

Statement of Changes in Partner's Capital For the period ended September 30, 2021 (Unaudited)

Run Date: 11/11/2021
Legal Entity Account ID: 43-051224-303837
Currency: USD

Account Description: NEW YORK STATE TEACHERS RETIREMENT SYSTEM

HIG WHITEHORSE DIRECT LENDING FUND - 2020 LP

Fund commitment			528,305,400
Investor commitment			200,000,000
	Period-to-Date	Year-to-Date	Inception-to-Date
Opening remaining capital commitment	200,000,000	-	-
Change in capital commitment	-	200,000,000	200,000,000
Capital contributions	(20,820,904)	(20,821,290)	(20,821,290)
Capital distributions recallable	964,815	965,202	965,202
Ending remaining capital commitment	180,143,911	180,143,911	180,143,911
	Period-to-Date	Year-to-Date	Inception-to-Date
Beginning balance	(291,357)	-	-
Capital contributions	20,820,904	20,821,290	20,821,290
Capital distributions	(635,845)	(2,305,920)	(2,305,920)
Net change in partner's capital from operations			
Interest and fee income	810,435	2,991,435	2,991,435
Management fees	(98,638)	(359,693)	(359,693)
Incentive fees	(151,041)	(443,415)	(443,415)
Organizational expenses	-	(318,690)	(318,690)
Professional fees and other expenses	(82,881)	(286,819)	(286,819)
Interest expense	(126,006)	(655,892)	(655,892)
Net realized gain/(loss)	1,969	68,485	68,485
Net change in unrealized value	358,214	1,094,971	1,094,971
Total net change in partner's capital from operations	712,051	2,090,383	2,090,383
Total net change in partner's capital from operations	712,051	2,090,383	2,090,383
Ending balance	20,605,753	20,605,753	20,605,753

Note: Total may not sum due to rounding.



H.I.G. WhiteHorse Direct Lending Fund - 2020, L.P.
Consolidated Statement of Assets, Liabilities and Partners' Capital
September 30, 2021
(Unaudited)

Assets

Investments, at fair value (cost \$123,794,936)	\$ 126,687,332
Cash and cash equivalents	1,261,439
Other receivable	14,522,627
Interest receivable	282,541
Other assets	14,877
	<hr/>
Total assets	\$ 142,768,816
	<hr/> <hr/>

Liabilities and Partners' Capital

Liabilities

Debt (net of unamortized debt issuance costs of \$349,577)	\$ 86,550,423
Incentive fees payable	1,098,737
Accounts payable and accrued expenses	301,742
Advances received from unfunded credit facilities	199,729
Interest payable	56,119
	<hr/>
Total liabilities	88,206,750

Partners' capital	54,562,066
	<hr/>

Total liabilities and partners' capital	\$ 142,768,816
	<hr/> <hr/>



H.I.G. WhiteHorse Direct Lending Fund - 2020, L.P.
Consolidated Statement of Operations
Nine months ended September 30, 2021
(Unaudited)

Investment income

Interest income	\$ 5,764,477
Fee income	114,680
Total investment income	<hr/> 5,879,157

Expenses

Interest expense	1,016,800
Accrued incentive fees	864,373
Management fees	691,443
Professional fees and other	459,295
Organizational Expenses	89,237
Total expenses	<hr/> 3,121,148

Net investment income	2,758,009
------------------------------	-----------

Net realized and unrealized gain/(loss) on investments

Net realized gain on investments	71,181
Net change in unrealized value of investments	1,604,157
Net realized and unrealized gain	<hr/> 1,675,338

Net increase in partners' capital from operations

<hr/> <hr/> \$ 4,433,347



H.I.G. WhiteHorse Direct Lending Fund - 2020, L.P.
Consolidated Statement of Changes in Partners' Capital
Nine months ended September, 2021
(Unaudited)

Fund Commitment: \$528,305,400

	General Partner	Limited Partners	Total
Partners' capital, January 1, 2021	\$ 734	\$ 45,456	\$ 46,190
Capital contributions	52,052	54,946,948	54,999,000
Capital distributions	(3,496)	(4,912,975)	(4,916,471)
Net increase in partners' capital from operations	4,232	4,429,115	4,433,347
Partners' capital, September 30, 2021	<u>\$ 53,522</u>	<u>\$ 54,508,544</u>	<u>\$ 54,562,066</u>



