Annual Report
December 31, 2016

THL Credit
Senior Loan Fund
(NYSE: TSLF)

FOUR WOOD
Capital Partners, L.L.C.
INSIGHT. INTEGRITY. COMMITMENT.

THL Credit

1-855-400-3927
www.fwcapitaladvisors.com/funds/tslf

Contents

Fellow Shareholders:

2016: The United Kingdom voted to leave the European Union. Donald J. Trump emerged as president-elect in a much-watched U.S. presidential election. After nearly a year of no changes, the Federal Open Market Committee decided to raise short-term rates by 25 bps in December.

And in 2016, the THL Credit Senior Loan Fund (the "Fund") had its three-year anniversary on September 20, 2016. On behalf of the management teams of Four Wood Capital Advisors LLC ("FWCA") and THL Credit Advisors LLC ("THL Credit"), I am pleased to share with you the performance highlights for the Fund for the fiscal year ended December 31, 2016, along with a review of the loan market.

2016 Loan Market in Review

After a weak 2015, the U.S. Leveraged Loan Market, as measured by the Credit Suisse Leveraged Loan Index (the "Index")[1], performed strongly throughout 2016, posting returns for the year of 9.88%[2]. Positive returns during the year trended towards lower-rated assets and, to a lesser extent, smaller facility size. The average price of the Index increased from the end of 2015, beginning the year at $91.43 and ending the year at $97.18[3].

New-issue loan volume started the year off light, with a total of $88 billion issued during the first five months of the year[4]. Volume increased significantly in June 2016 with $73 billion issued in that one month[4], and volume remained strong through the end of 2016, with total new-issue volume during the year of $485 billion[4]. At the beginning of the year, much of the new-issue volume was used to fund acquisitions, but the increase in new-issue activity that was witnessed beginning in June 2016 was focused on refinancings and repricings. Over the full year, refinancing and repricing activity accounted for 65% of the new-issue volume, while acquisitions and general corporate activity accounted for 35% of the new-issue volume[4].

After a prolonged period of net outflows in retail bank loan flow that began in April 2014, the market began to see net inflows in July 2016 which continued through the end of the year. 2016 ended with a net inflow of $6.9 billion[4]. Institutional investors continued to access the loan market by way of Collateralized Loan Obligations (CLOs), slowly at the beginning of the year but picking up pace towards the end of 2016 due to the upcoming Risk Retention rules which go into effect at the end of the year[5]. Total new CLO issuance was $72.7 billion in 2016, down from 2015's total of $99.5 billion[5].

The bank loan default rate at the end of 2016 was 1.58%, essentially flat with the end of 2015's rate of 1.54%[6]. Defaulted issuers continue to be industry specific, with the default activity in 2016 driven by the deterioration of the Energy and Metal/Mining industries, which combined for 11 out of the 20 defaulted issuers in 2016.

THL Credit Senior Loan Fund Performance

As of December 31, 2016, the Fund had total investments in securities recorded at fair value of $193.2 million, and net assets of $138.3 million. The Fund was invested in 136 securities (excluding its investment in a short-term money market fund) at year end, across 30 industries. The top 10 holdings (excluding short term investments) covered 16.6% of the Fund's total investments at fair value, and the top 5 industries covered 44.7%.

For the twelve months ended December 31, 2016, the Fund had returns of 15.99% and 27.75% on a NAV and market price basis, respectively, while the Index returned 9.88% over the same period. Since inception through December 31, 2016, the Fund had returns of 6.53% and 5.80% on a NAV and market price basis, respectively, with the Index returning 3.93% over the same period. During fiscal year 2016, the Fund traded at an average discount to NAV of -9.6%, but its market price ended the year at a slight premium to NAV of 0.6%.

The Fund's outperformance relative to the Index is attributed to both portfolio allocations, as well as the Fund's utilization of leverage. The Fund's borrowings as of December 31, 2016 were $52.0 million, consistent with the amount of borrowings outstanding as of December 31, 2015; however, due to appreciation in the underlying assets, the Fund's leverage as a percentage of Managed Assets (defined as total assets of the Fund, including any assets attributable to borrowings for investment purposes minus the sum of the Fund's accrued liabilities, other than liabilities representing borrowings for investment purposes) decreased from 28.9% at December 31, 2015 to 27.3% at December 31, 2016. Over the full year 2016, leverage as a percentage of Managed Assets averaged 28.7%.

As of December 31, 2016, the Fund's investments had larger allocations to higher yielding components of the market relative to the Index. Its investments, as a percentage of total investments, were allocated 85.5% to fully collateralized first-lien loans, 6.1% to second-lien loans, and 5.2% to fixed rate bonds. Comparatively, the Index was allocated 95.6% to first-lien and 4.4% to second-lien[7]. Additionally, the Fund's investments, as a percentage of total investments excluding short term investments, across the credit ratings were allocated 0.3% to BBB, 16.8% to BB, 66.9% to B, and 16.0% to CCC/NR. The Index was allocated slightly more to higher credit quality with 7.5% to split BBB, 41.3% to BB/Split BB, 42.4% to B/Split B, and 8.8% to CCC/NR[7].

The Fund did cut its distribution modestly in March 2016 from $0.11/share to $0.105/share to align its distribution policy with expected market conditions. The new distribution rate was maintained through the end of the year, with 100% of the distribution treated as ordinary income for tax purposes, and leaving the Fund with an accumulated undistributed net investment income balance of $867k at the end of the year.

On behalf of the management team and Board of Trustees, I thank you for your continued commitment in your investments in the Fund.

Sincerely,

Steven A. Baffico
President – THL Credit Senior Loan Fund
Managing Partner & CEO – Four Wood Capital Advisors LLC

The views expressed reflect the opinion of Four Wood Capital Advisors LLC and THL Credit Advisors LLC as of the date of this report and are subject to change at any time based on changes in the market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results. FWCA and THL Credit are not obligated to publicly update or revise any of the views expressed herein.

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1 The Credit Suisse Leveraged Loan Index is an unmanaged market value-weighted index designed to mirror the investable universe of the U.S. dollar-denominated leveraged loan market. New issues are added to the index on their effective date if they qualify according to the following criteria: loan facilities must be rated "BB" or lower; only fully-funded term loan facilities are included; and issuers must be domiciled in developed countries. It is not possible to invest directly in an index.

2 Credit Suisse Leveraged Loan Index monthly returns for 2016.

3 Credit Suisse Leveraged Loan Index average prices as of December 31, 2015 and 2016.

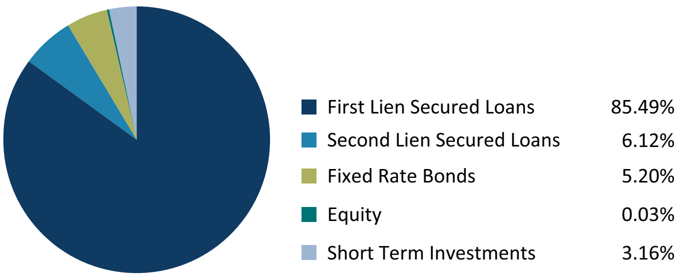
4 JP Morgan High Yield and Leveraged Loan Research as of December 31, 2016.

5 S&P Capital IQ LCD as of December 31, 2016.

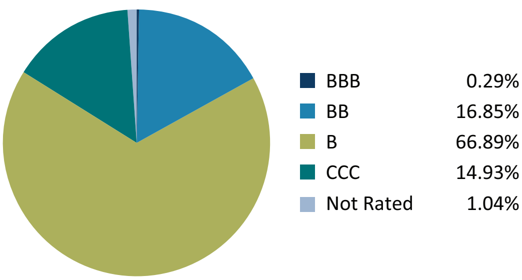
6 S&P Capital IQ LCD according to the S&P/LSTA Leveraged Loan Index Default Rate as of December 31, 2016 and 2015.

7 Credit Suisse Leveraged Loan Index profile my market weight as of December 31, 2016.

TSLF's Portfolio Composition[1]



TSLF's S&P Rating[2]



Portfolio Characteristics[3]

Weighted Average Loan Spread[4]	5.21%
Weighted Average Days to Reset	48
Weighted Average Bond Coupon Rate	7.57%
Weighted Average Bond Duration (years)	4.88
Average Position Size	$1,375,817
Number of Positions	136

(1) *As a percentage of fair value of total investment held.*

(2) *As a percentage of fair value of investments, excluding short term investments.*

(3) *Excluding short term investments.*

(4) *Exclusive of LIBOR floors.*

(5) *Annualized. Operations commenced on September 20, 2013.*

(6) *Reflects adjustments in accordance with accounting principles generally accepted in the United States of America. The net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns reported on December 31, 2016.*

(7) *Source: Bloomberg. Credit Suisse Leveraged Loan Index is an unmanaged market value-weighted index designed to mirror the investable universe of the U.S. dollar-denominated leveraged loan market. New issues are added to the index on their effective date if they qualify according to the following criteria: loan facilities must be rated "BB" or lower; only fully-funded term loan facilities are included; and issuers must be domiciled in developed countries. It is not possible to invest directly in an index.*

(8) *Industry classifications are based upon Moody's Industry Classifications.*

(9) *Top 10 Holdings does not include the Morgan Stanley Institutional Liquidity Treasury Portfolio — Institutional Share Class, which represents 3.16% of the fair value of total investments held.*

The information shown is subject to change and is provided for informational purposes only. Ratings are based on S&P Ratings, which are subject to change, apply to the creditworthiness of the issuers of the underlying securities and not to the Fund or its shares. Credit ratings measure the quality of a bond based on the issuer's creditworthiness, with ratings ranging from AAA, being the highest, to D, being the lowest based on S&P's measures. Ratings of BBB or higher by Standard and Poor's are considered to be investment grade quality. Information shown is as of December 31, 2016. Current information may differ from that shown.

TSLF Total Return

	1 Year	3 Year	Since Inception[5]
THL Credit Senior Loan Fund			
NAV[6]	15.99%	6.06%	6.53%
Market Price	27.75%	8.96%	5.80%
CS Leveraged Loan Index[7]	9.88%	3.76%	3.93%

Data shown represents past performance and is no guarantee of future results. Market price and net asset value (NAV) of a Fund's shares will fluctuate with market conditions. Current performance may be higher or lower than the performance shown.

