Golub Capital BDC, Inc.
Form N-2
December 23, 2016

As filed with the Securities and Exchange Commission on December 22, 2016

Securities Act File No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-2

x **REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**
o **Pre-effective Amendment**
o **Post-effective Amendment No.**

GOLUB CAPITAL BDC, INC.

(Exact Name of Registrant as Specified in Charter)

150 South Wacker Drive, Suite 800
Chicago, Illinois 60606

(Address of Principal Executive Offices)

(312) 205-5050

(Registrant s Telephone Number, Including Area Code)

David B. Golub
Golub Capital BDC, Inc.
150 South Wacker Drive, Suite 800
Chicago, Illinois 60606

(Name and Address of Agent for Service)

Copies to:

Thomas J. Friedmann
David J. Harris
William J. Tuttle
Dechert LLP
One International Place, 40th Floor
100 Oliver Street
Boston, Massachusetts 02110-2605
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Approximate date of proposed public offering: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. x

It is proposed that this filing will become effective (check appropriate box):

o when declared effective pursuant to section 8(c).

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Thomas J. FriedmannDavid J. HarrisWilliam J. TuttleDechert LLPOne International Place, 40th Floor100 Oliver Stre

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CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price[(1)]	Amount of Registration Fee[(1)]
Common Stock, $0.001 par value[(2)]	$	$	$	$
Preferred Stock, $0.001 par value[(2)]				
Warrants[(2)]				
Subscription Rights[(3)]				
Debt Securities[(4)]				
Total	$	$	$ 800,000,000 [(5)]	$ 92,720 [(6)]

(1) Estimated pursuant to Rule 457 under the Securities Act of 1933, as amended, solely for the purpose of determining the registration fee. The proposed maximum offering price per security will be determined, from time to time, by the Registrant in connection with the sale by the Registrant of the securities registered under this registration statement.

(2) Subject to Note 5 below, there is being registered hereunder an indeterminate number of shares of common stock, preferred stock, or warrants as may be sold, from time to time. Warrants represent rights to purchase common stock, preferred stock or debt securities.

(3) Subject to Note 5 below, there is being registered hereunder an indeterminate number of subscription rights as may be sold, from time to time, representing rights to purchase common stock.

(4) Subject to Note 5 below, there is being registered hereunder an indeterminate principal amount of debt securities as may be sold, from time to time. If any debt securities are issued at an original issue discount, then the offering price shall be in such greater principal amount as shall result in an aggregate price to investors not to exceed $800,000,000.

(5) In no event will the aggregate offering price of all securities issued from time to time pursuant to this registration statement exceed $800,000,000.

(6) Calculated pursuant to Rule 457(o) under the Securities Act of 1933, as amended. Pursuant to Rule 415(a)(6) under the Securities Act of 1933, as amended, this registration statement includes $800,000,000 of unsold securities of the registrant that have been previously registered on the Registration Statement on Form N-2 (File No. 333-193308) originally filed by the registrant on January 10, 2014 and most recently declared effective on April 13, 2016 (the prior registration statement). A filing fee of $103,040 was paid in connection with such unsold securities and is being offset against the total registration fee pursuant to Rule 457(p), resulting in no payment in connection with the filing of this Registration Statement. Pursuant to Rule 415(a)(6), the offering of the unsold securities registered under the prior registration statement will be deemed terminated as of the effective date of this Registration Statement.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS **SUBJECT TO COMPLETION , 2017**

$800,000,000

GOLUB CAPITAL BDC, INC.

Common Stock

Preferred Stock

Warrants

Subscription Rights

Debt Securities

We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended. Our investment objective is to generate current income and capital appreciation by investing primarily in senior secured and one stop loans of U.S. middle-market companies. We may also selectively invest in second lien and subordinated loans of, and warrants and minority equity securities in U.S. middle-market companies.

GC Advisors LLC serves as our investment adviser. Golub Capital LLC serves as our administrator. GC Advisors LLC and Golub Capital LLC are affiliated with Golub Capital (as defined herein), a leading lender to middle-market companies that has over $18.0 billion of capital under management as of September 30, 2016.

We may offer, from time to time, in one or more offerings or series, together or separately, up to $800,000,000 of our common stock, preferred stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, subscription rights or debt securities, which we refer to, collectively, as the securities. We may sell our common stock through underwriters or dealers, at-the-market to or through a market maker into an existing trading market or otherwise directly to one or more purchasers or through agents or through a combination of methods of sale. The identities of such underwriters, dealers, market makers or agents, as the case may be, will be described in one or more supplements to this prospectus. The securities may be offered at prices and on terms to be described in one or more supplements to this prospectus. In the event we offer common stock, the offering price per share of our common stock exclusive of any underwriting commissions or discounts will not be less than the net asset value per share of our common stock at the time we make the offering except (1) in connection with a rights offering to our existing stockholders, (2) with the consent of the majority of our common stockholders and approval of our board of

directors or (3) under such circumstances as the Securities and Exchange Commission, or the SEC, may permit. See Risk Factors for more information.

Our common stock is traded on The NASDAQ Global Select Market under the symbol GBDC . The last reported closing price for our common stock on December 21, 2016 was $18.41 per share. The net asset value of our common stock on September 30, 2016 (the last date prior to the date of this prospectus on which we determined net asset value) was $15.96 per share.

Shares of closed-end investment companies, including business development companies, frequently trade at a discount to their net asset value. If our shares trade at a discount to our net asset value, it will likely increase the risk of loss for purchasers in this offering. Investing in our securities involves a high degree of risk. Before buying any securities, you should read the discussion of the material risks of investing in our securities, including the risk of leverage, in Risk Factors beginning on page 15 of this prospectus.

This prospectus contains important information you should know before investing in our securities. Please read it before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the SEC. We maintain a website at *http://www.golubcapitalbdc.com* and make all of our annual, quarterly and current reports, proxy statements and other publicly filed information available on or through our website. You may also obtain such information, free of charge, and make shareholder inquiries by contacting us at 150 South Wacker Drive, Suite 800, Chicago, Illinois 60606, Attention: Investor Relations, or by calling us collect at (312) 205-5050. The SEC also maintains a website at *http://www.sec.gov* that contains such information.

We generally invest in securities that have been rated below investment grade by independent rating agencies or that would be rated below investment grade if they were rated. These securities, which may be referred to as junk, have predominantly speculative characteristics with respect to the issuer s capacity to pay interest and repay principal. In addition, many of our debt investments have floating interest rates that reset on a periodic basis and typically do not fully pay down principal prior to maturity, which may increase our risk of losing part or all of our investment.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus may not be used to consummate sales of securities unless accompanied by a prospectus supplement.

The date of this prospectus is , 2017.

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations, cash flows and prospects may have changed since that date. We will update these documents to reflect material changes only as required by law.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the SEC using the shelf registration process. Under the shelf registration process, we may offer from time to time up to $800,000,000 of our common stock, preferred stock, warrants representing rights to purchase shares of our common stock, preferred stock or debt securities, subscription rights or debt securities on the terms to be determined at the time of the offering. We may sell our securities through underwriters or dealers, at-the-market to or through a market maker, into an existing trading market or otherwise directly to one or more purchasers or through agents or through a combination of methods of sale. The identities of such underwriters, dealers, market makers or agents, as the case may be, will be described in one or more supplements to this prospectus. The securities may be offered at prices and on terms described in one or more supplements to this prospectus. This prospectus provides you with a general description of the securities that we may offer. Each time we use this prospectus to offer securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus, and the prospectus and prospectus supplement will together serve as the prospectus. Please carefully read this prospectus and any prospectus supplement, together with any exhibits, before you make an investment decision. Any exhibits will nonetheless be summarized in the prospectus or applicable prospectus supplement.

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PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus. It is not complete and may not contain all of the information that you may want to consider. You should read the more detailed information set forth under Risk Factors and the other information included in this prospectus carefully.