H.I.G. WhiteHorse Direct Lending Fund - 2020, L.P.
Consolidated Statement of Cash Flows
Nine months ended September 30, 2021
(Unaudited)

Cash flows from operating activities

Net increase in partners' capital from operations	\$ 4,433,347
Adjustments to reconcile net increase in partners' capital from operations to net cash used in operating activities:	
Net realized gain on investments	(71,181)
Net change in unrealized value of investments	(1,604,157)
Paid-in-kind interest	(67,589)
Accretion of loan origination discount	(1,009,004)
Amortization of deferred debt issuance costs	174,358
Purchases of investments	(90,151,053)
Proceeds from the disposition of investments	31,347,336
Changes in operating assets and liabilities:	
Other receivable	(14,522,627)
Interest receivable	152
Other assets	(10,717)
Management fees receivable	210
Incentive fees receivable	89,921
Incentive fees payable	774,452
Accounts payable and accrued expenses	(205,789)
Advances received from unfunded credit facilities	157,254
Interest payable	(10,706)
Net cash used in operating activities	<u>(70,675,793)</u>

Cash flows from financing activities

Proceeds from revolving line of credit	107,250,000
Paydowns of revolving line of credit	(86,069,149)
Payments for debt issuance costs	(22,374)
Capital contributions	54,999,000
Capital distributions	(4,916,471)
Net cash provided by financing activities	<u>71,241,006</u>

Net increase in cash and cash equivalents 565,213

Cash and cash equivalents, beginning of the period 696,226

Cash and cash equivalents, end of the period \$ 1,261,439

Supplemental disclosures of cash flow information

Cash interest paid during the period \$ 853,148



H.I.G. WhiteHorse Direct Lending Fund - 2020, L.P.
Investor Report
September 30, 2021
(Unaudited)

Fund Commitment: \$528,305,400

	Total Employed Capital ⁽¹⁾	Cumulative Capital Invested ⁽²⁾	Realized Proceeds ^{(3) (4)}	Unrealized Value ^{(4) (5)}	Total Value	Gross IRR ⁽⁶⁾
Investments	\$ 137,670,629	\$ 141,549,601	\$ 25,554,893	\$ 126,945,903	\$ 152,500,796	16.3%
Additional Pending / Committed Investments ⁽⁷⁾		\$ 60,400,000				
Total Invested / Committed Investments		\$ 201,949,601				

(1) Life to date capital called for investments (less amounts distributed back from those investments representing return of capital) plus current subscription line leverage outstanding, net of management fees, partnership expenses and return of unused capital (where applicable).

(2) Total amount invested on trade date basis, including recycled capital.

(3) Reflects all net realized proceeds received including from interest, fees, gains, and returns of capital.

(4) Gross of management fees, subscription line leverage, partnership expenses, income earned on short-term investments and performance fees (whether structured as carried interest or as an incentive fee).

(5) Unrealized valuations are based on management's reasonable estimates. Actual results may vary substantially from estimates shown above.

(6) Gross IRRs are based on aggregate, monthly cash flows and estimated valuations as of the report date. Gross returns reflect performance before the effects of management fees, leverage (where applicable), partnership expenses, income earned on short-term investments, and performance fees.

(7) Represents investments committed to, but not yet closed or funded, between the reporting date and the issuance of this report. Also includes estimated amounts for follow-on investments and projected closings. Final investment amounts may differ.



H.I.G. WhiteHorse Direct Lending Fund - 2020, L.P.
Investor Report
September 30, 2021
(Unaudited)