Top 10 Holdings[1][9]

Mood Media Corporation, Term Loan - First Lien	2.43%
Scientific Games International, Inc., Term Loan B2 - First Lien	2.06%
SolarWinds Inc, Term B Loan - First Lien	2.06%
Alvogen Pharma US Inc., Term Loan - First Lien	1.59%
ConvergeOne Holdings Corporation, Initial Term Loan - First Lien	1.53%
Sirva Worldwide, Inc. Term Loan - First Lien	1.53%
Pre-Paid Legal Services, Inc. (Legalshield), Term Loan (2013) - First Lien	1.40%
Calceus Acquisition, Inc. (Cole Haan), Term B-1 Loan - First Lien	1.33%
Checkout Holding Corp. (Catalina Holding Corp), Term Loan B - First Lien	1.32%
Preferred Proppants LLC (Preferred Sands) Term Loan - First Lien	1.31%

Top 5 Industry Holdings[1][8]

Services: Business	13.97%
Technology: Software	9.13%
Technology: Services	8.42%
Retail	6.74%
Manufacturing	6.43%

Investments	Principal	Value
SENIOR LOANS[(a)] – 128.0% (91.6% of Total Investments)		
Aerospace & Defense – 1.8%		
Advanced Integration Technology LP, Initial Term Loan – First Lien, 6.500%, (LIBOR + 5.500%) 07/22/21[(b)]	$1,496,250	$1,503,731
Pelican Products, Inc., Term Loan – Second Lien, 9.250%, (LIBOR + 8.250%) 04/09/21	1,000,000	975,000
Total Aerospace & Defense		2,478,731
Automotive – 2.0%		
BBB Industries LLC, Term Loan – Second Lien, 9.750%, (LIBOR + 8.750%) 11/03/22[(b)]	250,000	243,750
Tectum Holdings Inc (Truck Hero), Initial Term Loans – First Lien, 5.750%, (LIBOR + 4.750%) 08/24/23[(b)]	2,493,750	2,531,156
Total Automotive		2,774,906
Banking, Finance, Insurance & Real Estate – 3.1%		
Confie Seguros Holding II Co., Term Loan – Second Lien, 10.250%, (LIBOR + 9.000%) 05/09/19	500,000	497,293
GENEX Services, Inc., Term Loan B – First Lien, 5.250%, (LIBOR + 4.250%) 05/28/21[(b)]	1,870,408	1,863,394
GENEX Services, Inc., Initial Term Loan – Second Lien, 8.750%, (LIBOR + 7.750%) 05/30/22[(b)]	250,000	241,250
RJO Holdings Corp., Term Loan – First Lien, 9.520%, (LIBOR + 8.750%) 12/11/17	1,022,654	917,832
SG Acquisition Inc. (Safe Gard), Initial Term Loan – First Lien, 6.250%, (LIBOR + 5.250%) 08/19/21[(b)]	767,976	744,937
Total Banking, Finance, Insurance & Real Estate		4,264,706
Beverage, Food & Tobacco – 2.7%		
Arctic Glacier U.S.A., Inc., 2014 Term B Loan – First Lien, 6.000%, (LIBOR + 5.000%) 05/10/19[(b)]	2,424,892	2,421,861
Flavors Holdings Inc., Tranche B Term Loan – First Lien, 6.750%, (LIBOR + 5.750%) 04/03/20[(b)]	887,500	723,313
Flavors Holdings Inc., Initial Term Loan – Second Lien, 11.000%, (LIBOR + 10.000%) 10/03/21[(b)]	1,000,000	600,000
Total Beverage, Food & Tobacco		3,745,174
Capital Goods – 0.6%		
Crosby US Acquisition Corp., Initial Term Loan – First Lien, 4.000%, (LIBOR + 3.000%) 11/23/20	970,000	876,036
Consumer Products: Durables – 1.5%		
Paladin Brands Holding, Inc., Initial Loan – First Lien, 7.250%, (LIBOR + 6.000%) 08/16/19[(b)]	1,668,030	1,545,012
Serta Simmons Bedding LLC, Term Loan – Second Lien, 9.000%, (LIBOR + 8.000%) 11/08/24	500,000	504,165
Total Consumer Products: Durables		2,049,177

See accompanying Notes to Financial Statements

Investments	Principal	Value
SENIOR LOANS[a] (continued)		
Consumer Products: Non Durables – 3.5%		
Calceus Acquisition, Inc. (Cole Haan), Term B-1 Loan – First Lien, 5.000%, (LIBOR + 4.000%) 01/31/20	$ 2,924,77	$2,566,485
Varsity Brands, Inc. (Hercules Achievement), Term B Loan – First Lien, 5.000%, (LIBOR + 4.000%) 12/11/21	1,960,000	1,992,340
Vince Intermediate Holding LLC, Initial Term Loan – First Lien, 6.000%, (LIBOR + 5.000%) 11/27/19[b]	257,143	249,429
Total Consumer Products: Non Durables		4,808,254
Energy, Oil & Gas – 3.3%		
Gulf Finance, LLC, Tranche B Term Loan – First Lien, 6.250%, (LIBOR + 5.250%) 08/25/23	1,496,250	1,507,472
HGIM Corp. (Harvey Gulf), Term Loan B – First Lien, 5.470%, (LIBOR + 4.470%) 06/18/20	2,907,362	2,290,769
TerraForm AP Acquisition Holdings LLC, Loans – First Lien, 6.000%, (LIBOR + 5.000%) 06/27/22[b]	766,794	770,628
Total Energy, Oil & Gas		4,568,869
Healthcare & Pharmaceuticals – 6.0%		
Alvogen Pharma US Inc., Term Loan – First Lien, 6.000%, (LIBOR + 5.000%) 04/01/22[b]	3,170,131	3,075,027
Arbor Pharmaceuticals, LLC, Initial Term Loan – First Lien, 6.000%, (LIBOR + 5.000%) 07/05/23	2,484,375	2,518,535
BioScrip, Inc., Initial Term B Loan – First Lien, 6.500%, (LIBOR + 5.250%) 07/31/20[b]	1,805,491	1,724,244
BioScrip, Inc., Term Loan – First Lien, 6.500%, (LIBOR + 5.250%) 07/31/20[b]	1,083,294	1,034,546
Total Healthcare & Pharmaceuticals		8,352,352
Hotel, Gaming & Leisure – 4.2%		
ALG USA Holdings, LLC (Apple Leisure Group), Term Loan B-1 – First Lien, 7.000%, (LIBOR + 5.750%) 02/28/19[b]	812,876	814,909
ALG USA Holdings, LLC (Apple Leisure Group), Term Loan B-2 – First Lien, 7.000%, (LIBOR + 5.750%) 02/28/19[b]	1,077,533	1,080,227
Caesars Entertainment Resort Properties LLC, Term B Loan – First Lien, 7.000%, (LIBOR + 6.000%) 10/12/20	1,959,796	1,981,236
Parq Holdings LP (Canada), Term Loan – First Lien, 8.500%, (LIBOR + 7.500%) 12/17/20[b]	2,000,000	1,970,000
Total Hotel, Gaming & Leisure		5,846,372
Manufacturing – 9.0%		
Blount International, Inc., Initial Term Loan – First Lien, 7.250%, (LIBOR + 6.250%) 04/12/23[b]	1,695,750	1,719,067
Cortes NP Acquisition Corp. (Vertiv), Term Loan B – First Lien, 6.000%, (LIBOR + 5.000%) 09/29/23[b]	1,000,000	1,015,000
CPM Holdings, Inc., Initial Term Loan – First Lien, 6.000%, (LIBOR + 5.000%) 04/11/22	2,068,500	2,102,113
Duke Finance LLC (OM Group Inc / Vectra), Term Loan – First Lien, 7.000%, (LIBOR + 6.000%) 10/28/21[b]	1,488,722	1,493,382

See accompanying Notes to Financial Statements

Investments	Principal	Value
SENIOR LOANS[a] (continued)		
Manufacturing – 9.0% (continued)		
Meter Readings Holding, LLC (Aclara Technologies LLC), Initial Term Loan – First Lien, 6.750%, (LIBOR + 5.750%) 08/29/23[b]	$1,995,000	$ 2,037,394
MTS Systems Corp., Tranche B Term Loan – First Lien, 5.000%, (LIBOR + 4.250%) 07/05/23[b]	1,496,250	1,519,165
Preferred Proppants LLC (Preferred Sands), Term Loan – First Lien, 6.750%, (LIBOR + 5.750%) 07/27/20[b]	2,932,500	2,536,612
Total Manufacturing		12,422,733
Media: Advertising, Printing & Publishing – 5.4%		
Cengage Learning Acquisitions, Inc., Term B Loan – First Lien, 5.250%, (LIBOR + 4.250%) 06/07/23	2,306,477	2,250,626
Getty Images, Inc., Initial Term Loan – First Lien, 4.750%, (LIBOR + 3.500%) 10/18/19	1,954,198	1,711,546
Harland Clarke Hldgs., Tranche B-3 Term Loans – First Lien, 7.000%, (LIBOR + 6.000%) 05/22/18	1,939,740	1,947,013
Harland Clarke Hldgs., Tranche B-5 Term Loans – First Lien, 7.000%, (LIBOR + 6.000%) 12/31/19	1,583,333	1,595,406
Total Media: Advertising, Printing & Publishing		7,504,591
Media: Broadcasting & Subscription – 1.2%		
CSC Holdings, Inc. (Cablevision / Altice Financing / Neptune Finco), Term Loan B – First Lien, 3.876%, (LIBOR + 3.000%) 10/11/24	328,947	333,059
Tribune Media Co., Term B Loan – First Lien, 3.750%, (LIBOR + 3.000%) 12/27/20	1,242,220	1,254,798
Total Media: Broadcasting & Subscription		1,587,857
Media: Diversified and Services – 5.2%		
IMG Worldwide, Inc., Term Loan – First Lien, 5.250%, (LIBOR + 4.250%) 05/03/21	1,949,923	1,974,307
Match Group, Inc., Term B-1 Loans – First Lien, 4.200%, (LIBOR + 3.200%) 11/16/22[b]	533,203	541,868
Mood Media Corporation (Canada), Term Loan – First Lien, (LIBOR + 6.000%) 7.000%, 05/01/19	4,862,500	4,700,408
Total Media: Diversified and Services		7,216,583
Metals & Mining – 0.4%		
TMS International Corp. (Tube City), Term Loan B – First Lien, 4.500%, (LIBOR + 3.500%) 10/16/20[b]	477,347	478,540
Packaging – 1.4%		
BWAY Holding Co. (ICL Industrial Containers ULC/ICL), Initial Term Loan – First Lien, 4.750%, (LIBOR + 3.750%) 08/14/23	1,884,615	1,893,218
Restaurants – 1.9%		
Restaurant Brands International, Inc., (Burger King) (Canada), Term B – First Lien, 3.750%, (LIBOR + 2.750%) 12/10/21	747,512	755,223
Steak n Shake Operations, Inc., Term Loan – First Lien, 4.750%, (LIBOR + 3.750%) 03/19/21[b]	1,846,345	1,850,961
Total Restaurants		2,606,184