Except as otherwise indicated, the terms:

we, us, our and Golub Capital BDC refer to Golub Capital BDC, Inc., a Delaware corporation, and its consolidated subsidiaries;

Holdings refers to Golub Capital BDC 2010-1 Holdings LLC, a Delaware limited liability company, or LLC, our direct subsidiary;

2010 Issuer refers to Golub Capital BDC 2010-1 LLC, a Delaware LLC, our indirect subsidiary;

2014 Issuer refers to Golub Capital BDC CLO 2014 LLC, a Delaware LLC, our direct subsidiary;

Controlling Class refers to the most senior class of notes then outstanding of the 2010 Issuer or the 2014 Issuer, as applicable;

2010 Debt Securitization refers to the $350.0 million term debt securitization that we completed on July 16, 2010 as most recently amended on October 20, 2016, in which the 2010 Issuer issued an aggregate of $350.0 million of notes, or the 2010 Notes, including $205.0 million of Class A-Refi 2010 Notes, which bear interest at a rate of three-month London Interbank Offered Rate, or LIBOR, plus 1.90%, $10.0 million of Class B-Refi 2010 Notes, which bear interest at a rate of three-month LIBOR plus 2.40% and $135.0 million face amount of Subordinated 2010 Notes that do not bear interest;

2014 Debt Securitization refers to the $402.6 million term debt securitization that we completed on June 5, 2014, in which the 2014 Issuer issued an aggregate of $402.6 million of notes, or the 2014 Notes, including $191.0 million of Class A-1 2014 Notes, which bear interest at a rate of three-month LIBOR plus 1.75%, $20.0 million of Class A-2 2014 Notes, which bore interest at a rate of three-month LIBOR plus 1.45% through December 4, 2015 and bear interest at three-month LIBOR plus 1.95% thereafter, $35.0 million of Class B 2014 Notes, which bear interest at a rate of three-month LIBOR plus 2.50%, $37.5 million of Class C 2014 Notes, which bear interest at a rate of three-month LIBOR plus 3.50%, and $119.1 million of LLC equity interests that do not bear interest;

Funding refers to Golub Capital BDC Funding, LLC, a Delaware LLC, our direct subsidiary;

Credit Facility refers to the amended and restated senior secured revolving credit facility that Funding originally entered into on July 21, 2011, as most recently amended on March 1, 2016, with Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., as lender and collateral agent, that currently allows for borrowing up to $200 million and that bears interest at a rate of one-month LIBOR plus 2.25% per annum through the reinvestment period, which ends July 29, 2017, and bears interest at a rate of one-month LIBOR plus 2.75% for the period following the reinvestment period through the stated maturity date of July 30, 2020;

Adviser Revolver refers to the $20.0 million line of credit with GC Advisors;

SBIC Funds refers collectively to our consolidated subsidiaries, GC SBIC IV, L.P. and GC SBIC V, L.P.;

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SLF refers to Senior Loan Fund LLC, an unconsolidated Delaware LLC, in which we co-invest with RGA Reinsurance Company, or RGA, primarily in senior secured loans. SLF is capitalized as transactions are completed and all portfolio and investment decisions in respect of SLF must be approved by representatives of each of the members (with unanimous approval required from either (i) one representative of each of us and RGA or (ii) both representatives of each of us and RGA currently). As of September 30, 2016, we owned 87.5% of both the outstanding subordinated notes and LLC equity interests of SLF. As of September 30, 2016, SLF had subordinated note commitments from its members totaling $160.0 million and LLC equity interest subscriptions from its members totaling $40.0 million. We have committed to fund $140.0 million of subordinated notes and $35.0 million of LLC equity interest subscriptions to SLF;

GC Advisors refers to GC Advisors LLC, a Delaware LLC, our investment adviser;

Administrator refers to Golub Capital LLC, a Delaware LLC, an affiliate of GC Advisors and our administrator; and

Golub Capital refers, collectively, to the activities and operations of Golub Capital Incorporated, Golub Capital LLC (formerly Golub Capital Management LLC), which entity employs all of Golub Capital s investment professionals, GC Advisors and associated investment funds and their respective affiliates.

Golub Capital BDC

We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended, or the 1940 Act. In addition, for U.S. federal income tax purposes, we have elected to be treated as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code of 1986, as amended, or the Code. We were formed in November 2009 to continue and expand the business of our predecessor, Golub Capital Master Funding LLC, which commenced operations in July 2007, to make investments primarily in senior secured, one stop (a loan that combines characteristics of traditional first lien senior secured loans and second lien or subordinated loans), second lien and subordinated (a loan that ranks senior only to a borrower s equity securities and ranks junior to all of such borrower s other indebtedness in priority of payment) loans of, and warrants and minority equity securities in, U.S. middle-market companies that are, in most cases, sponsored by private equity firms. We structure our one stop loans as senior secured loans, and we obtain security interests in the assets of the portfolio company that serve as collateral in support of the repayment of these loans. This collateral may take the form of first-priority liens on the assets of the portfolio company. In many cases, we together with our affiliates are the sole lenders of one stop loans, which can afford us additional influence over the borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.

In this prospectus, the term middle-market generally refers to companies having earnings before interest, taxes, depreciation and amortization, or EBITDA, of between $10.0 million and $75.0 million annually.

Our investment objective is to generate current income and capital appreciation by investing primarily in senior secured and one stop loans of U.S. middle-market companies. We may also selectively invest in second lien and subordinated loans of, and warrants and minority equity securities in U.S. middle-market companies. We intend to achieve our investment objective by (1) accessing the established loan origination channels developed by Golub Capital, a leading lender to middle-market companies with over $18.0 billion in capital under management as of September 30, 2016, (2) selecting investments within our core middle-market company focus, (3) partnering with experienced private equity firms, or sponsors, in many cases with whom Golub Capital has invested alongside in the past, (4) implementing the disciplined underwriting standards of Golub Capital and (5) drawing upon the aggregate experience and resources of Golub Capital.

We seek to create a portfolio that includes primarily senior secured and one stop loans by primarily investing approximately $5.0 million to $30.0 million of capital, on average, in the securities of

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U.S. middle-market companies. We may also selectively invest more than $30.0 million in some of our portfolio companies and generally expect that the size of our individual investments will vary proportionately with the size of our capital base.

We generally invest in securities that have been rated below investment grade by independent rating agencies or that would be rated below investment grade if they were rated. These securities, which may be referred to as junk, have predominantly speculative characteristics with respect to the issuer s capacity to pay interest and repay principal. In addition, many of our debt investments have floating interest rates that reset on a periodic basis and typically do not fully pay down principal prior to maturity, which may increase our risk of losing part or all of our investment.

As of September 30, 2016 and 2015, our portfolio at fair value was comprised of the following:

Investment Type	As of September 30, 2016		As of September 30, 2015	
	Investments at Fair Value (In thousands)	Percentage of Total Investments	Investments at Fair Value (In thousands)	Percentage of Total Investments
Senior secured	$ 162,849	9.8 %	$ 197,329	12.9 %
One stop	1,304,467	78.5	1,134,222	74.1
Second lien	27,909	1.7	39,774	2.6
Subordinated debt	1,427	0.1	1,715	0.1
Subordinated notes in SLF(1)	77,301	4.7	76,563	5.0
LLC equity interests in SLF(1)	26,927	1.6	22,373	1.5
Equity	59,732	3.6	57,808	3.8
Total	$ 1,660,612	100.0 %	$ 1,529,784	100.0 %

(1) Proceeds from the subordinated notes and LLC equity interests invested in SLF were utilized by SLF to invest in senior secured loans.

One stop loans include loans to technology companies undergoing strong growth due to new services, increased adoption and/or entry into new markets. We refer to loans to these companies as late stage lending loans. Other targeted characteristics of late stage lending businesses include strong customer revenue retention rates, a diversified customer base and backing from growth equity or venture capital firms. In some cases, the borrower s high revenue growth is supported by a high level of discretionary spending. As part of the underwriting of such loans and consistent with industry practice, we may adjust our characterization of the earnings of such borrowers for a reduction or elimination of such discretionary expenses, if appropriate. As of September 30, 2016 and 2015, one stop loans included $128.4 million and $88.2 million, respectively, of late stage lending loans at fair value.