Fund Commitment: \$528,305,400

Company	Business Description	Industry	Cumulative Capital Invested ⁽¹⁾	Realized Proceeds ^{(2) (3)}	Unrealized Value ^{(3) (4)}	Total Value	Gross IRR ^{(5) (6) (7)}
Pearl Holding Group, Inc.	Originators and underwriters of automotive insurance policies	Property & Casualty Insurance	\$ 2,653,342	\$ 490,593	\$ 2,393,615	\$ 2,884,208	6.2%
Vessco Holdings, LLC	Manufacturing and distribution of water treatment equipment	Trading Companies & Distributors	2,802,855	3,131,635	-	3,131,635	13.2%
Atlas Technical Consultants, Inc.	Professional testing and inspection services	Research & Consulting Services	8,055,793	9,017,166	-	9,017,166	19.4%
Ribbon Communications Operating Co., Inc.	Global provider of networked communications software and services	Communications Equipment	6,699,657	7,268,395	-	7,268,395	15.5%
BBQ Buyer, LLC	eCommerce retailer and designer of grills and outdoor kitchen products	Internet & Direct Marketing Retail	8,509,452	975,306	10,433,226	11,408,532	31.2%
LHS Borrower, LLC	Direct-to-consumer provider of gutter protection solutions and services	Building Products	5,899,211	691,234	5,889,176	6,580,410	10.3%
Telestream Holdings Corp.	Provides hardware, software, and workflow solutions for video streaming	Technology Hardware, Storage & Peripherals	4,695,009	453,196	4,917,994	5,371,190	14.8%
Tensar Corp.	Provides engineered solutions for stabilizing soil and reinforcing foundations	Construction & Engineering	9,247,867	763,981	9,423,403	10,187,384	11.7%
Escalon Services Inc.	Outsourced back office business services	Data Processing & Outsourced Services	5,083,999	642,981	5,841,881	6,484,862	37.5%
Inspired Beauty Brands	Manufacturer of hair care products	Personal Products	7,926,391	598,493	8,019,888	8,618,381	11.5%
Arcserve (USA) LLC	Provider of data backup and recovery services	Technology Hardware, Storage & Peripherals	13,066,860	757,327	13,113,823	13,871,150	10.8%
American Crafts, LC	Supplier of arts-and-crafts products	Office Services & Supplies	5,703,018	423,508	5,638,029	6,061,537	NM
Source Code Corporation	Provider of customized hardware solutions and outsourced IT services	Technology Hardware, Storage & Peripherals	15,821,150	226,195	15,828,910	16,055,105	NM
NNA Services, LLC	Notary renewal, maintenance, and services	Diversified Support Services	13,911,115	103,476	13,914,939	14,018,415	NM
EducationDynamics, LLC	Provides student recruiting services to colleges & universities	Education Services	16,941,827	11,407	16,995,245	17,006,652	NM
Hair Cuttery	Operates a chain of full-service hair salons in the U.S.	Specialized Consumer Services	14,532,055	-	14,535,774	14,535,774	NM
Total Investments			\$ 141,549,601	\$ 25,554,893	\$ 126,945,903	\$ 152,500,796	16.3%

(1) Total amounts invested on trade date basis, including recycled capital.

(2) Reflects all net realized proceeds received including from interest, fees, gains, and returns of capital.

(3) Gross of performance fees.

(4) Unrealized valuations are based on management's reasonable estimates. Actual results may vary substantially from estimates shown above.

(5) Individual investment gross IRRs are based on aggregate, monthly cash flows and estimated valuations as of the report date. For investments denominated in a foreign currency, individual gross IRRs are calculated based upon the local currency.

(6) The term "NM" or "Not Meaningful" is used to refer to IRR calculations that return a result that is unreliable or non-representative due to factors such as a short time frame.

(7) Fund-level gross IRRs are based on aggregate, monthly cash flows and estimated valuations as of the report date. Gross returns reflect performance before effects of management fees, leverage (where applicable), partnership expenses, income earned on short-term investments, and performance fees.



H.I.G. WhiteHorse Direct Lending Fund - 2020, L.P.

Investor Report
September 30, 2021
(Unaudited)