See accompanying Notes to Financial Statements

Investments	Principal	Value
SENIOR LOANS[a] (continued)		
Retail – 9.4%		
Albertson's LLC, 2016-2 Term Loan B-4 – First Lien, 3.770%, (LIBOR + 2.770%) 08/25/21	$1,698,647	$ 1,721,120
Albertson's LLC, 2016-2 Term Loan B-5 – First Lien, 4.250%, (LIBOR + 3.250%) 12/21/22	1,492,509	1,514,337
American Sportsman Holdings Co (Bass Pro), Term Loan B – First Lien, 5.970%, (LIBOR + 4.970%) 11/15/23	1,800,000	1,785,537
Charming Charlie LLC, Initial Term B Loan – First Lien, 9.000%, (LIBOR + 8.000%) 12/24/19	877,500	488,474
CWGS Group, LLC (Camping World), Term Loans – First Lien, 4.500%, (LIBOR + 3.750%) 11/08/23	2,000,00	2,034,160
FullBeauty Brands LP / OSP Group, Inc. (a/k/a OneStopPlus Group & Redcats USA), Initial Term Loans – First Lien, 5.750%, (LIBOR + 4.750%) 10/14/22[b]	992,500	893,250
J. Crew Group, Inc., Initial Loans – First Lien, 4.000%, (LIBOR + 3.000%) 03/05/21	492,424	282,528
Jill Acquisition LLC, Term Loan – First Lien, 6.000%, (LIBOR + 5.000%) 05/08/22	1,036,880	1,037,529
Moran Foods LLC (Save-A-Lot), Initial Term Loan – First Lien, 7.000%, (LIBOR + 6.000%) 12/02/23[b]	1,000,00	1,000,000
PET Acquisition Merger Sub LLC (Petco), Tranche B-1 Term Loan – First Lien, 5.000%, (LIBOR + 4.000%) 01/26/23	1,265,188	1,273,779
PetSmart, Inc., Term Loan B-2 – First Lien, 4.000%, (LIBOR + 3.000%) 03/10/22	985,000	989,142
Total Retail		13,019,856
Services: Business – 18.1%		
Centerplate, Inc. (KPLT), Term Loan A – First Lien, 4.750%, (LIBOR + 3.750%) 11/26/19[b]	970,000	968,787
Checkout Holding Corp. (Catalina Holding Corp), Term Loan B – First Lien, 4.500%, (LIBOR + 3.500%) 04/09/21[b]	2,925,000	2,559,375
CT Technologies Intermediate Holdings, Inc. (HealthPort), Initial Term B Loan – First Lien, 5.250%, (LIBOR + 4.250%) 12/01/21	1,960,150	1,879,294
Cvent Inc, Term Loan B – First Lien, 6.250%, (LIBOR + 5.250%) 06/03/23[b]	2,500,000	2,531,250
Deluxe Entertainment Services Group, Inc., Initial Term Loan – First Lien, 6.500%, (LIBOR + 5.500%) 02/28/20	1,884,770	1,889,481
Goldcup Merger Sub, Inc (eResearch Technology, Explorer Holdings), Initial Term Loan – First Lien, 6.000%, (LIBOR + 5.000%) 05/02/23	1,492,432	1,511,558
RentPath, Inc., Term Loan – First Lien, 6.250%, (LIBOR + 5.250%) 12/17/21	1,960,000	1,930,600
RentPath, Inc., Term Loan – Second Lien, 10.000%, (LIBOR + 9.000%) 12/19/22	1,000,000	881,665
Sirva Worldwide, Inc., Term – Loan First Lien, 7.500%, (LIBOR + 6.500%) 11/22/22[b]	3,000,000	2,947,500
Solera Holdings, Inc., Dollar Term Loan – First Lien, 5.750%, (LIBOR + 4.750%) 02/28/23	935,786	949,823
SourceHOV LLC, Term B Loan – First Lien, 7.750%, (LIBOR + 6.750%) 10/31/19	1,378,125	1,249,959

See accompanying Notes to Financial Statements

Investments	Principal	Value
SENIOR LOANS[(a)] (continued)		
Services: Business – 18.1% (continued)		
TCH-2 Holdings LLC (TravelClick), Term Loan – First Lien, 5.500%, (LIBOR + 4.500%) 05/12/21[(b)]	$1,951,266	$ 1,958,583
TCH-2 Holdings LLC (TravelClick), Initial Term Loan – Second Lien, 8.750%, (LIBOR + 7.750%) 11/12/21[(b)]	1,750,000	1,721,563
Trader Corp. (Canada), Term Loan – First Lien, 5.000%, (LIBOR + 4.000%) 07/27/23	1,000,000	1,014,165
USIC Holdings, Inc., Term Loan – First Lien, 4.750%, (LIBOR + 3.750%) 12/09/23	1,000,000	1,010,415
Total Services: Business		25,004,018
Services: Consumer – 8.6%		
Fitness International LLC (LA Fitness), Term Loan B – First Lien, 6.000%, (LIBOR + 5.000%) 07/01/20	961,612	964,319
Jackson Hewitt Tax Service, Inc., Initial Term B Loan – First Lien, 8.000%, (LIBOR + 7.000%) 07/30/20	980,000	946,925
New Millennium Holdco, Inc. and Millennium Health, LLC, Closing Date Term Loan – First Lien, 7.500%, (LIBOR + 6.500%) 12/21/20	978,081	502,083
Pre-Paid Legal Services, Inc. (Legalshield), Term Loan (2013) – First Lien, 6.500%, (LIBOR + 5.250%) 07/01/19	2,691,183	2,704,639
Pre-Paid Legal Services, Inc. (Legalshield), Term Loan – Second Lien, 10.250%, (LIBOR + 9.000%) 07/01/20	1,500,000	1,510,627
Redbox Automated Retail LLC, Term B Loans – First Lien, 8.500%, (LIBOR + 7.500%) 09/21/21	1,912,500	1,865,166
Renaissance Learning, Inc., Initial Term Loan – First Lien, 4.500%, (LIBOR + 3.500%) 04/09/21	1,945,000	1,954,317
Renaissance Learning, Inc., Initial Term Loan – Second Lien, 8.000%, (LIBOR + 7.000%) 04/11/22	1,000,000	995,830
TruGreen LP, Term Loan B – First Lien, 6.500%, (LIBOR + 5.500%) 04/13/23[(b)]	497,500	505,584
Total Services: Consumer		11,949,490
Services: Rental – 0.2%		
North American Lifting Holdings, Inc. (TNT Crane), Initial Term Loan – Second Lien, 10.000%, (LIBOR + 9.000%) 11/26/21[(b)]	500,000	255,000
Technology: Hardware – 1.8%		
Eastman Kodak Company, Term Loan – First Lien, 7.250%, (LIBOR + 6.250%) 09/03/19	959,190	965,190
Zebra Technologies Corp, New Term B Loan – First Lien, 3.450%, (LIBOR + 2.500%) 10/27/21	1,502,727	1,522,345
Total Technology: Hardware		2,487,535
Technology: Semiconductor – 0.8%		
M/A-COM Technology Solutions Holdings, Inc., Initial Term Loan – First Lien, 4.630%, (LIBOR + 3.630%) 05/07/21[(b)]	1,119,011	1,134,398
Technology: Services – 11.8%		
Ability Networks, Inc., Initial Term Loan – Second Lien, 9.250%, (LIBOR + 8.250%) 05/16/22[(b)]	1,000,000	995,000

See accompanying Notes to Financial Statements

Investments	Principal	Value
SENIOR LOANS[(a)] (continued)		
Technology: Services – 11.8% (continued)		
Ancestry.com Operations Inc., Term Loan – First Lien, 5.250%, (LIBOR + 4.250%) 10/19/23	$1,636,364	$ 1,656,303
AP Gaming I LLC (American Gaming Systems), Term B Loan – First Lien, 9.250%, (LIBOR + 8.250%) 12/20/20	982,278	980,230
Cast & Crew Payroll, LLC, Term Loan – First Lien, 5.000%, (LIBOR + 4.000%) 08/12/22[(b)]	497,481	503,078
ConvergeOne Holdings Corporation, Initial Term Loan – First Lien, 6.375%, (LIBOR + 5.375%) 06/17/20	2,958,664	2,954,965
First Data Corporation, 2022C New Dollar Term Loan – First Lien, 3.760%, (LIBOR + 3.000%) 07/08/22	1,399,430	1,416,489
MH Sub I LLC & Micro (Internet Brands), Term Loan – First Lien, 4.750%, (LIBOR + 3.750%) 07/08/21	1,952,911	1,966,953
PGX Holdings, Inc. (Progrexion), Initial Term Loan – First Lien, 6.250%, (LIBOR + 5.250%) 09/29/20[(b)]	1,810,357	1,813,190
Scientific Games International, Inc., Term Loan B-2 – First Lien, 6.000%, (LIBOR + 5.000%) 10/01/21	3,920,000	3,976,056
Total Technology: Services		16,262,264
Technology: Software – 12.3%		
Active Network, LLC (LanyonSolutions), Term B Loan – First Lien, 6.000%, (LIBOR + 5.000%) 11/13/20[(b)]	1,850,711	1,851,867
Compuware Corp., Tranche B2 Term Loan – First Lien, 6.250%, (LIBOR + 5.250%) 12/15/21	1,470,000	1,481,209
Greeneden U.S. Holdings II, LLC (Genesys Telecommunications Laboratories), Initial Dollar Term Loan – First Lien, 6.250%, (LIBOR + 5.250%) 12/01/23	500,000	510,158
GTCR Valor Companies, Inc. (Cision Vocus) (Project Volcano), Term Loan B – First Lien, 7.000%, (LIBOR + 6.000%) 05/17/23	2,490,000	2,472,881
Hyland Software, Inc., Initial Loans – Second Lien, 8.250%, (LIBOR + 7.250%) 05/27/23[(b)]	1,000,000	1,020,000
Infoblox, Inc., Term Loan – First Lien, 6.000%, (LIBOR + 5.000%) 11/07/23	2,215,909	2,208,984
Infoblox, Inc., Term Loan – Second Lien, 9.750%, (LIBOR + 8.750%) 11/07/24	1,000,000	984,165
Kronos Inc/MA, Initial Term Loan – First Lien, 5.000%, (LIBOR + 4.000%) 11/01/23	1,500,000	1,521,098
Riverbed Technology, Inc., Term B Loan – First Lien, 5.000%, (LIBOR + 4.000%) 04/24/22	975,447	983,846
SolarWinds Inc, Term B Loan – First Lien, 5.500%, (LIBOR + 4.500%) 02/05/23	3,920,470	3,975,435
Total Technology: Software		17,009,643
Telecommunications – 6.6%		
Asurion Delivery and Installation Services, Inc., Incremental Tranche B-4 Term Loan – First Lien, 5.000%, (LIBOR + 4.000%) 08/04/22	1,947,500	1,975,982
Asurion, LLC (Asurion Delivery and Installation Services, Inc.), Incremental Tranche B-5 Term Loan – First Lien, 4.750%, (LIBOR + 3.750%) 11/03/23	1,496,250	1,519,442
Asurion, LLC (Asurion Delivery and Installation Services, Inc.), Replacement B-2 Term Loan – First Lien, 4.087%, (LIBOR + 3.087%) 05/24/19	149,316	150,832