As of September 30, 2016, 2015 and 2014, we had debt and equity investments in 183, 164 and 145 portfolio companies, respectively, and investments in subordinated notes and LLC equity interests in SLF.

The weighted average income yield and weighted average investment income yield of our income producing debt investments, which represented nearly 100% of our debt investments, for the years ended September 30, 2016, 2015 and 2014 was as follows:

For the years ended September 30,

	2016	2015	2014
Weighted average income yield[1]	7.6 %	7.8 %	8.3 %
Weighted average investment income yield[2]	8.2 %	8.4 %	9.0 %

(1) Represents income from interest, including subordinated notes in SLF, and fees excluding amortization of capitalized fees and discounts divided by the average fair value of earning debt investments.

(2) Represents income from interest, including subordinated notes in SLF, fees and amortization of capitalized fees and discounts divided by the average fair value of earning debt investments.

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As of September 30, 2016 and 2015, we and RGA owned 87.5% and 12.5%, respectively, of both the outstanding subordinated notes and LLC equity interests of SLF. Additionally, on January 17, 2014, Senior Loan Fund II, a wholly-owned subsidiary of SLF, or SLF II, entered into a senior secured revolving credit facility, or the SLF Credit Facility, with Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., as lender, which, as amended, allows SLF II to borrow up to $300.0 million, subject to leverage and borrowing base restrictions. The reinvestment period of the SLF Credit Facility ends May 13, 2017, and the stated maturity date is May 13, 2020. As of September 30, 2016 and 2015, SLF had subordinated note commitments from its members totaling $160.0 million of which approximately $88.3 million and $87.5 million in aggregate principal amount was funded at September 30, 2016 and 2015, respectively. As of September 30, 2016 and 2015, SLF had LLC equity interest subscriptions from its members totaling $40.0 million, of which approximately $35.8 million and $26.5 million in aggregate was called and contributed as of September 30, 2016 and 2015, respectively.

Our Adviser

Our investment activities are managed by our investment adviser, GC Advisors. GC Advisors is responsible for sourcing potential investments, conducting research and due diligence on prospective investments and equity sponsors, analyzing investment opportunities, structuring our investments and monitoring our investments and portfolio companies on an ongoing basis. GC Advisors was organized in September 2008 and is a registered investment adviser under the Investment Advisers Act of 1940, as amended, or the Advisers Act. Under our amended and restated investment advisory agreement, or the Investment Advisory Agreement, with GC Advisors, we pay GC Advisors a base management fee and an incentive fee for its services. See Management Agreements Investment Advisory Agreement Management Fee for a discussion of the base management fee and incentive fee, including the cumulative income incentive fee and the income and capital gains incentive fee, payable by us to GC Advisors. Unlike most closed-end funds whose fees are based on assets net of leverage, our base management fee is based on our average-adjusted gross assets (including leverage but adjusted to exclude cash and cash equivalents so that investors do not pay the base management fee on such assets) and, therefore, GC Advisors benefits when we incur debt or use leverage. For purposes of the Investment Advisory Agreement, cash equivalents means U.S. government securities and commercial paper instruments maturing within 270 days of purchase. Additionally, under the incentive fee structure, GC Advisors benefits when capital gains are recognized and, because it determines when a holding is sold, GC Advisors controls the timing of the recognition of capital gains. Our board of directors is charged with protecting our interests by monitoring how GC Advisors addresses these and other conflicts of interest associated with its management services and compensation. While not expected to review or approve each borrowing, our independent directors periodically review GC Advisors services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, our independent directors consider whether our fees and expenses (including those related to leverage) remain appropriate. See Management Agreements Investment Advisory Agreement Board Approval of the Investment Advisory Agreement.

GC Advisors is an affiliate of Golub Capital and pursuant to a staffing agreement, or the Staffing Agreement, Golub Capital LLC makes experienced investment professionals available to GC Advisors and provides access to the senior investment personnel of Golub Capital LLC and its affiliates. The Staffing Agreement provides GC Advisors with access to investment opportunities, which we refer to in the aggregate as deal flow, generated by Golub Capital LLC and its affiliates in the ordinary course of their businesses and commits the members of GC Advisors investment committee to serve in that capacity. As our investment adviser, GC Advisors is obligated to allocate investment opportunities among us and its other clients fairly and equitably over time in accordance with its allocation policy. See Conflicts of Interest below and Related Party Transactions and Certain Relationships. However, there can be no assurance that such opportunities will be allocated to us fairly or equitably in the short-term or over time. GC Advisors seeks to capitalize on the significant deal origination, credit underwriting, due diligence, investment

structuring, execution, portfolio management and monitoring experience of Golub Capital LLC s investment professionals.

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An affiliate of GC Advisors, the Administrator, provides the administrative services necessary for us to operate. See Management Agreements Administration Agreement for a discussion of the fees and expenses (subject to the review and approval of our independent directors) we are required to reimburse to the Administrator.

About Golub Capital

Golub Capital, founded in 1994, is a leading lender to middle-market companies, with a long track record of investing in senior secured, one stop, second lien and subordinated loans. As of September 30, 2016, Golub Capital managed over $13.1 billion of invested or available capital for senior secured, one stop, second lien and subordinated loan investments in middle-market companies. Since its inception, Golub Capital has closed deals with over 200 middle-market sponsors and repeat transactions with over 130 sponsors.

Golub Capital s middle-market lending group is managed by a four-member senior management team consisting of Lawrence E. Golub, David B. Golub, Andrew H. Steuerman and Gregory W. Cashman. As of September 30, 2016, Golub Capital s more than 90 investment professionals had an average of over 12 years of investment experience and were supported by more than 185 administrative and back office personnel that focus on operations, finance, legal and compliance, accounting and reporting, marketing, information technology and office management.

Market Trends

We have identified the following trends that may affect our business:

Target Market. We believe that small and middle-market companies in the United States with annual revenues between $10.0 million and $2.5 billion represent a significant growth segment of the U.S. economy and often require substantial capital investments to grow. Middle-market companies have generated a significant number of investment opportunities for investment funds managed or advised by Golub Capital, and we believe that this market segment will continue to produce significant investment opportunities for us.

Specialized Lending Requirements. We believe that several factors render many U.S. financial institutions ill-suited to lend to U.S. middle-market companies. For example, based on the experience of our management team, lending to U.S. middle-market companies (1) is generally more labor intensive than lending to larger companies due to the smaller size of each investment and the fragmented nature of information for such companies, (2) requires due diligence and underwriting practices consistent with the demands and economic limitations of the middle market and (3) may also require more extensive ongoing monitoring by the lender.

Demand for Debt Capital. We believe there is a large pool of uninvested private equity capital for middle-market companies. We expect private equity firms will seek to leverage their investments by combining equity capital with senior secured loans and subordinated debt from other sources, such as us.

Competition from Bank Lenders. We believe that many commercial and investment banks have, in recent years, de-emphasized their service and product offerings to middle-market businesses in favor of lending to large corporate clients and managing capital markets transactions. In addition, these lenders may be constrained in their ability to underwrite and hold bank loans for middle-market issuers as they seek to meet existing and future regulatory capital requirements. We believe these factors may result in opportunities for alternative funding sources to middle-market companies and therefore more market opportunities for us.

Market Environment. We believe that as part of the path of economic recovery following the credit crisis, there has been increased competition for new middle-market investments due to some new non-bank finance companies that have entered the market and due to improving financial performance of middle-market companies. However, we believe that our scale and strong market position will continue to allow us to find investment opportunities with attractive risk-adjusted returns.