Fund Commitment: \$528,305,400

Security Description ⁽¹⁾													Leverage Ratio at Acquisition ⁽²⁾
Company	Security Type	Lien Type	Fixed/ Floating	Cash Spread	Index Floor	Cash Rate	PIK Rate	All-in Rate	Date of Initial Investment	Date Realized / Maturity Date	Realized / Unrealized	Yield to Maturity ⁽²⁾	
Pearl Holding Group, Inc.	Senior bank debt	First lien	Floating	L+6.00%	1.00%	7.00%	NA	7.00%	3/6/2020	5/31/2024	Unrealized	8.7%	4.6x
Vessco Holdings, LLC	Senior bank debt	First lien	Floating	L+7.25%	1.50%	8.75%	NA	8.75%	4/21/2020	11/2/2020	Realized	9.6%	4.1x
Atlas Technical Consultants, Inc.	Senior bank debt	First lien	Floating	L+6.25%	1.00%	7.25%	NA	7.25%	5/26/2020	2/25/2021	Realized	9.2%	3.2x
Ribbon Communications Operating Co., Inc.	Senior bank debt	First lien	Floating	L+7.50%	0.00%	7.61%	NA	7.61%	8/14/2020	3/3/2021	Realized	8.7%	2.7x
BBQ Buyer, LLC	Senior bank debt/ Equity	First lien/Equity	Floating	L+8.00%	1.50%	9.50%	NA	9.50%	8/28/2020	8/28/2025	Unrealized	10.7%	2.0x
LHS Borrower, LLC	Senior bank debt/ Revolver	First lien	Floating	L+6.75%	1.00%	7.75%	NA	7.75%	9/30/2020	9/30/2025	Unrealized	8.6%	3.7x
Telestream Holdings Corp.	Senior bank debt	First lien	Floating	L+8.75%	1.00%	9.75%	NA	9.75%	10/15/2020	10/15/2025	Unrealized	10.7%	4.6x
Tensar Corp.	Senior bank debt	First lien	Floating	L+6.75%	1.00%	7.75%	NA	7.75%	11/20/2020	8/20/2025	Unrealized	8.7%	3.7x
Escalon Services Inc.	Senior bank debt/ Equity	First lien/Equity	Floating	L+12.00%	1.00%	13.00%	1.50%	14.50%	12/4/2020	12/4/2025	Unrealized	15.7%	2.7x
Inspired Beauty Brands	Senior bank debt	First lien	Floating	L+7.00%	1.00%	8.00%	NA	8.00%	12/30/2020	12/30/2025	Unrealized	8.9%	3.6x
Arcserve (USA) LLC	Senior bank debt	First lien	Floating	L+7.00%	1.00%	8.00%	NA	8.00%	3/16/2021	3/16/2027	Unrealized	8.8%	5.4x
American Crafts, LC	Senior bank debt	First lien	Floating	L+8.50%	1.00%	9.50%	NA	9.50%	5/28/2021	5/28/2026	Unrealized	10.6%	4.3x
Source Code Corporation	Senior bank debt	First lien	Floating	L+6.50%	1.00%	7.50%	NA	7.50%	7/30/2021	7/30/2027	Unrealized	8.2%	5.2x
NNA Services, LLC	Senior bank debt	First lien	Floating	L+6.75%	1.00%	7.75%	NA	7.75%	8/27/2021	8/27/2026	Unrealized	10.3%	4.5x
EducationDynamics, LLC	Senior bank debt/ Junior bank debt	First lien/Subordinated	Fixed/ Floating	L+6.47%	0.99%	7.46%	0.49%	7.95%	9/15/2021	3/15/2027	Unrealized	10.3%	2.8x
Hair Cuttery	Senior bank debt	First lien	Floating	L+8.00%	1.00%	9.00%	NA	9.00%	9/30/2021	9/30/2026	Unrealized	9.9%	3.6x

(1) Based on current security holdings, or for realized investments, securities held at the time of exit. For positions with multiple securities, interest rates and yield to maturities represent the blended average outstanding of the underlying securities.

(2) Yield to maturity and leverage ratio multiple is through the debt tranche purchased at time of initial investment. Yield to maturity is based on purchase price and, in instances where prepayment is reasonably expected, based on the estimated hold period. Leverage ratio multiple is based upon the lowest tranche held.



H.I.G. WhiteHorse Direct Lending Fund - 2020, L.P.

Investor Report

September 30, 2021

(Unaudited)

Fund Commitment: \$528,305,400

	<u>LP Contributions</u>	<u>LP Distributions</u>	<u>Net LP Contributions / Distributions</u>
LP Contributions/Distributions	\$ 51,593,091	\$ (5,713,857)	\$ 45,879,234
LP Net Assets			\$ 51,058,998
Net LP IRR⁽¹⁾			NM

⁽¹⁾ Net LP IRR is calculated based on monthly cash flows (capital contributions and distributions) and the residual value of LPs' capital accounts at the end of the period, and is net of all fees and expenses (including any performance fees/allocations). An individual investor's results may vary based on a variety of factors, including the timing of capital transactions.