See accompanying Notes to Financial Statements

Investments	Principal	Value
SENIOR LOANS[(a)] (continued)		
Telecommunications – 6.6% (continued)		
Avaya, Inc., Refinancing Term B-7 – First Lien, 6.250%, (LIBOR + 5.250%) 05/29/20	$1,958,538	$ 1,708,834
Avaya, Inc., Replacement Term Loan B-6 – First Lien, 6.500%, (LIBOR + 5.500%) 03/31/18	1,306,662	1,144,962
Birch Communications, Inc., Term B Loan – First Lien, 8.250%, (LIBOR + 7.250%) 07/17/20[(b)]	1,842,148	1,657,934
Fairpoint Communications, Inc., Term Loan – First Lien, 7.500%, (LIBOR + 6.250%) 02/14/19	971,881	984,185
Total Telecommunications		9,142,171
Transportation: Services – 2.5%		
Commercial Barge Line Co. (American Commercial Lines), Initial Term B Loan – First Lien, 9.750%, (LIBOR + 8.750%) 11/12/20	1,285,840	1,217,260
Gruden Acquisition, Inc. (Quality Distribution LLC), Term Loan – First Lien, 5.75%, (LIBOR + 4.750%) 08/18/22	1,980,000	1,895,850
Gruden Acquisition, Inc. (Quality Distribution LLC), Term Loan – Second Lien, 9.500%, (LIBOR + 8.500%) 08/18/23	500,000	395,835
Total Transportation: Services		3,508,945
Waste Management – 1.3%		
Energy Solutions LLC (Envirocare of Utah), Term B – First Lien, 6.750%, (LIBOR + 5.750%) 05/29/20	1,788,750	1,806,637
Wholesale – 1.4%		
4L Technologies, Inc. (Clover Technologies), Initial Term Loan – First Lien, 5.500%, (LIBOR + 4.500%) 05/08/20	903,956	861,018
FPC Holdings, Inc. (Fleetpride), Initial Term Loan – First Lien, 5.250%, (LIBOR + 4.000%) 11/19/19	1,160,696	1,103,143
Total Wholesale		1,964,161
Total Senior Loans (Cost $179,879,262)		177,018,401
CORPORATE BONDS – 7.3% (5.2% of Total Investments)		
Aerospace & Defense – 0.8%		
Constellis Holdings LLC / Constellis Finance Corp., 9.750%, 05/15/20‡	1,000,000	1,030,000
Banking, Finance, Insurance & Real Estate – 0.1%		
Centene Corp., 4.750%, 01/15/25	153,000	150,036
Chemicals, Plastics & Rubber – 1.1%		
Aruba Investments, Inc., 8.750%, 02/15/23‡	1,500,000	1,492,500
Media: Advertising, Printing & Publishing – 0.5%		
Getty Images, Inc., 7.000%, 10/15/20‡	1,000,000	707,500
Media: Broadcasting & Subscription – 1.4%		
Radio One, Inc., 7.375%, 04/15/22‡	2,000,000	1,986,666

See accompanying Notes to Financial Statements

Investments	Principal	Value
CORPORATE BONDS (continued)		
Media: Diversified and Services – 0.4%		
Match Group, Inc., 6.375%, 06/01/24	$ 573,000	$ 607,828
Services: Business – 1.4%		
Envision Healthcare Corp., 6.250%, 12/01/24‡	421,000	445,470
Iron Mountain US Holdings, Inc., 5.375%, 06/01/26‡	383,000	372,707
Iron Mountain, Inc., 4.375%, 06/01/21‡	383,000	393,373
Solera LLC / Solera Finance, Inc., 10.500%, 03/01/24‡	680,000	767,975
Total Services: Business		1,979,525
Services: Consumer – 0.1%		
Lions Gate Entertainment Corp. (Canada), 5.875%, 11/01/24‡	153,000	155,805
Services: Rental – 0.1%		
Avis Budget Car Rental LLC / Avis Budget Finance, Inc., 6.375%, 04/01/24‡	92,000	92,307
Technology: Hardware – 0.2%		
Diamond 1 Finance Corp. / Diamond 2 Finance Corp., 7.125%, 06/15/24‡	189,000	209,672
Technology: Software – 0.5%		
Genesys Telecommunications Laboratories Inc / Greeneden Lux 3 Sarl / Greeneden US Holdings, 10.00%, 11/30/24‡	582,000	622,012
Wholesale – 0.7%		
WESCO Distribution, Inc., 5.375%, 06/15/24‡	1,000,000	1,006,875
Total Corporate Bonds (Cost $9,889,654)		10,040,726
	Shares	
COMMON STOCK – 0.0%† (0.0% of Total Investments)		
Services: Consumer – 0.0%†		
New Millennium Holdco, Inc. (Cost $215,986)	29,712	52,011
MONEY MARKET FUND – 4.4% (3.2% of Total Investments)		
Morgan Stanley Institutional Liquidity Treasury Portfolio – Institutional Share Class, 0.38%(c) (Cost $6,111,376)	6,111,376	6,111,376
Total Investments in Securities – 139.7% (Cost $196,096,278)		193,222,514
Line of Credit Payable (Cost $52,000,000) – (37.6)%		(52,000,000)
Liabilities in Excess of Other Assets – (2.1)%		(2,964,404)
Net Assets – 100.0%		**$138,258,110**

* Securities are US securities, unless otherwise noted below.

† Less than 0.05%

‡ Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may not be resold subject to that rule except to qualified institutional buyers. Total fair value of Rule 144A securities amounts to $9,282,862 which represents approximately 6.7% of net assets as of December 31, 2016. Unless otherwise noted, 144A securities are deemed to be liquid.

See accompanying Notes to Financial Statements

(a) Senior loans pay interest at rates that are periodically determined on the basis of a floating benchmark lending rate, often subject to a floor, plus a spread. The most popular benchmark lending rate is the London Interbank Offered Rate ("LIBOR"). LIBOR is based on rates that contributor banks in London charge each other for interbank deposits and is typically used to set coupon rates on floating rate debt securities. LIBOR was the only benchmark utilized for the senior loans at December 31, 2016. The rate shown represents the contractual rate (benchmark rate or floor plus spread) in effect at period end. Senior Loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual maturity may be substantially less than the stated maturity shown.

(b) Fair Value Level 3 security. All remaining securities are categorized as Level 2.

(c) Rate shown reflects the 7-day yield as of December 31, 2016.

See accompanying Notes to Financial Statements

SUMMARY OF SCHEDULE OF INVESTMENTS	% of Net Assets
Aerospace & Defense	2.6%
Automotive	2.0
Banking, Finance, Insurance & Real Estate	3.2
Beverage, Food & Tobacco	2.7
Capital Goods	0.6
Chemicals, Plastics & Rubber	1.1
Consumer Products: Durables	1.5
Consumer Products: Non Durables	3.5
Energy, Oil & Gas	3.3
Healthcare & Pharmaceuticals	6.0
Hotel, Gaming & Leisure	4.2
Manufacturing	9.0
Media: Advertising, Printing & Publishing	5.9
Media: Broadcasting & Subscription	2.6
Media: Diversified and Services	5.6
Metals & Mining	0.4
Packaging	1.4
Restaurants	1.9
Retail	9.4
Services: Business	19.5
Services: Consumer	8.7
Services: Rental	0.3
Technology: Hardware	2.0
Technology: Semiconductor	0.8
Technology: Services	11.8
Technology: Software	12.8
Telecommunications	6.6
Transportation: Services	2.5
Waste Management	1.3
Wholesale	2.1
Money Market Fund	4.4
Total Investments	139.7
Line of Credit Payable	(37.6)
Liabilities in Excess of Other Assets	(2.1)
Net Assets	100.0%

See accompanying Notes to Financial Statements

ASSETS	
Investments, at value (cost $196,096,278)	$193,222,514
Cash	379,084
Receivable for investments sold	90,688
Interest receivable	822,389
Prepaid expenses	38,342
Total Assets	194,553,017
LIABILITIES	
Borrowings (Note 4)	52,000,000
Payable for securities purchased	3,959,923
Advisory fee payable (Note 5)	172,401
Investor support services fee payable (Note 5)	8,210
Accrued interest on borrowings	20,970
Other accrued expenses	133,403
Total Liabilities	56,294,907
Net Assets	$138,258,110
COMPONENTS OF NET ASSETS	
Paid-in-capital	$141,342,941
Undistributed net investment income	866,768
Accumulated net realized loss on investments	(1,077,835)
Net unrealized depreciation on investments	(2,873,764)
Net Assets	$138,258,110
Common Shares Outstanding (unlimited shares authorized; $0.001 per share par value)	7,418,990
Net Asset Value Per Share	$ 18.64

See accompanying Notes to Financial Statements

THL Credit Senior Loan Fund Statement of Operations	For the Year Ended December 31, 2016
INVESTMENT INCOME:	
Interest	$13,668,009
Total Investment Income	13,668,009
EXPENSES:	
Advisory fees (Note 5)	1,937,664
Interest expense & fees on borrowings	714,056
Professional fees	227,242
Administration fees	119,320
Trustees' fees and expenses (Note 5)	108,000
Investor support services fees (Note 5)	92,270
Insurance expense	60,309
Printing and mailing expense	46,089
Compliance fees	28,409
Custodian fees	25,000
NYSE listing fee	23,752
Transfer agent fees	18,419
Other expenses	95,854
Total Expenses	3,496,384
Net Investment Income	10,171,625
NET REALIZED AND CHANGE IN UNREALIZED GAIN (LOSS) ON INVESTMENTS:	
Net realized loss on investments	(4,373)
Net change in unrealized appreciation on investments	9,557,655
Net realized and unrealized gain on investments	9,553,282
Net Increase in Net Assets from Operations	$19,724,907

See accompanying Notes to Financial Statements

THL Credit Senior Loan Fund Statement of Changes in Net Assets	Year Ended December 31, 2016	Year Ended December 31, 2015
OPERATIONS		
Net investment income	$ 10,171,625	$ 10,066,792
Net realized loss on investments	(4,373)	(1,776,502)
Net change in unrealized appreciation (depreciation) on investments and delayed draw loan commitments	9,557,655	(9,372,208)
Net increase (decrease) in net assets from operations	19,724,907	(1,081,918)
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income	(9,422,116)	(9,439,497)
From net realized gains	—	(553,753)
Total distributions to shareholders	(9,422,116)	(9,993,250)
CAPITAL STOCK TRANSACTIONS		
Dividend reinvestment	—	5,213
Net Increase (Decrease) in Net Assets	10,302,791	(11,069,955)
NET ASSETS:		
Beginning of year	$127,955,319	$139,025,274
End of year	$138,258,110	$127,955,319
Undistributed net investment income	$ 866,768	$ 475,283

See accompanying Notes to Financial Statements

THL Credit Senior Loan Fund
Statement of Cash Flows

	For the Year ended December 31, 2016
Cash Flows From Operating Activities:	
Net increase in net assets from operations	$ 19,724,907
Adjustments to reconcile net increase in net assets from operations to net cash used by operating activities:	
Purchases of long-term investments	(80,346,655)
Proceeds from sales of long-term investments	74,400,044
Net increase in short-term investments	3,359,877
Net change in unrealized appreciation on investments	(9,557,655)
Net accretion/amortization of premium or discount	(465,553)
Net increase in realized gains from principal paydowns	(371,929)
Net realized loss on investments	4,373
Decrease in receivable for investments sold	286,789
Increase in interest receivable	(26,073)
Decrease in prepaid expenses	6,002
Increase in payable for investments purchased	2,228,673
Increase in advisory fee payable	10,853
Increase in investor support services fee payable	517
Increase in accrued interest on borrowing	7,260
Decrease in other accrued expenses	(63,818)
Net cash provided by operating activities	9,197,612
Cash Flows from Financing Activities:	
Proceeds from borrowings	18,000,000
Repayments of borrowings	(18,000,000)
Distributions paid	(9,422,116)
Net cash used by financing activities	(9,422,116)
Net decrease in cash	(224,504)
Cash, beginning of period	603,588
Cash, end of period	$ 379,084
Supplemental disclosure of cash flow information:	
Cash paid for interest on borrowings	$ 706,796