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Competitive Strengths

Deep, Experienced Management Team. We are managed by GC Advisors, which, as of September 30, 2016, had access through the Staffing Agreement to the resources and expertise of Golub Capital s more than 280 employees, led by our chairman, Lawrence E. Golub, and our chief executive officer, David B. Golub. As of September 30, 2016, the more than 90 investment professionals of Golub Capital had an average of over 12 years of investment experience and were supported by more than 185 administrative and back office personnel that focus on operations, finance, legal and compliance, accounting and reporting, marketing, information technology and office management. GC Advisors also manages Golub Capital Investment Corporation, a Maryland corporation that has elected to be treated as a business development company. Golub Capital seeks to hire and retain high-quality investment professionals and reward those personnel based on investor returns.

Leading U.S. Debt Platform Provides Access to Proprietary Relationship-Based Deal Flow. GC Advisors gives us access to the deal flow of Golub Capital, one of the leading middle-market lenders in the United States. Golub Capital has been ranked a top 3 Traditional Middle Market Bookrunner each year from 2008 through 3Q 2016 by Thomson Reuters LPC for senior secured loans of up to $500.0 million for leveraged buyouts (based on number of deals completed). Since its inception, Golub Capital has closed deals with over 200 middle-market sponsors and repeat transactions with over 130 sponsors. We believe that Golub Capital receives relationship-based early looks and last looks at many investment opportunities in the U.S. middle-market market, allowing it to be highly selective in the transactions it pursues.

Disciplined Investment and Underwriting Process. GC Advisors utilizes the established investment process of Golub Capital for reviewing lending opportunities, structuring transactions and monitoring investments. Using its disciplined approach to lending, GC Advisors seeks to minimize credit losses through effective underwriting, comprehensive due diligence investigations, structuring and the implementation of restrictive debt covenants.

Regimented Credit Monitoring. Following each investment, GC Advisors implements a regimented credit monitoring system. This careful approach, which involves ongoing review and analysis by teams of professionals, has enabled GC Advisors to identify problems early and to assist borrowers before they face difficult liquidity constraints.

Concentrated Middle-Market Focus. Because of our focus on the middle-market, we understand the following general characteristics of middle-market lending:

- middle-market companies are generally less leveraged than large companies and, we believe, offer more attractive investment returns in the form of upfront fees, prepayment penalties and higher interest rates;
- middle-market issuers are more likely to have simple capital structures;
- carefully structured covenant packages enable middle-market lenders to take early action to remediate poor financial performance; and
- middle-market lenders can undertake thorough due diligence investigations prior to investment.

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Organizational Structure

The following shows a simplified organizational chart reflecting our relationship with our investment adviser and administrator and our direct and indirect ownership interests in certain of our subsidiaries, including the membership interests of the 2010 Issuer and the 2014 Issuer, as of the date of this prospectus:

Recent Developments

On November 14, 2016, our board of directors declared a quarterly distribution of $0.32 per share and a special distribution of $0.25 per share both of which are payable on December 29, 2016 to holders of record as of December 12, 2016.

On October 20, 2016, the 2010 Issuer amended the 2010 Debt Securitization to, among other things, (a) refinance the issued Class A 2010 Notes by redeeming in full the $203.0 million of Class A 2010 Notes and issuing new Class A-Refi 2010 Notes in an aggregate principal amount of $205.0 million that bear interest at a rate of three-month LIBOR plus 1.90%, (b) refinance the Class B 2010 Notes by redeeming in full the $12.0 million of Class B 2010 Notes and issuing new Class B-Refi 2010 Notes in an aggregate principal amount of $10.0 million that bear interest at a rate of three-month LIBOR plus 2.40% and (c) extend the reinvestment period applicable to the 2010 Issuer to July 20, 2018. Following the refinancing, Holdings retained the Class B-Refi 2010 Notes, which will be eliminated from the consolidated statements of financial condition in consolidation.

Operating and Regulatory Structure

Our investment activities are managed by GC Advisors and supervised by our board of directors, a majority of whom are independent of us, GC Advisors and its affiliates.

As a business development company, we are required to comply with certain regulatory requirements. For example, while we are permitted to finance investments using leverage, which may include the issuance of shares of preferred stock, or notes and other borrowings, our ability to use leverage is limited in significant respects. See Regulation. Any decision on our part to use leverage will depend upon our assessment of the attractiveness of available investment opportunities in relation to the costs and perceived risks of such leverage. GC Advisors makes recommendations to our board of directors with respect to leverage policies. Our board of directors determines our leverage policy, including approving in advance the incurrence of material indebtedness and the execution of material contracts, and directs GC Advisors to implement such policies. The use of leverage to finance investments creates certain risks and potential conflicts of interest. See Risk Factors Risks Relating to our Business and Structure There are significant potential conflicts of interest that could affect our investment returns Our management and incentive fee structure may create incentives for GC Advisors that are not fully aligned with the interests of our stockholders and may induce GC Advisors to make certain investments, including speculative investments, Risks Relating to our Business and Structure Regulations governing our operation as a business development company affect our ability to, and the way in which we, raise additional capital. As a business development company, the

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necessity of raising additional capital exposes us to risks, including the typical risks associated with leverage and Risks Relating to our Business and Structure We intend to finance our investments with borrowed money, which will magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.

Also, as a business development company, we are generally prohibited from acquiring assets other than qualifying assets unless, after giving effect to any acquisition, at least 70% of our total assets are qualifying assets. Qualifying assets generally include securities of eligible portfolio companies, cash, cash equivalents, U.S. government securities and high-quality debt investments maturing in one year or less from the time of investment. Under the 1940 Act and the rules thereunder, eligible portfolio companies include (1) private domestic operating companies, (2) public domestic operating companies whose securities are not listed on a national securities exchange (*e.g.*, the New York Stock Exchange, NYSE MKT LLC and The NASDAQ Stock Market) or registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and (3) public domestic operating companies having a market capitalization of less than $250.0 million. Public domestic operating companies whose securities are quoted on the over-the-counter bulletin board and through Pink Sheets LLC are not listed on a national securities exchange and therefore are eligible portfolio companies. See Regulation.

Conflicts of Interest

Subject to certain 1940 Act restrictions on co-investments with affiliates, GC Advisors offers us the right to participate in all investment opportunities that it determines are appropriate for us in view of our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other relevant factors. Such offers are subject to the exception that, in accordance with GC Advisors code of ethics and allocation policies, we might not participate in each individual opportunity but will, on an overall basis, be entitled to participate equitably with other entities sponsored or managed by GC Advisors and its affiliates.

To the extent that we compete with entities sponsored or managed by GC Advisors or its affiliates for a particular investment opportunity, GC Advisors will allocate investment opportunities across the entities for which such opportunities are appropriate, consistent with (1) its internal conflict of interest and allocation policies, (2) the requirements of the Advisers Act and (3) certain restrictions under the 1940 Act regarding co-investments with affiliates. GC Advisors allocation policies are intended to ensure that, over time, we may generally share equitably in investment opportunities with other investment funds, accounts or other investment vehicles, together referred to as accounts, sponsored or managed by GC Advisors or its affiliates, particularly those involving a security with limited supply or involving differing classes of securities of the same issuer which may be suitable for us and such other accounts.

