with the forward LIBOR curve used in the projections, in either the timing or magnitude of the change, or change in spreads will cause actual distributions to differ from the current projections and will impact the related revenue recognized from these investments.

American Capital Senior Floating

A publicly traded, business development company that invests in a portfolio comprised primarily of diversified investments in senior first lien and second lien floating rate loans to large, U.S. based corporate borrowers and in debt and equity tranches in Collateralized Loan Obligations that are collateralized by senior floating rate loans

Our External Manager	<ul style="list-style-type: none">• Externally managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation with total assets under management of approximately \$4.2 billion across 22 vehicles ⁽¹⁾• Access to the platform at Ares Management, a leading global alternative asset manager
Our Investment Objective and Focus	<ul style="list-style-type: none">• Seek to provide our investors attractive, risk-adjusted returns over the long term, primarily through current income, while seeking to preserve capital• Intend to achieve our investment objective by selectively constructing and actively managing a leveraged portfolio comprised primarily of diversified investments in leveraged loans, as well as debt and equity tranches in CLOs
Our Investment Process	<ul style="list-style-type: none">• Disciplined investment approach with a focus on principal protection and relative value• Investment philosophy and portfolio construction generally involving fundamental company-specific research and credit and structure analysis
Our Team	<ul style="list-style-type: none">• Senior investment team has extensive experience investing across the loan space with over 20 years of investment experience, on average• Experience investing through credit and economic cycles• Investment professionals aligned by industry specialization

(1) As of September 30, 2017 and includes ACSF.

 American
 Capital
 Senior Floating