See accompanying Notes to Financial Statements

THL Credit Senior Loan Fund Financial Highlights	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	For the Period September 20, 2013 to December 31, 2013
Common Shares				
Per Share Operating Performance				
Net Asset Value, beginning of period	$ 17.25	$ 18.74	$ 19.42	$ 19.06
Operations:				
Net investment income[1]	1.37	1.36	1.25	0.33
Net realized and unrealized gain (loss) on investments and delayed draw loan commitments[2]	1.29	(1.50)	(0.50)	0.27
Total income (loss) from operations	2.66	(0.14)	0.75	0.60
Distributions to shareholders from:				
Net investment income	(1.27)	(1.27)	(1.32)	(0.24)
Net realized gains	—	(0.08)	(0.11)	—
Total distributions to shareholders	(1.27)	(1.35)	(1.43)	(0.24)
Net assets value per share, end of period	$ 18.64	$ 17.25	$ 18.74	$ 19.42
Market price per share, end of period	$ 18.74	$ 15.86	$ 17.06	$ 18.36
Total return:[3]				
Net asset value	15.99%	(0.96)%	3.87%	3.15%
Market value	27.75%	0.69%	0.58%	(7.00)%
Ratios/Supplemental Data:				
Net Assets, end of period (000's)	$138,258	$127,955	$139,025	$144,046
Ratio of expenses, including interest on borrowings, to average net assets	2.65%	2.63%	2.38%	2.46%[4]
Ratio of net investment income, including interest on borrowings, to average net assets	7.72%	7.37%	6.44%	6.14%[4]
Portfolio turnover rate	41%	34%	93%	20%
Borrowings:				
Aggregate principal amount, end of period (000s)	$ 52,000	$ 52,000	$ 49,000	$ 46,000
Average borrowings outstanding during the period (000s)	$ 52,929	$ 56,099	$ 41,834	$ 40,308[5]
Asset coverage, end of period per $1,000 of debt[6]	$ 3,658	$ 3,461	$ 3,837	$ 4,131

1. Based on average daily shares outstanding.
2. Realized and unrealized gain on investments and delayed draw loan commitments per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains and losses in the Statement of Operations due to the share transactions for the period.
3. Total return based on net asset value reflects changes in the Fund's net asset value during each period. Total return based on market value reflects changes in market value. Each figure assumes that dividend and capital gain distributions, if any, were reinvested. For NAV total returns, distributions are assumed to be reinvested at NAV on the distribution date. For market value total returns, distributions are assumed to be reinvested at the prices obtained under the Fund's Dividend Reinvestment Plan. These figures will differ depending upon the level of any discount from or premium to net asset value at which the Fund's shares traded during the period.
4. Annualized.
5. Average for the period since the first borrowing day of October 15, 2013.
6. Asset coverage equals the total net assets plus borrowings divided by the borrowings of the Fund outstanding at period end (Note 4). As debt outstanding changes, level of invested assets may change accordingly. Asset coverage ratio provides a measure of leverage.

See accompanying Notes to Financial Statements

1. ORGANIZATION AND OPERATIONS

THL Credit Senior Loan Fund (the "Fund") is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended. The Fund is an unincorporated business trust established under the laws of Delaware by an Agreement and Declaration of Trust dated July 30, 2013. The Fund commenced operations on September 20, 2013.

The Fund's investment objective is to provide current income and preservation of capital primarily through investments in U.S. dollar-denominated senior secured corporate loans and notes ("Senior Loans").

Four Wood Capital Advisors LLC (the "Adviser" or "FWCA") serves as the Fund's investment adviser (the "Adviser"). FWCA has engaged THL Credit Advisors LLC (the "Sub-adviser" or "THL Credit") to serve as the sub-adviser to the Fund.

2. SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company that applies the accounting and reporting guidance issued in Topic 946 by the U.S. Financial Accounting Standards Board. The Fund's financial statements have been prepared to comply with U.S. generally accepted accounting principles ("U.S. GAAP"). These principles require the Fund's Adviser to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates. The Fund follows the significant accounting policies described in this section, as well as the valuation policies described in the next section on valuation.

The following summarizes the significant accounting policies followed by the Fund in the preparation of its financial statements.

Securities Valuation: The Fund holds portfolio securities that are fair valued at the close of each day on the New York Stock Exchange ("NYSE"), normally at 4:00 P.M., Eastern Time. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Board of Trustees (the "Board") has delegated fair valuation responsibilities to a valuation committee (the "Committee"), subject to the Board's supervision and direction, through the adoption of procedures for valuation of the Fund's securities (the "Valuation Procedures"). The Committee consists of certain designated individuals of the Fund's Adviser and Sub-adviser. Under the current Valuation Procedures, the Committee is responsible for, among other things, determining and monitoring the value of the Fund's assets. The Valuation Procedures allow the Fund to utilize independent pricing vendor services, quotations from market makers and other valuation methods in events when market quotations are not readily available or not representative of the fair value of the securities.

The Fund's securities are valued by various methods, as described below:

Senior Loans are valued at prices supplied by the Fund's pricing agent based on broker-dealer supplied valuations (including mid or average prices) and other criteria or directly by independent brokers when the pricing agent does not provide a price or the Valuation Committee does not believe that the pricing agent price reflects the current market value. If a price of a position is sourced using independent brokers, the Sub-adviser shall seek to obtain an evaluation bid price from at least two independent brokers who are knowledgeable about the position. The price of the position would be deemed to be an average of such bid prices.

Fixed income securities (including short-term obligations) are valued at prices supplied by the Fund's pricing agent based on broker-dealer supplied valuations, or in the absence of broker-dealer supplied valuations, matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics, such as rating, interest rate and maturity.

Non-exchange traded equity securities are valued at prices supplied by the Fund's pricing agent based on the last bid prices quoted by brokers that are knowledgeable about the securities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Money market funds are valued at their net asset value.

Fair Value Measurement

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, quoted prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.

Level 3 — Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Fund's own assumptions that a market participant would use in valuing the asset or liability based on the best information available.

Investments that use Level 2 or Level 3 inputs may include, but are not limited to: (i) an unlisted security related to corporate actions; (ii) a restricted security (e.g., one that may not be publicly sold without registration under the Securities Act of 1933 as amended); (iii) a security whose trading has been suspended or which has been de-listed from its primary trading exchange; (iv) a security that is thinly traded; (v) a security in default or bankruptcy proceedings for which there is no current market quotation; (vi) a security affected by currency controls or restrictions; and (vii) a security affected by a significant event (e.g., an event that occurs after the close of the markets on which the security is traded but before the time as of which a Fund's net asset value is computed and that may materially affect the value of the Fund's investment). Examples of events that may be "significant events" are government actions, natural disasters, armed conflicts and acts of terrorism.

The categorization of a value determined for investments is based on the pricing transparency of the investment and does not necessarily correspond to the Fund's perceived risk of investing in those securities.

The valuation techniques used by the Fund to measure fair value during the period ended December 31, 2016 were intended to maximize the use of observable inputs and to minimize the use of unobservable inputs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following table summarizes the valuation of the Fund's investments under the fair value hierarchy levels as of December 31, 2016:

Asset Type	Level 1	Level 2	Level 3	Total
Senior Loans				
Aerospace & Defense	$ —	$ 975,000	$ 1,503,731	$ 2,478,731
Automotive	—	—	2,774,906	2,774,906
Banking, Finance, Insurance & Real Estate	—	1,415,125	2,849,581	4,264,706
Beverage, Food & Tobacco	—	—	3,745,174	3,745,174
Capital Goods	—	876,036	—	876,036
Consumer Products: Durables	—	504,165	1,545,012	2,049,177
Consumer Products: Non Durables	—	4,558,825	249,429	4,808,254
Energy, Oil & Gas	—	3,798,241	770,628	4,568,869
Healthcare & Pharmaceuticals	—	2,518,535	5,833,817	8,352,352
Hotel, Gaming & Leisure	—	1,981,236	3,865,136	5,846,372
Manufacturing	—	2,102,113	10,320,620	12,422,733
Media: Advertising, Printing & Publishing	—	7,504,591	—	7,504,591
Media: Broadcasting & Subscription	—	1,587,857	—	1,587,857
Media: Diversified and Services	—	6,674,715	541,868	7,216,583
Metals & Mining	—	—	478,540	478,540
Packaging	—	1,893,218	—	1,893,218
Restaurants	—	755,223	1,850,961	2,606,184
Retail	—	11,126,606	1,893,250	13,019,856
Services: Business	—	12,316,960	12,687,058	25,004,018
Services: Consumer	—	11,443,906	505,584	11,949,490
Services: Rental	—	—	255,000	255,000
Technology: Hardware	—	2,487,535	—	2,487,535
Technology: Semiconductor	—	—	1,134,398	1,134,398
Technology: Services	—	12,950,996	3,311,268	16,262,264
Technology: Software	—	14,137,776	2,871,867	17,009,643
Telecommunications	—	7,484,237	1,657,934	9,142,171
Transportation: Services	—	3,508,945	—	3,508,945
Waste Management	—	1,806,637	—	1,806,637
Wholesale	—	1,964,161	—	1,964,161
Corporate Bonds*	—	10,040,726	—	10,040,726
Common Stock*	—	52,011	—	52,011
Money Market Fund	—	6,111,376	—	6,111,376
Total Investments	$ —	$132,576,752	$60,645,762	$193,222,514

*Please refer to Schedule of Investments for breakdown of valuations by industry.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

	Senior Loans	Corporate Bonds	Common Stock	Total
Balance as of December 31, 2015	$ 49,155,414	$ 1,441,875	$ 148,560	$ 50,745,849
Realized gain	246,790	—	—	246,790
Change in unrealized appreciation	2,397,322	—	—	2,397,322
Amortization (accretion)	145,459	—	—	145,459
Purchases	24,006,929	—	—	24,006,929
Sales and principal paydowns	(19,999,547)	—	—	(19,999,547)
Transfers into Level 3	16,841,552	—	—	16,841,552
Transfers out of Level 3	(12,148,157)	(1,441,875)	(148,560)	(13,738,592)
Balance as of December 31, 2016	$ 60,645,762	$ —	$ —	$ 60,645,762
Net change in unrealized appreciation attributable to level 3 investments held at December 31, 2016	$ 1,866,000	$ —	$ —	$ 1,866,000

Investments were transferred into and out of Level 3 and into and out of Level 2 during the year ended December 31, 2016 due to changes in the quantity and quality of information, specifically the number of vendor quotes available and the staleness of prices, obtained to support the fair value of each investment as assessed by the Advisor.

There were no transfers between Level 1 and 2 during the period. It is the Fund's policy to recognize transfers into and out of all levels at the beginning of the reporting period.

The valuation techniques and significant amounts of unobservable inputs used in Fund's Level 3 securities are outlined in the table below:

	Fair Value	Valuation Technique	Unobservable Input	Range
Senior Loans	$60,645,762	Third-party vendor service	Vendor quotes	N/A

Cash

Cash of the Fund consists of cash held in bank accounts that, at times, may exceed the federally insured limits. As of December 31, 2016, cash was comprised of cash deposited with U.S. financial institutions.

Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Interest income, adjusted for the accretion of discount and amortization of premiums, is recorded on an accrual basis. Realized gains and losses on investments, if any, are determined on an identified cost basis. Dividend income is recorded on the ex-dividend date. Paydown gains and losses are netted and recorded as interest income on the Statement of Operations.

Interest Expense and Fees on Borrowings

Interest expense and fees on borrowings relates to the Fund's borrowings and includes interest paid plus any commitment fees on unused balances. They are recorded on an accrual basis.