GC Advisors and its affiliates have other clients with similar or competing investment objectives, including several private funds that are pursuing an investment strategy similar to ours, some of which are continuing to seek new capital commitments. In serving these clients, GC Advisors may have obligations to other clients or investors in those entities. Our investment objective may overlap with such affiliated accounts. GC Advisors allocation procedures are designed to allocate investment opportunities among the accounts sponsored or managed by GC Advisors and its affiliates in a manner consistent with its obligations under the Advisers Act. If two or more accounts with similar investment strategies are actively investing, GC Advisors will seek to allocate investment opportunities among eligible accounts in a manner that is fair and equitable over time and consistent with its allocation policy. Certain of these accounts may provide for higher management or incentive fees or allow GC Advisors to recover greater expense reimbursements or overhead allocations. The amount of origination and other transaction fees that GC Advisors may receive from issuers, co-investors, or syndicatees in connection with the origination or acquisition of loans and post-closing loans syndications also may be higher for such other accounts. For example, the 1940 Act restricts GC

Advisors from receiving more than a 1% fee in connection with loans that we acquire or originate, which limitation may not exist for other accounts that GC Advisors advises. These fees and other amounts that are received by GC Advisors in connection with investments by such other accounts have no impact on the expenses borne by our common stockholders, either directly or indirectly. In certain instances, GC Advisors may share a portion of such fees with accounts that it manages, and the sharing of such fees may differ among accounts managed by GC Advisors. GC Advisors has put in place a conflict-resolution policy that addresses the co-investment

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restrictions set forth under the 1940 Act. See Risk Factors Risks Relating to our Business and Structure There are significant potential conflicts of interest that could affect our investment returns Conflicts related to obligations GC Advisors investment committee, GC Advisors or its affiliates have to other clients and conflicts related to fees and expenses of such other clients and conflicts related to fees and expenses of such other clients.

GC Advisors seeks to ensure the equitable allocation of investment opportunities when we are able to invest alongside other accounts sponsored or managed by GC Advisors and its affiliates. When we invest alongside such other accounts, such investments are made consistent with GC Advisors allocation policy. Under this allocation policy, if an investment opportunity is appropriate for us and another similar eligible account, the opportunity will be allocated pro rata based on the relative capital available for investment of each of us and such other eligible accounts, subject to minimum and maximum investment size limits. In situations in which co-investment with other entities sponsored or managed by GC Advisors or its affiliates is not permitted or appropriate, such as when, in the absence of exemptive relief described below, we and such other entities would be making different investments in the same issuer, GC Advisors will need to decide whether we or such other entity or entities will proceed with the investment. GC Advisors will make these determinations based on its policies and procedures, which generally require that such opportunities be offered to eligible accounts on a basis that will be fair and equitable over time, including, for example, through random or rotational methods. We and GC Advisors have submitted an exemptive application to the SEC to permit greater flexibility to negotiate the terms of co-investments if our board of directors determines that it would be advantageous for us to co-invest with other accounts sponsored or managed by GC Advisors or its affiliates in a manner consistent with our investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. Our board of directors regularly reviews the allocation policy of Golub Capital and annually reviews the code of ethics of GC Advisors. See Related Party Transactions and Certain Relationships.

Additionally, under our incentive fee structure, GC Advisors benefits when we recognize capital gains and, because GC Advisors determines when a holding is sold, GC Advisors controls the timing of the recognition of such capital gains. See Risk Factors Risks Relating to our Business and Structure There are significant potential conflicts of interest that could affect our investment returns Our management and incentive fee structure may create incentives for GC Advisors that are not fully aligned with the interests of our stockholders and may induce GC Advisors to make certain investments, including speculative investments. In addition, because the base management fee that we pay to GC Advisors is based on our average adjusted gross assets, including those assets acquired through the use of leverage, GC Advisors has a financial incentive to incur leverage.

Our principal executive offices are located at 150 South Wacker Drive, Suite 800, Chicago, Illinois 60606, and our telephone number is (312) 205-5050. Our corporate website is located at *www.golubcapitalbdc.com*. Information on our website is not incorporated into or a part of this prospectus.

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FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in shares of our common stock will bear directly or indirectly. However, we caution you that some of the percentages indicated in the table below are estimates and may vary. Actual costs and expenses incurred by investors in shares of our common stock may be greater than the percentage estimates in the table below. The following table excludes one-time fees payable to third parties not affiliated with GC Advisors that were incurred in connection with each of the 2010 Debt Securitization and the 2014 Debt Securitization, or collectively, the Debt Securitizations, but includes all of the applicable ongoing fees and expenses of the Debt Securitizations. Whenever this prospectus contains a reference to fees or expenses paid by us or Golub Capital BDC, or that we will pay fees or expenses, our common stockholders will indirectly bear such fees or expenses.

Stockholder transaction expenses:		
Sales load (as a percentage of offering price)		(1)
Offering expenses (as a percentage of offering price)		(2)
Dividend reinvestment plan expenses	None	(3)
Total stockholder transaction expenses (as a percentage of offering price)		
Annual expenses (as a percentage of net assets attributable to common stock):		
Management fees	2.51	%(4)
Incentive fees payable under the Investment Advisory Agreement (20%)	0.69	%(5)
Interest payments on borrowed funds	3.15	%(6)
Other expenses	0.67	%(7)
Acquired fund fees and expenses	0.05	%(8)
Total annual expenses	7.07	%(9)

(1) In the event that the securities to which this prospectus relates are sold to or through underwriters or agents, a corresponding prospectus supplement will disclose the applicable sales load.

(2) The related prospectus supplement will disclose the estimated amount of total offering expenses (which may include offering expenses borne by third parties on our behalf), the offering price and the offering expenses borne by us as a percentage of the offering price.

(3) The expenses associated with the dividend reinvestment plan are included in Other expenses. See Dividend Reinvestment Plan.

(4) Our management fee is calculated at an annual rate equal to 1.375% and is based on the average adjusted gross assets (including assets purchased with borrowed funds and securitization-related assets, leverage, unrealized depreciation or appreciation on derivative instruments and cash collateral on deposit with custodian but adjusted to exclude cash and cash equivalents so that investors do not pay the base management fee on such assets) at the end of the two most recently completed calendar quarters and is payable quarterly in arrears. See Management Agreements Investment Advisory Agreement Management Fee. The management fee referenced in the table above is based on actual amounts incurred during the year ended September 30, 2016 by GC Advisors in its capacity as investment adviser to us and collateral manager to the 2010 Issuer and the 2014 Issuer, or, collectively, the Securitization Issuers.

GC Advisors, as collateral manager for the 2010 Issuer under a collateral management agreement, or the 2010 Collateral Management Agreement, is entitled to receive an annual fee in an amount equal to 0.35% of the principal balance of the portfolio loans held by the 2010 Issuer at the beginning of the collection period relating to each payment date, which is payable in arrears on each payment date. This fee, which is less than the management fee payable under the Investment Advisory Agreement, is paid directly by the 2010 Issuer to GC Advisors and offset

against such management fee. Accordingly, the 1.375% management fee paid by us to GC Advisors under the Investment Advisory Agreement on all of our assets, including those indirectly held through the 2010 Issuer, is reduced, on a dollar-for-dollar basis, by an amount equal to such 0.35% fee paid to GC Advisors by the 2010 Issuer.

Under the 2010 Collateral Management Agreement, the term collection period refers to a quarterly period running from the day after the end of the prior collection period to the fifth business day of the calendar month in which a

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payment date occurs. This fee may be waived by the collateral manager. The 2010 Collateral Management Agreement does not include any incentive fee payable to GC Advisors.

GC Advisors, as collateral manager for the 2014 Issuer, under a collateral management agreement, or the 2014 Collateral Management Agreement, is entitled to receive an annual fee in an amount equal to 0.25% of the principal balance of the portfolio loans held by the 2014 Issuer at the beginning of the collection period relating to each payment date, which is payable in arrears on each payment date. This fee, which is less than the management fee payable under the Investment Advisory Agreement, is paid directly by the 2014 Issuer to GC Advisors and offset against such management fee. Accordingly, the 1.375% management fee paid by us to GC Advisors under the Investment Advisory Agreement on all of our assets, including those indirectly held through the 2014 Issuer, is reduced, on a dollar-for-dollar basis, by an amount equal to such 0.25% fee paid to GC Advisors by the 2014 Issuer. Under the 2014 Collateral Management Agreement, the term collection period refers to a quarterly period running from the day after the end of the prior collection period to the tenth business day prior to the payment date. This fee may be waived by the collateral manager. The 2014 Collateral Management Agreement does not include any incentive fee payable to GC Advisors.