Federal Income Tax Information

The Fund intends to continue to qualify as a regulated investment company by complying with the requirements of Subchapter M of the U.S. Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of its earnings to its shareholders. In early 2017, the Fund paid an excise tax liability of approximately $29,030 relating to the tax year 2016.

2. SIGNIFICANT ACCOUNTING POLICIES (concluded)

Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund, timing differences and differing characterization of distributions made by the Fund as a whole.

Fund management has determined that the Fund has not taken any uncertain tax positions that require adjustment to the financial statements. The Fund will file income tax returns in the U.S. federal jurisdiction and tax returns in certain other jurisdictions. As of December 31, 2016, the tax years ended December 31, 2013, 2014 and 2015 remains subject to examination by the Fund's major tax jurisdictions.

Distributions

The Fund intends to make regular monthly cash distributions of all or a portion of its investment company taxable income (which includes ordinary income and short-term capital gains) to common shareholders. The Fund also intends to pay any "net capital gains" (which is the excess of net long-term capital gains over net short-term capital losses) annually. Distributions to shareholders are recorded on the ex-dividend date. To the extent distributions exceed current and accumulated earnings and profits for federal income tax purposes, they are reported as distributions to shareholders from return of capital.

Indemnifications

Under the Fund's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business, the Fund enters into contracts that provide general indemnifications to other parties. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred.

3. SENIOR LOANS

Under normal market conditions, the Fund will invest at least 80.0% of its Managed Assets, defined as the total assets of the Fund (including any assets attributable to borrowings for investment purposes), minus the sum of the Fund's accrued liabilities (other than liabilities representing borrowings for investment purposes), in fully collateralized, first lien corporate loans and notes. At December 31, 2016, 86.8% of the Fund's Managed Assets were held in first lien Senior Loans.

Senior Loans are generally non-investment grade floating rate instruments that are secured by assets of the borrower. They generally hold a senior position in the capital structure of a borrower. Thus, they are generally repaid before unsecured Bank Loans, corporate bonds, subordinated debt, trade creditors, and preferred or common stockholders.

Senior Loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual maturity may be substantially less than the stated maturity shown. Senior loans typically pay interest at rates that are periodically determined on the basis of a floating benchmark lending rate plus a spread.

Risks associated with first lien Senior Loans include (i) the borrower's inability to meet principal and interest payments on its obligations; (ii) the fact that prepayments may occur at any time without premium or penalty and that the exercise of prepayment rights during periods of declining spreads could cause the Fund to reinvest prepayment proceeds in lower-yielding investments; and (iii) price volatility due to such factors as interest rate sensitivity, market perception of the credit worthiness of the borrower and general market liquidity.

Second lien loans are generally second in line in terms of repayment priority. Second lien loans generally are subject to similar risks as those associated with investments in first lien Senior Loans. In addition, because second lien loans are subordinated in payment and/or lower in lien priority to first lien

3. SENIOR LOANS (concluded)

Senior Loans, they are subject to additional risk that the cash flow of the borrower and property securing the loan or debt may be insufficient to meet scheduled payments after giving effect to the senior secured obligations of the borrower. At December 31, 2016, the Fund had invested $11,821,143 in second lien loans.

The Fund may purchase assignments of, and participations in, Senior Loans originated, negotiated and structured by a U.S. or foreign commercial bank, insurance company, finance company or other financial institution (the "Agent") for a lending syndicate of financial institutions (the "Lender"). When purchasing an assignment, the Fund succeeds to all the rights and obligations under the loan agreement with the same rights and obligations as the assigning Lender. Assignments may, however, be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning Lender.

4. BORROWINGS

On September 28, 2016, the Fund amended its existing $70.0 million credit agreement with The Bank of New York Mellon (the "Credit Facility"), extending the facility's expiration date to September 27, 2017 and reducing the facility size to $65.0 million (the "Amended Credit Facility"). The amended credit agreement also modified the interest rate and unused commitment fee rate. In accordance with the 1940 Act, the Fund's borrowings under the Credit Facility and Amended Credit Facility will not exceed 33% of the Fund's Managed Assets at the time of borrowing. Borrowings under both the Credit Facility and Amended Credit Facility are secured by the Fund's assets as collateral.

Through September 27, 2016, the Credit Facility bore an unused commitment fee on the unused portion of the credit facility (the "Unused Facility Amount") equal to 0.10% if the outstanding principal balance was equal to or greater than 80% of the Credit Facility on such date or 0.20% if the outstanding principal balance was less than 80% of the Credit Facility on such date. The per annum rate of interest for borrowings under the Credit Facility was equal to (a) the London Interbank Offered Rate ("LIBOR") for one, two, three, six or twelve months, as selected by the Fund, plus 0.85% per annum or (b) the greater of (i) the Prime Rate and (ii) 0.50% plus the Federal Funds Effective Rate per annum and was payable at the end of the selected contract period.

Beginning September 28, 2016, the Amended Credit Facility bears an unused commitment fee on the Unused Facility Amount equal to 0.05% if the outstanding principal balance is equal to or greater than 90% of the Amended Credit Facility on such date, 0.10% if the outstanding principal balance is equal to or greater than 80% but less than 90% of the Amended Credit Facility on such date, or 0.20% if the outstanding principal balance is less than 80% of the Amended Credit Facility on such date. The per annum rate of interest for the borrowings under the Amended Credit Facility is equal to (a) the London Interbank Offered Rate ("LIBOR") for one, two, three, six or twelve months, as selected by the Fund, plus 0.80% per annum or (b) the greater of (i) the Prime Rate and (ii) 0.50% plus the Federal Funds Effective Rate per annum and is payable at the end of the selected contract period.

At December 31, 2016, the Fund had borrowings outstanding of $52,000,000 at an average interest rate of 1.49%. For the period ended December 31, 2016, the average borrowings under the Credit Facility and the average interest rate were $52,928,962 and 1.38%, respectively. For the year ended December 31, 2016, the Fund incurred $29,339 for unused commitment fees, which is included in Interest Expense and Fees on Borrowings on the Statement of Operations. As of December 31, 2016, the Fund's effective leverage represented 27.3% of the Fund's Managed Assets. Due to the short term nature of the Credit Facility, face value approximates fair value at December 31, 2016.

Under the Credit Facility, the Fund has agreed to certain covenants and additional investment limitations while the leverage is outstanding. The Fund agrees to maintain asset coverage of three times over outstanding borrowings.

4. BORROWINGS (concluded)

The Fund utilizes the Credit Facility to increase its assets available for investment. When the Fund leverages its assets, common shareholders bear the fees associated with the Credit Facility and have the potential to benefit from or be disadvantaged by the use of leverage. The investment advisory fee is also increased in dollar terms from the use of leverage. Consequently, the Fund and the Adviser may have differing interest in determining whether to leverage the Fund's assets. Leverage creates risks that may adversely affect the return for the holders of common shares, including:

- the likelihood of greater volatility of net asset value and market price of common shares;
- fluctuations in the interest rate paid for the use of the credit facility;
- increased operating costs, which may reduce the Fund's total return;
- the potential for a decline in the value of an investment acquired through leverage, while the Fund's obligations under such leverage remains fixed; and
- the Fund is more likely to have to sell securities in a volatile market in order to meet asset coverage or other debt compliance requirements.

To the extent the income or capital appreciation derived from securities purchased with funds received from leverage exceeds the cost of leverage, the Fund's return will be greater than if leverage had not been used; conversely, returns would be lower if the cost of the leverage exceeds the income or capital appreciation derived.

In addition to the risks created by the Fund's use of leverage, the Fund is subject to the risk that it would be unable to timely, or at all, obtain replacement financing if the Credit Facility is terminated. Were this to happen, the Fund would be required to de-leverage, selling securities at a potentially inopportune time and incurring tax consequences. Further, the Fund's ability to generate income from the use of leverage would be adversely affected.

5. MANAGEMENT FEES, ADMINISTRATIVE FEES AND OTHER AGREEMENTS

The Adviser administers the business and affairs of the Fund. The Adviser also selects (subject to Board approval), contracts with and compensates the Sub-adviser to manage the investment and reinvestment of the assets of the Fund. The Adviser does not itself manage the Fund's portfolio of assets but has ultimate responsibility to oversee the Sub-adviser. In this connection, the Adviser oversees the Sub-adviser's management of the Fund's investment operations in accordance with the investment objectives and related policies of the Fund, reviews the Sub-adviser's performance and reports periodically on such performance to the Board.

The Fund pays the Adviser as compensation under an advisory agreement an annual fee in the amount of 1.05% of the average daily Managed Assets.

The Fund has retained Four Wood Capital Partners LLC ("FWCP"), an affiliate of the Adviser, to provide investor support services in connection with the on-going operation of the Fund. Such services include providing ongoing contact with respect to the Fund and its performance with financial advisors that are representatives of broker-dealers and other financial intermediaries and communicating with the NYSE specialist for the Fund's common shares, and with the closed-end analyst community regarding the Fund on a regular basis. The Fund pays FWCP as compensation under an investor support services agreement an annual fee in the amount of 0.05% of the average daily Managed Assets of the Fund. FWCP may separately contract with and coordinate the activities of a third party to provide certain of the above described services.

The Bank of New York Mellon, the Fund's administrator, accounting agent and custodian, holds the Fund's assets, will settle all portfolio trades and will be responsible for calculating the Fund's net asset value and maintaining the accounting records of the Fund.

5. MANAGEMENT FEES, ADMINISTRATIVE FEES AND OTHER AGREEMENTS (concluded)

American Stock Transfer and Trust Company, LLC is the Fund's transfer agent, registrar, dividend disbursing agent and shareholder servicing agent, as well as the agent for the Fund's dividend reinvestment plan.

Foreside Compliance Services, LLC provides a Chief Compliance Officer to the Fund.

The Fund pays every independent trustee a fee of $15,000 per annum, plus $3,000 per in person meeting fee for serving as a trustee of the Fund. Interested trustees and officers of the Fund do not receive any remuneration from the Fund.

6. PORTFOLIO TRANSACTIONS

For the year ended December 31, 2016, purchases and sales of investments, other than short-term securities, were $80,346,655 and $74,400,044, respectively.

7. CAPITAL

The following is a summary of share transactions for the year ended December 31, 2016:

Shares of common stock, beginning of year	7,418,990
Change in shares of common stock outstanding	—
Shares of common stock, end of year	7,418,990

8. INCOME TAX INFORMATION

The Fund is required to evaluate tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Income tax and related interest and penalties would be recognized by the Fund as tax expense in the Statement of Operations if the tax positions were deemed to not meet the more-likely-than-not threshold. For the year ended December 31, 2016, the Fund did not incur any income tax, interest, or penalties. As of December 31, 2016, the Advisor has reviewed all open tax years and concluded that there was no impact to the Fund's net assets or results of operations. Tax years ended December 31, 2014, 2015 and 2016 will remain subject to examination by the Internal Revenue Service and state taxing authorities. On an ongoing basis, the Advisor will monitor its tax positions to determine if adjustments to this conclusion are necessary.

The Fund distinguishes between dividends on a tax basis and on a financial reporting basis and only distributions in excess of tax basis earnings and profits are reported in the financial statements as a tax return of capital. Differences in the recognition or classification of income between the financial statements and tax earnings and profits which result in temporary over-distributions for financial statement purposes are classified as distributions in excess of net investment income or accumulated net realized losses in the components of net assets on the Statement of Assets and Liabilities.