For purposes of this table, the SEC requires that the Management fees percentage be calculated as a percentage of net assets attributable to common stock, rather than total assets, including assets that have been funded with borrowed monies because common stockholders bear all of this cost. If the base management fee portion of the Management fees percentage were calculated instead as a percentage of our total assets, our base management fee portion of the Management fees percentage would be approximately 1.25% of total assets. The base management fee in the table above is based on net assets of $878.8 million and leverage of $865.2 million as of September 30, 2016.

(5) The incentive fee referenced in the table above is based on actual amounts of the income component of the incentive fee incurred during the year ended September 30, 2016. We have structured the calculation of the incentive fee to include a fee limitation such that no incentive fee will be paid to GC Advisors for any quarter if, after such payment, the cumulative incentive fees paid to GC Advisors since the effective date of our election to become a business development company would be greater than 20.0% of our Cumulative Pre-Incentive Fee Net Income (as defined below).

We accomplish this limitation by subjecting each quarterly incentive fee payable under the Income and Capital Gains Incentive Fee Calculation (as defined below) to a cap, or the Incentive Fee Cap. The Incentive Fee Cap in any quarter is equal to the difference between (a) 20.0% of Cumulative Pre-Incentive Fee Net Income and (b) cumulative incentive fees of any kind paid to GC Advisors by Golub Capital BDC since April 13, 2010, the effective date of our election to become a business development company. To the extent the Incentive Fee Cap is zero or a negative value in any quarter, no incentive fee would be payable in that quarter. Cumulative Pre-Incentive Fee Net Income is equal to the sum of (a) Pre-Incentive Fee Net Investment Income (as defined below) for each period since April 13, 2010 and (b) cumulative aggregate realized capital gains, cumulative aggregate realized capital losses, cumulative aggregate unrealized capital depreciation and cumulative aggregate unrealized capital appreciation since April 13, 2010.

Pre-Incentive Fee Net Investment Income means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies, but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the calendar quarter (including the base management fee, taxes, any expenses payable under the Investment Advisory Agreement and an administration agreement, or the Administration Agreement, with the Administrator, any expenses of securitizations and any interest expense and dividends paid on any outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature such as market discount, debt instruments with payment-in-kind, or PIK, interest, preferred stock with PIK dividends and zero coupon securities, accrued income that we have not yet received

in cash.

The income and capital gains incentive fee calculation, or the Income and Capital Gains Incentive Fee Calculation, has two parts. The income component is calculated quarterly in arrears based on our Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter.

Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the income component, it is possible that an incentive fee may be calculated under this formula with respect to a period in which we have incurred a loss. For example, if we receive Pre-Incentive Fee Net Investment

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Income in excess of the hurdle rate (as defined below) for a calendar quarter, the income component will result in a positive value and an incentive fee will be paid unless the payment of such incentive fee would cause us to pay incentive fees on a cumulative basis that exceed 20.0% of our Cumulative Pre-Incentive Fee Net Income.

Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of our net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) at the end of the immediately preceding calendar quarter, is compared to a fixed hurdle rate of 2.0% quarterly. If market interest rates rise, we may be able to invest our funds in debt instruments that provide for a higher return, which would increase our Pre-Incentive Fee Net Investment Income and make it easier for GC Advisors to surpass the fixed hurdle rate and receive an incentive fee based on such net investment income. Our Pre-Incentive Fee Net Investment Income used to calculate this part of the incentive fee is also included in the amount of our total assets (excluding cash and cash equivalents but including assets purchased with borrowed funds and securitization-related assets and cash collateral on deposit with custodian) used to calculate the 1.375% base management fee.

We calculate the income component of the Income and Capital Gains Incentive Fee Calculation with respect to our Pre-Incentive Fee Net Investment Income quarterly, in arrears, as follows:

zero in any calendar quarter in which the Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate;
100.0% of our Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than 2.5% in any calendar quarter. We refer to this portion of our Pre-Incentive Fee Net Investment Income (which exceeds the hurdle rate but is less than 2.5%) as the catch-up provision. The catch-up is meant to provide GC Advisors with 20.0% of the Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply if this net investment income exceeds 2.5% in any calendar quarter; and
20.0% of the amount of our Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.5% in any calendar quarter.

The sum of these calculations yields the income incentive fee, or the Income Incentive Fee. This amount is appropriately adjusted for any share issuances or repurchases during the quarter.

The second part of the Income and Capital Gains Incentive Fee Calculation, or the Capital Gain Incentive Fee, equals (a) 20.0% of our Capital Gain Incentive Fee Base (as defined below), if any, calculated in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), commencing with the calendar year ending December 31, 2010, less (b) the aggregate amount of any previously paid Capital Gain Incentive Fees. Our Capital Gain Incentive Fee Base equals (1) the sum of (i) our realized capital gains, if any, on a cumulative positive basis from April 13, 2010 through the end of each calendar year, (ii) all realized capital losses on a cumulative basis and (iii) all unrealized capital depreciation on a cumulative basis less (2) all unamortized deferred financing costs, if and to the extent such costs exceed all unrealized capital appreciation on a cumulative basis.

The cumulative aggregate realized capital losses are calculated as the sum of the amounts by which (a) the net sales price of each investment in our portfolio when sold is less than (b) the accreted or amortized cost basis of such investment.
The cumulative aggregate realized capital gains are calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in our portfolio when sold and (b) the accreted or amortized cost basis of such investment.
The aggregate unrealized capital depreciation is calculated as the sum of the differences, if negative, between (a) the valuation of each investment in our portfolio as of the applicable Capital Gain Incentive Fee calculation date and (b) the accreted or amortized cost basis of such investment.

As described above, the incentive fee will not be paid at any time where after such payment the cumulative incentive fees paid to date would be greater than 20.0% of the Cumulative Pre-Incentive Net Income since April 13, 2010. In accordance with U.S. generally accepted accounting principles, or GAAP, we will accrue a capital gain incentive fee on a quarterly basis as if aggregate unrealized capital appreciation on investments were realized, even though such unrealized capital appreciation is not

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permitted to be considered in calculating the fee actually payable under the Investment Advisory Agreement. We will accrue a capital gain incentive fee under GAAP if the Capital Gain Incentive Fee Base, adjusted as required by GAAP to include unrealized appreciation, is positive. The Capital Gain Incentive Fee is calculated on a cumulative basis from the date we elected to become a business development company through the end of each calendar year. Since inception through September 30, 2016, we have not made any Capital Gain Incentive Fee payments. For the year ended September 30, 2016, we accrued a capital gain incentive fee under GAAP of $1.2 million. For a more detailed discussion of the calculation of the incentive fee, see Management Agreements Investment Advisory Agreement Management Fee.

(6) Interest payments on borrowed funds represents our annualized interest expense as of September 30, 2016 and includes interest payable on the notes issued by each of the Securitization Issuers. For the year ended September 30, 2016, the effective annualized average interest rate on our total debt outstanding, which includes all interest and amortization of debt issuance costs on the Debt Securitizations but excludes secured borrowings, was 3.4%. Debt issuance costs represent fees and other direct incremental costs incurred in connection with the Debt Securitizations. These fees include a structuring and placement fee paid to Wells Fargo Securities, LLC for its services in connection with the initial structuring and the first amendment of the 2010 Debt Securitization and the initial structuring of the 2014 Debt Securitization of $1.74 million, $0.75 million and $1.81 million, respectively, certain fees in an aggregate amount of $0.35 million paid to J.P. Morgan Securities Inc. in connection with subsequent amendments and legal fees, accounting fees, rating agency fees and all other costs associated with each of the Debt Securitizations. We do not currently anticipate issuing debt securities or preferred stock in the next 12 months.

(7) Includes our overhead expenses, including payments under the Administration Agreement based on our allocable portion of overhead and other expenses incurred by the Administrator, and any acquired fund fees and expenses that are not required to be disclosed separately. See Management Agreements Administration Agreement. Other expenses also includes the ongoing administrative expenses to the trustee, collateral manager, independent accountants, legal counsel, rating agencies and independent managers in connection with developing and maintaining reports and providing required services in connection with the administration of each of the Debt Securitizations. Other expenses are based on actual amounts incurred during the year ended September 30, 2016. The administrative expenses of each of the Securitization Issuers are paid on each payment date in two parts: (1) a component that is paid in a priority to other amounts distributed by the 2010 Issuer or the 2014 Issuer, as applicable, subject to a cap equal to the sum of 0.04% per annum of the adjusted principal balance of the portfolio loans and other assets held by the 2010 Issuer or the 2014 Issuer, as applicable, on the last day of the collection period relating to such payment date, plus $150,000 per annum, and (2) a component that is paid in a subordinated position relative to other amounts distributed by the 2010 Issuer or the 2014 Issuer, as applicable, equal to any amounts that exceed the aforementioned administrative expense cap.

(8) Our stockholders indirectly bear the expenses of our investment in SLF. No management fee is charged by the Administrator in connection with the administrative services it provides to SLF. However, SLF does reimburse the Administrator for its costs related to providing accounting, bookkeeping, treasury, loan operations, reporting and administrative services for SLF. Future expenses for SLF may be substantially higher or lower because certain expenses may fluctuate over time.

(9) All of our expenses, including all expenses of each of the Debt Securitizations, are disclosed in the appropriate line items under Annual Expenses (as a percentage of net assets attributable to common stock). Total annual expenses as a percentage of consolidated net assets attributable to common stock are higher than the total annual expenses percentage would be for a company that is not leveraged. We borrow money to leverage our net assets and increase our total assets. The SEC requires that the Total annual expenses percentage be calculated as a percentage of net assets (defined as total assets less indebtedness and after taking into account any incentive fees payable during the period), rather than the total assets, including assets that have been funded with borrowed monies. The reason for presenting expenses as a percentage of net assets attributable to common stockholders is that our common

stockholders bear all of our fees and expenses.

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Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. **This example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown.**

You would pay the following expenses on a $1,000 investment	1 year	3 years	5 years	10 years
Assuming a 5% annual return (assumes no return from net realized capital gains or net unrealized capital appreciation)	$ 64	$ 189	$ 310	$ 600
Assuming a 5% annual return (assumes return entirely from realized capital gains and thus subject to the capital gain incentive fee)	$ 74	216	$ 352	$ 664

The foregoing table is to assist you in understanding the various costs and expenses that an investor in our common stock will bear directly or indirectly. While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. The incentive fee under the Investment Advisory Agreement, which, assuming a 5% annual return, would either not be payable or have an immaterial impact on the expense amounts shown above, is not included in the example. Under our Investment Advisory Agreement, no incentive fee would be payable if we have a 5% annual return. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive fee of a material amount, our expenses, and returns to our investors, would be higher. The example assumes that all dividends and other distributions are reinvested at net asset value. Under certain circumstances, reinvestment of dividends and other distributions under our dividend reinvestment plan may occur at a price per share that differs from net asset value. See Dividend Reinvestment Plan for more information.

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RISK FACTORS

Investing in our securities involves a number of significant risks. Before you invest in our securities, you should be aware of various risks, including those described below. You should carefully consider these risk factors, together with all of the other information included in this prospectus and the applicable prospectus supplement, before you decide whether to make an investment in our securities. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us may also impair our operations and performance. If any of the following events occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected. In such case, our net asset value and the trading price of our common stock could decline, and you may lose all or part of your investment. The risk factors described below are the principal risk factors associated with an investment in us as well as those factors generally associated with an investment company with investment objectives, investment policies, capital structure or trading markets similar to ours.

Risks Relating to Our Business and Structure

We are subject to risks associated with the current interest rate environment and to the extent we use debt to finance our investments, changes in interest rates will affect our cost of capital and net investment income.

Since the economic downturn that began in mid-2007, interest rates have remained low. Because longer-term inflationary pressure is likely to result from the U.S. government s fiscal policies and challenges during this time, we will likely experience rising interest rates, rather than falling rates, at some point in the future and have begun to see modest increases to LIBOR.

To the extent we borrow money or issue debt securities or preferred stock to make investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities or preferred stock and the rate at which we invest these funds. In addition, many of our debt investments and borrowings have floating interest rates that reset on a periodic basis, and many of our investments are subject to interest rate floors. As a result, a change in market interest rates could have a material adverse effect on our net investment income, in particular with respect to increases from current levels to the level of the interest rate floors on certain investments. In periods of rising interest rates, our cost of funds will increase because the interest rates on the majority of amounts we have borrowed are floating, which could reduce our net investment income to the extent any debt investments have fixed interest rates, and the interest rate on investments with an interest rate floor will not increase until interest rates exceed the applicable floor. We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. Such techniques may include various interest rate hedging activities to the extent permitted by the 1940 Act and applicable commodities laws. These activities may limit our ability to participate in the benefits of lower interest rates with respect to the hedged borrowings. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations.

You should also be aware that a rise in the general level of interest rates typically will lead to higher interest rates applicable to our debt investments, which may result in an increase of the amount of incentive fees payable to GC Advisors. Also, an increase in interest rates available to investors could make an investment in our common stock less attractive if we are not able to increase our distribution rate, which could reduce the value of our common stock.

Global capital markets could enter a period of severe disruption and instability. These conditions have historically affected and could again materially and adversely affect debt and equity capital markets in the United States and around the world and our business.

The U.S. and global capital markets experienced extreme volatility and disruption during the economic downturn that began in mid-2007, and the U.S. economy was in a recession for several consecutive calendar quarters during the same period. In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt, which created concerns about the ability of certain nations to continue to service their sovereign debt obligations. Risks resulting from such debt crisis and any future debt crisis in Europe or any similar crisis elsewhere could have a detrimental impact on the global

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economic recovery, sovereign and non-sovereign debt in certain countries and the financial condition of financial institutions generally. In July and August 2015, Greece reached agreements with its creditors for bailouts that provide aid in exchange for certain austerity measures. These and similar austerity measures may adversely affect world economic conditions and have an adverse impact on our business and that of our portfolio companies. In the second quarter of 2015, stock prices in China experienced a significant drop, resulting primarily from continued sell-off of shares trading in Chinese markets. In August 2015, Chinese authorities sharply devalued China s currency. In June 2016, the United Kingdom held a referendum in which voters approved an exit from the European Union, and the implications of the United Kingdom s pending withdrawal from the European Union are unclear at present. In November 2016, voters in the United States elected a new president and the implications of a new presidential administration are unclear at present. These market and economic disruptions affected, and these and other similar market and economic disruptions may in the future affect, the U.S. capital markets, which could adversely affect our business and that of our portfolio companies and the broader financial and credit markets and have reduced the availability of debt and equity capital for the market as a whole and to financial firms, in particular. At various times, these disruptions resulted in, and may in the future result, a lack of liquidity in parts of the debt capital markets, significant write-offs in the financial services sector and the repricing of credit risk. These conditions may reoccur for a prolonged period of time again or materially worsen in the future, including as a result of U.S. government shutdowns or further downgrades to the U.S. government s sovereign credit rating or the perceived credit worthiness of the United States or other large global economies. Unfavorable economic conditions, including future recessions, also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. We may in the future have difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may cause us to reduce the volume of loans we originate and/or fund, adversely affect the value of our portfolio investments or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are dependent upon GC Advisors for our success and upon their access to the investment professionals and partners of Golub Capital and its affiliates.

We do not have any internal management capacity or employees. We depend on the diligence, skill and network of business contacts of the senior investment professionals of GC Advisors to achieve our investment objective. GC Advisors investment committee, which consists of two members of our board of directors and two additional employees of Golub Capital LLC, provides oversight over our investment activities. We also cannot assure you that we will replicate the historical results achieved by members of the investment committee, and we caution you that our investment returns could be substantially lower than the returns achieved by them in prior periods. We expect that GC Advisors will evaluate, negotiate, structure, close and monitor our investments in accordance with the terms of the Investment Advisory Agreement. We can offer no assurance, however, that the senior investment professionals of GC Advisors will continue to provide investment advice to us. If these individuals do not maintain their existing relationships with Golub Capital LLC and its affiliates and do not develop new relationships with other sources of investment opportunities, we may not be able to identify appropriate replacements or grow our investment portfolio. The loss of any member of GC Advisors investment committee or of other senior investment professionals of GC Advisors and its affiliates would limit our ability to achieve our investment objective and operate as we anticipate. This could have a material adverse effect on our financial condition, results of operations and cash flows.