As determined at December 31, 2016, certain permanent differences between financial and tax accounting were reclassified. These differences were primarily due to the differing tax treatment of certain investments and the payment of excise taxes. The amounts reclassified did not affect net assets. The reclassifications decreased accumulated net realized loss on investments by $371,439, decreased accumulated net investment income by $358,024 and decreased paid-in-capital by $13,415.

8. INCOME TAX INFORMATION (concluded)

The tax character of distributions paid by the Fund during the fiscal years ended December 31, are as follows:

	Ordinary Income	Long-Term Capital Gain
2015	$9,993,250	$ —
2016	$9,422,116	$ —

As of December 31, 2016 the Fund had accumulated net realized capital loss carryovers from security transactions for Federal income tax purposes as shown in the table below. This amount may be used to offset realized capital gains if any, for an unlimited time.

Short-Term	Long-Term	Total
$ —	$1,077,836	$1,077,836

The Regulated Investment Company Modernization Act of 2010 (the "Act") eliminated the eight-year carryover period for capital losses that arise in taxable years beginning after its enactment date of December 22, 2010. Consequently, these capital losses can be carried forward for an unlimited period. However, capital losses with an expiration period may not be used to offset capital gains until all net capital losses without an expiration date have been utilized. Additionally, post-enactment capital loss carryovers will retain their character as either short-term or long-term capital losses instead of as short-term capital losses as under prior law. The Fund does not have capital losses with expiration dates.

Certain capital and qualified late year losses incurred after October 31, and within the current taxable year, are deemed to arise on the first business day of the Fund's following taxable year. During the fiscal year ended December 31, 2016, the Fund did not incur such losses.

At December 31, 2016, the tax components of net assets was as follows:

Undistributed Net Investment Income	Accumulated Net Realized Loss on Investments	Net Unrealized Depreciation on Investments
$866,768	$1,077,835	$2,873,764

At December 31, 2016, the cost basis of portfolio securities for federal income tax purposes is $196,096,278. Gross unrealized appreciation is $2,636,614, gross unrealized depreciation is $5,510,378 and net unrealized depreciation is $2,873,764. There is no difference between book and tax cost basis.

9. DELAYED DRAW LOAN COMMITMENTS

As of December 31, 2016, the Fund had no delayed draw loan commitments outstanding.

Delayed draw loan commitments are marked to market on the relevant day of the valuation in accordance with the Fund's valuation policy. Any related unrealized appreciation (depreciation) on unfunded delayed draw loan commitments is recorded on the Statement of Assets and Liabilities and the Statements of Operations.

10. SHAREHOLDER CONCENTRATIONS

As of December 31, 2016, based on public filings and/or information provided by such person, the following shareholder owns more than 5% of the outstanding shares of the Fund:

Shareholder	Percent of Ownership
First Trust Portfolios LP	20.30%
Advisors Asset Management Inc	15.14%

The Fund's market price may experience adverse effects when certain large shareholders, such as other funds, institutional investors, financial intermediaries and other investors purchase or sell a large number of shares of the Fund. While such large shareholder transactions would not impact the Fund's liquidity or market value of the Fund's investments, such transactions could have an impact on the Fund's market price and also impact the premium or discount of the market price to its NAV in a more volatile manner than trading by shareholders with smaller holdings.

11. NEW ACCOUNTING PRONOUNCEMENT

In October 2016, the Securities and Exchange Commission (SEC) issued a new rule, Investment Company Reporting Modernization, which, among other provisions, amends Regulation S-X to require standardized, enhanced disclosures, particularly related to derivatives, in investment company financial statements. Compliance with the guidance is effective for financial statements filed with the SEC on or after August 1, 2017; adoption will have no effect on the fund's net assets or results of operations.

12. SUBSEQUENT EVENTS

In preparing these financial statements, the Fund's management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

On January 27, 2017, the Fund borrowed an additional $3 million on its Credit Facility, bringing the total borrowings outstanding to $55,000,000.

On January 31, 2017, the Fund paid a regularly scheduled distribution in the amount of $0.105 per share to shareholders of record as of January 20, 2017.

The Fund declared a regularly scheduled distribution in the amount of $0.105 per share payable on February 28, 2017 to shareholders of record as of February 21, 2017.

To the Board of Trustees and Shareholders
THL Credit Senior Loan Fund

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of THL Credit Senior Loan Fund (the Fund) as of December 31, 2016, the related statements of operations and cash flows for the year then ended, the statement of changes in net assets for each of the two years then ended, and the financial highlights for each of the three years in the year ended December 31, 2016 and the period September 20, 2013 (commencement of operations) to December 31, 2013. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2016, by correspondence with the custodian and agent banks or by other appropriate audit procedures, where replies from agent banks were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of THL Credit Senior Loan Fund as of December 31, 2016, and the results of its operations, the changes in its net assets, cash flows, and the financial highlights for each of the respective periods referred to above, in conformity with accounting principles generally accepted in the United States of America.

/s/ RSM US LLP

Boston, Massachusetts
February 28, 2017

Background

At meetings (the "Meetings") of the Board of Trustees (the "Board") of THL Credit Senior Loan Fund (the "Fund") on August 3, 2016, August 5, 2016 and on August 19, 2016, the members of the Board, including the Trustees who are not "interested persons" of the Fund (the "Independent Trustees"), as defined in the Investment Company Act of 1940, as amended, considered and re-approved the investment advisory agreement (the "Advisory Agreement") between the Fund and Four Wood Capital Advisors, LLC (the "Adviser"), pursuant to which the Adviser provides the Fund with investment advisory and administrative services, and the subadvisory agreement (the "Subadvisory Agreement") between the Adviser and THL Credit Senior Loan Strategies LLC, (the "Subadviser"), pursuant to which the Subadviser provides day-to-day management of the Fund's investments. The Advisory Agreement and Subadvisory Agreement are together referred to as the "Agreements." In advance of the Meetings, the Adviser and the Subadviser provided the Independent Trustees with a written response to a formal request for information sent on behalf of the Independent Trustees by their independent legal counsel.

At the Meetings, the Trustees reviewed the Agreements, including information regarding the nature, extent and quality of the services provided by the Adviser and the Subadviser; the investment performance of the Fund; fees and expenses to be paid by the Fund and the profits to be realized by the Adviser, the Subadviser and any affiliates from their respective relationships with the Fund; the extent to which economies of scale may be realized as the Fund grows; and any collateral benefits received by the Adviser or Subadviser and any affiliates from their respective relationships with the Fund or the Fund's service providers.

In its consideration of the re-approval of the Agreements, the Board considered the following factors:

Nature, Extent and Quality of Services Provided

At the Meetings, and at meetings conducted during the preceding year, the Board reviewed and considered various data and information regarding the nature, extent and quality of the services provided to the Fund by the Adviser and the Subadviser under the Agreements. The Board reviewed information about the background and experience of the staff of the Adviser and the investment personnel of the Subadviser primarily responsible for the day-to-day portfolio management of the Fund. The Board also considered the Adviser's overall ability to manage and administer the Fund as well as to oversee the Fund's service providers.

The Board evaluated the ability of the Adviser and the Subadviser, considering their financial condition, resources, reputation and other attributes, to attract and retain highly qualified personnel. In this regard, the Board considered information regarding the Subadviser's compensation program for its personnel involved in the portfolio management of the Fund.

The Board considered the effectiveness of the Subadviser's policies in achieving the best execution of portfolio transactions, whether and to what extent "soft dollar" benefits are sought, the extent to which efforts are made to recapture transaction costs and the controls applicable to brokerage allocation procedures. The Board noted that the Adviser does not conduct trades on behalf of the Fund and reviewed the policies of the Subadviser regarding the allocation of portfolio investment opportunities among the Fund and other clients. Additionally, the Board noted that the Subadviser did not use "traditional soft-dollar" arrangements, where soft-dollar credits are generated based on the level of trades and then used for products or services from third parties.

In addition, the Board considered the investment and legal compliance programs of the Adviser and the Subadviser, including any updates to the compliance policies and procedures over the course of the past year. In addition, the Board considered the Adviser's and the Subadviser's disaster recovery and business continuity plans, corporate action policies and procedures, cybersecurity programs and procedures and proxy voting policies. It also discussed the Subadviser's automated compliance system. The Board concluded that the nature and quality of services provided by the Adviser and the Subadviser were appropriate and supported continuation of the Agreements.

Performance

The Board considered the Fund's performance results over a one-year period and since inception. It also considered these results in comparison to the performance results of other funds in appropriate peer universes and to benchmark indices as provided by Broadridge Financial Solutions, Inc. ("Broadridge"). The Board referenced the performance portion of the Broadridge presentation included in the meeting materials and noted that the Fund had outperformed a majority of its comparable peers for the one-year period ended June 30, 2016 and since inception.

Investment Advisory Fee Rates

The Board reviewed and considered the proposed contractual investment advisory fee rate payable by the Fund to the Adviser for investment advisory services, as well as the "fee split" between the Adviser and the Subadviser. Additionally, the Board received and considered information comparing the advisory fee rate and the Fund's total expense ratios with those of other funds in appropriate peer universes. The Board considered that the split represented a reasonable allocation of the responsibilities between the Adviser and the Subadviser. The Board also noted that the allocation of the advisory fee between the Adviser and the Subadviser was the result of negotiations between the Adviser and the Subadviser when the Fund was initially structured.

The Board also considered the fees charged by the Subadviser for other products or accounts that pursue an investment objective and strategies that are similar to those of the Fund. The Board received and considered a profitability analysis of the Adviser and the Subadviser with respect to the Fund. The Board concluded that, in light of the costs of providing investment management and other services to the Fund, the profits and other ancillary benefits that the Adviser and Subadviser respectively received with regard to providing these services to the Fund were not excessive. The Board concluded that the Advisory fees were appropriate in light of the quality of the services provided and the performance of the Fund for the one year and since inception periods.

Economies of Scale

It was noted that, because the Fund is a closed-end fund that is not continually offering shares, any increase in asset levels generally would have to come from material appreciation through investment performance, which had not occurred. It was further noted that the Fund's investment objective is to provide current income and that much of the Fund's realized income was distributed to shareholders through monthly dividends.

Other Benefits to the Adviser and Subadviser and Their Affiliates

The Board received and considered information regarding potential collateral benefits to the Adviser and the Subadviser as a result of their respective relationships with the Fund or the Fund's service providers. It was noted that the Fund had entered into an Investors Support Services Agreement with Four Wood Capital Partners, LLP ("FWCP"), an affiliate of the Adviser, pursuant to which FWCP provides the Fund with certain personnel and services not otherwise provided under the Advisory Agreement, and the Fund pays FWCP for such services.

Conclusion

After deliberation and consideration of the information provided, including weighing all of the above factors, the Board unanimously concluded that the advisory fees were reasonable in light of the services to be provided by the Adviser and the Subadviser to the Fund. Further, the Board unanimously concluded that it would be in the best interests of the Fund and its shareholders to re-approve and continue each of the Agreements for a one-year period ending August 31, 2017. In reaching this conclusion the Board did not give particular weight to any single factor referenced above. It is possible that each Trustee may have weighed these factors differently in reaching their individual decisions to re-approve the Agreements.

Privacy Policy

Respecting Your Privacy

This privacy policy applies to individuals, and we reserve the right to change any or all of the principles, along with related provisions, at any time. You trust us with your financial and other personal information; we in turn are committed to respect your privacy and safeguard that information. By adhering to the practices described in this Policy, we affirm our continuing commitment to protecting your privacy.

Collection and use of shareholder information

The THL Credit Senior Loan Fund (the "Fund") and the Fund's transfer agent collect only relevant information about the Fund's shareholders that the law allows or requires us to have in order to conduct our business and properly service you. We collect non-public financial and other personal information about you from the following sources ("Personal Information"):

- Information you provide on applications or other forms (for example, your name, address, social security number and birth date)
- Information derived from your transactions with us (for example, transaction amount, account balance and account number)
- Information you provide to us if you access account information or conduct account transactions online (for example, password, account number, e-mail address, alternate telephone number)

Keeping information secure

We maintain physical, electronic and procedural safeguards to protect your Personal Information, and we continually assess new technology with the aim of adding new safeguards to those we have in place.

Use of personal and financial information by us and third parties

We do not sell Personal Information about current or former customers or their accounts to any third parties, and we have policies and procedures intended to prevent the disclosure of such information to third parties unless necessary to support the operations and administration of the Fund, the Fund's compliance with applicable laws and regulations, or as otherwise permitted by law. Those who may receive Personal Information include companies that provide services to the Fund, such as transfer agency, technology and administrative services, as well as the investment advisor who is an affiliate of the Fund (collectively, "Service Providers").

Limiting employee access to information

We limit access to Personal Information to only those employees of the Service Providers with a business reason to know such information.

Accuracy of information

We strive to keep our records of your Personal Information accurate, and we take immediate steps to correct errors. If there are any inaccuracies in your statements or in any other communications from us, please contact us or contact your investment professional.

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ("Plan") for THL Credit Senior Loan Fund ("Fund"), provides that a holder of the Fund's common shares of beneficial interest (each, a "Common Share" and, collectively "Common Shares") will be automatically enrolled in the Plan (each, a "Participant" and collectively, "Participants"). All dividends and distributions on such Shareholder's Common Shares will be reinvested by American Stock Transfer and Trust Company, LLC ("Plan Administrator"), as agent for Shareholders

Dividend Reinvestment Plan (continued)

in administering the Plan, in additional Common Shares. Participation in the Plan may be terminated or resumed at any time without penalty by notice if received and processed by the Plan Administrator prior to the dividend record rate; otherwise such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution. Some brokers may automatically elect to receive cash on your behalf and may re-invest that cash in additional Common Shares for you. If you wish for all dividends declared on your Common Shares to be paid in cash, please contact your broker.

Plan Details

1. The Plan Administrator will open an account for each holder of Common Shares under the Plan in the same name in which such holder of Common Shares is registered. Whenever the Fund declares a dividend or other distribution (together, a “Dividend”) payable in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in Common Shares. The Common Shares will be acquired by the Plan Administrator for the participants’ accounts, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized Common Shares from the Fund (“Newly Issued Common Shares”) or (ii) by purchase of outstanding Common Shares on the open market (“Open-Market Purchases”) on the New York Stock Exchange or elsewhere.

2. If, on the payment date for any Dividend, the closing market price plus estimated per share fees (which include any brokerage commissions the Plan Administrator is required to pay) is equal to or greater than the net asset value (“NAV”) per Common Share, the Plan Administrator will invest the Dividend amount in Newly Issued Common Shares on behalf of the participants. The number of Newly Issued Common Shares to be credited to each participant’s account will be determined by dividing the dollar amount of the Dividend by the NAV per Common Share on the payment date; provided that, if the NAV is less than or equal to 95% of the closing market value on the payment date, the dollar amount of the Dividend will be divided by 95% of the closing market price per Common Share on the payment date. If, on the payment date for any Dividend, the NAV per Common Share is greater than the closing market value plus per share fees, the Plan Administrator will invest the Dividend amount in Common Shares acquired on behalf of the participants in Open-Market Purchases. In the event of a market discount on the payment date for any Dividend, the Plan Administrator will have until the last business day before the next date on which the Common Shares trade on an “ex-dividend” basis or 30 days after the payment date for such Dividend, whichever is sooner (the “Last Purchase Date”), to invest the Dividend amount in Common Shares acquired in Open-Market Purchases. It is contemplated that the Fund will pay monthly income Dividends. Therefore, the period during which Open-Market Purchases can be made will exist only from the payment date of each Dividend through the date before the next “ex-dividend” date which typically will be approximately ten days. If, before the Plan Administrator has completed its Open-Market Purchases, the market price per Common Share exceeds the NAV per Common Share, the average per Common Share purchase price paid by the Plan Administrator may exceed the NAV of the Common Shares, resulting in the acquisition of fewer Common Shares than if the Dividend had been paid in Newly Issued Common Shares on the Dividend payment date. Because of the foregoing difficulty with respect to Open-Market Purchases, the Plan provides that if the Plan Administrator is unable to invest the full Dividend amount in Open-Market Purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Administrator may cease making Open-Market Purchases and may invest the uninvested portion of the Dividend amount in Newly Issued Common Shares at the NAV per Common Share at the close of business on the Last Purchase Date provided that, if the NAV is less than or equal to 95% of the then current market price per Common Share; the dollar amount of the Dividend will be divided by 95% of the market price on the payment date.

Dividend Reinvestment Plan (concluded)

3. The Plan Administrator maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common Shares in the account of each Plan participant will be held by the Plan Administrator on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Administrator will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants.

4. In the case of shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, the Plan Administrator will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Plan.

5. There will be no charges with respect to Common Shares issued directly by the Fund. However, each participant will pay a per share fee incurred in connection with Open-Market Purchases. The automatic reinvestment of Dividends will not relieve participants of any Federal, state or local income tax that may be payable (or required to be withheld) on such dividends. Participants that request a sale of shares through the Plan Administrator are subject to a $15.00 sales fee and a $0.10 per Common Share sold. All per share fees include any applicable brokerage commissions the Plan Administrator is required to pay.

6. The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants with regard to purchases in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants.

7. All correspondence or questions concerning the Plan should be directed to the Plan Administrator, American Stock Transfer and Trust Company LLC, by telephone, 1-888-486-2770, through the Internet at www.amstock.com or in writing to American Stock Transfer and Trust Company LLC, P.O. Box 922, Wall Street Station, New York, NY 10269-0560.

Federal Income Tax Information

As required by the Internal Revenue Code, shareholders must be notified regarding certain tax attributes of distributions made by the fund.

The following percentages of ordinary dividends paid during the fiscal year ended December 31, 2016, are designated as "qualified dividend income":

Fund	0.00%

Corporate shareholders are generally entitled to take the dividend received deduction on the portion of a Fund's dividend distribution that qualifies under tax law. The percentage of the following Funds' ordinary income dividends paid during the fiscal year ended December 31, 2016, that qualify for the corporate dividend received deduction is set forth below:

Fund	0.00%

Corporate Governance

The Fund has filed the required CEO/CFO certifications regarding the quality of the Fund's public disclosure as exhibits to the Forms N-CSR and Forms N-Q filed by the Fund over the past fiscal year. The Fund's Form N-CSR and Form N-Q filings are available on the Securities and Exchange Commission's website at www.sec.gov.

Proxy Voting Policies and Procedures

A description of the policies and procedures that are used by the Fund's Sub-Adviser to vote proxies relating to the Fund's portfolio securities is available (1) without charge, upon request, by calling 855-400-3927; and (2) as an exhibit to the Fund's annual report on Form N-CSR which is available on the website of the Securities and Exchange Commission (the "Commission") at http://www.sec.gov. Information regarding how the Sub-Adviser voted these proxies during the most recent twelve-month period ending December 31 will be available, without charge, upon request by calling 1-855-400-3927 and on the Commission's website.

Name, Year of Birth	Position(s) Held with the Fund	Number of Funds in Complex Overseen by Trustee	Principal Occupation(s) During Past 5 Years:	Other Directorship Held by the Trustee
Steven A. Baffico[(1)] Year of Birth: 1973	President & Trustee, Class II, Principal Executive Officer since: August 2013	2	Four Wood Capital Partners, LLC, Managing Director and Chief Executive Officer (since 2011); Guggenheim Investments, Senior Managing Director, Head of Private Client Group (2010 – 2011); BlackRock, Managing Director (2007 – 2010)	None
Joseph L. Morea Year of Birth: 1955	Trustee, Class I, since: August 2013	2	RBC Capital Markets, U.S. Vice Chairman and Head of U.S. Equity Capital Markets (2003 – 2012); Self-Employed, Commercial and Industrial Real Estate Investment (2012 – Present).	Director, Travel Centers of America, LLC, Garrison Capital Inc., and RMR Real Estate Income Fund.
S. James Coppersmith[(2)] Year of Birth: 1933	Trustee, Class III, since: August 2013	2	Rasky Baerlein Strategic Communications, Vice Chairman (1997 – 2010). WCVBTV, Retired President.	None
Ronald J. Burton Year of Birth: 1947	Trustee, Class II, since: August 2013	2	Burton Consulting, LLC, Principal (since 2013); Alliance Mezzanine Investors, Limited Partner/Advisor (2011 – 2012).	None
Michael Perino Year of Birth: 1963	Trustee, Class I, since: August 2013	2	St. John's University School of Law, Professor (1998 – Present)	None

1. Interested Trustee

2. On February 22, 2017, S. James Coppersmith retired as Trustee of the Fund.

Name, Year of Birth, and Position(s) Held with the Fund	Principal Occupation(s) During Past 5 Years:
Steven A. Baffico Year of Birth: 1973 President/Officer since: September 2013	Four Wood Capital Partners LLC, Managing Partner and Chief Executive Officer (since 2011); Guggenheim Investments, Senior Managing Director, Head of Private Client Group (2010 – 2011); BlackRock, Managing Director (2007 – 2010).
Jennifer Wilson Year of Birth: 1972 Treasurer and Principal Financial Officer since: September 2013	Four Wood Capital Partners LLC, Managing Partner and Chief Financial Officer (since 2012); Bank of America Merrill Lynch, Director (2008 – 2011).
Stephanie Trell Year of Birth: 1968 Secretary since: April 2014	Four Wood Capital Partners LLC, Managing Director (since 2012); Bank of America, Director (2005 – 2012).
Jack P. Huntington Year of Birth: 1970 Interim Chief Compliance Officer since: November 2015	Foreside Fund Officers Services, LLC, Fund Chief Compliance Officer (since 2015); Citi Fund Services Ohio, Inc., Senior Vice President of Regulatory Administration (2008 – 2015).

Officers hold office at the pleasure of the Board and until their successors are appointed and qualified or until their earlier resignation or removal.

This report, including the financial information herein, is transmitted to the shareholders of THL Credit Senior Loan Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.

Notice is hereby given in accordance with Section 23(c)of the Investment Company Act of 1940, as amended, that from time to time the Fund may purchase their common shares in the open market.

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of its fiscal year on Form N-Q. The Fund's Form N-Q is available on the SEC website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on Form N-Q is also available on the Fund's website at www.fwcapitaladvisors.com/funds/tslf.

Information on the Fund is available at www.fwcapitaladvisors.com/funds/tslf or by calling the Fund's investor servicing agent at 855-400-3927.