The Staffing Agreement provides that Golub Capital LLC makes available to GC Advisors experienced investment professionals and provides access to the senior investment personnel of Golub Capital LLC for purposes of evaluating, negotiating, structuring, closing and monitoring our investments. We are not a party to the Staffing Agreement and

cannot assure you that Golub Capital LLC will fulfill its obligations under the agreement. If Golub Capital LLC fails to perform, we cannot assure you that GC Advisors will enforce the Staffing Agreement, that such agreement will not be terminated by either party or that we will continue to have access to the investment professionals of Golub Capital LLC and its affiliates or their information and deal flow.

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Our business model depends to a significant extent upon strong referral relationships with sponsors. Any inability of GC Advisors to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business.

We depend upon Golub Capital LLC s relationships with sponsors, and we intend to rely to a significant extent upon these relationships to provide us with potential investment opportunities. If Golub Capital LLC fails to maintain such relationships, or to develop new relationships with other sponsors or sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom the principals of Golub Capital LLC have relationships are not obligated to provide us with investment opportunities, and, therefore, we can offer no assurance that these relationships will generate investment opportunities for us in the future.

Our financial condition, results of operations and cash flows depend on our ability to manage our business effectively.

Our ability to achieve our investment objective depends on our ability to manage our business and to grow. This depends, in turn, on GC Advisors ability to identify, invest in and monitor companies that meet our investment criteria. The achievement of our investment objectives on a cost-effective basis depends upon GC Advisors execution of our investment process, its ability to provide competent, attentive and efficient services to us and, to a lesser extent, our access to financing on acceptable terms. GC Advisors has substantial responsibilities under the Investment Advisory Agreement, as well as responsibilities in connection with the management of other accounts sponsored or managed by GC Advisors, members of GC Advisors investment committee or Golub Capital LLC and its affiliates. The personnel of the Administrator and its affiliates may be called upon to provide managerial assistance to our portfolio companies. These activities may distract them or slow our rate of investment. Any failure to manage our business and our future growth effectively could have a material adverse effect on our business, financial condition, results of operations and cash flows.

There are significant potential conflicts of interest that could affect our investment returns.

As a result of our arrangements with GC Advisors and its affiliates and GC Advisors investment committee, there may be times when GC Advisors or such persons have interests that differ from those of our securityholders, giving rise to a conflict of interest.

Conflicts related to obligations GC Advisors investment committee, GC Advisors or its affiliates have to other clients and conflicts related to fees and expenses of such other clients.

The members of GC Advisors investment committee serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do or of accounts sponsored or managed by GC Advisors or its affiliates. Currently, our officers and directors also serve as officers and directors of GCIC, a closed-end, non-diversified management investment company that has also elected to be regulated as a business development company under the 1940 Act. Similarly, GC Advisors or its affiliates currently manage and may have other clients with similar or competing investment objectives. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of us or our

stockholders. For example, Lawrence E. Golub and David B. Golub have management responsibilities for other accounts managed or sponsored by GC Advisors or its affiliates, including GCIC. Our investment objective may overlap with the investment objectives of such affiliated accounts. For example, GC Advisors currently manages GCIC and several private funds that are pursuing an investment strategy similar to ours, some of which may seek additional capital from time to time, and we may compete with these and other accounts sponsored or managed by GC Advisors and its affiliates for capital and investment opportunities. As a result, those individuals may face conflicts in the allocation of investment opportunities among us and other accounts advised by or affiliated with GC Advisors. Certain of these accounts may provide for higher management or incentive fees allow GC Advisors to recover greater expense reimbursements or overhead allocations, or permit GC Advisors and its affiliates to receive higher origination and other transaction fees, all of which may contribute to this conflict of interest and create an incentive for GC Advisors to favor such other accounts. For example, the 1940 Act restricts GC Advisors from receiving more than a 1% fee in connection with loans that we acquire, or originate, a limitation that does not exist for certain other accounts. GC Advisors seeks to allocate

investment opportunities among eligible accounts in a manner that is fair and equitable over time and consistent with its allocation policy. However, we can offer no assurance that such opportunities will be allocated to us fairly or equitably in the short-term or over time, and there can be no assurance that we will be able to participate in all investment opportunities that are suitable to us.

GC Advisors investment committee, GC Advisors or its affiliates may, from time to time, possess material non-public information, limiting our investment discretion.

Principals of GC Advisors and its affiliates and members of GC Advisors investment committee may serve as directors of, or in a similar capacity with, companies in which we invest, the securities of which are purchased or sold on our behalf. In the event that material nonpublic information is obtained with respect to such companies, or we become subject to trading restrictions under the internal trading policies of those companies or as a result of applicable law or regulations, we could be prohibited for a period of time from purchasing or selling the securities of such companies, and this prohibition may have an adverse effect on us.

Our management and incentive fee structure may create incentives for GC Advisors that are not fully aligned with the interests of our stockholders and may induce GC Advisors to make certain investments, including speculative investments.

In the course of our investing activities, we pay management and incentive fees to GC Advisors. The management fee is based on our average adjusted gross assets and the incentive fee is computed and paid on income, both of which include leverage. As a result, investors in our common stock will invest on a gross basis and receive distributions on a net basis after expenses, resulting in a lower rate of return than one might achieve through direct investments. Because these fees are based on our average adjusted gross assets, GC Advisors benefits when we incur debt or use leverage. Under certain circumstances, the use of leverage may increase the likelihood of default on our debt or other leverage, which would disfavor or our securityholders.

Additionally, the incentive fee payable by us to GC Advisors may create an incentive for GC Advisors to cause us to realize capital gains or losses that may not be in the best interests of us or our stockholders. Under the incentive fee structure, GC Advisors benefits when we recognize capital gains and, because GC Advisors determines when an investment is sold, GC Advisors controls the timing of the recognition of such capital gains. Our board of directors is charged with protecting our stockholders interests by monitoring how GC Advisors addresses these and other conflicts of interest associated with its management services and compensation.

The part of the management and incentive fees payable to GC Advisors that relates to our net investment income is computed and paid on income that may include interest income that has been accrued but not yet received in cash, such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends, zero coupon securities, and other deferred interest instruments and may create an incentive for GC Advisors to make investments on our behalf that are riskier or more speculative than would be the case in the absence of such compensation arrangement. This fee structure may be considered to involve a conflict of interest for GC Advisors to the extent that it may encourage GC Advisors to favor debt financings that provide for deferred interest, rather than current cash payments of interest. Under these investments, we accrue the interest over the life of the investment but do not receive the cash income from the investment until the end of the term. Our net investment income used to calculate the income portion of our investment fee, however, includes accrued interest. GC Advisors may have an incentive to

invest in deferred interest securities in circumstances where it would not have done so but for the opportunity to continue to earn the fees even when the issuers of the deferred interest securities would not be able to make actual cash payments to us on such securities. This risk could be increased because GC Advisors is not obligated to reimburse us for any fees received even if we subsequently incur losses or never receive in cash the deferred income that was previously accrued.

The valuation process for certain of our portfolio holdings creates a conflict of interest.

The majority of our portfolio investments are expected to be made in the form of securities that are not publicly traded. As a result, our board of directors will determine the fair value of these securities in good faith. In connection with that determination, investment professionals from GC Advisors may provide our

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board of directors with portfolio company valuations based upon the most recent portfolio company financial statements available and projected financial results of each portfolio company. In addition, Lawrence E. Golub and David B. Golub have an indirect pecuniary interest in GC Advisors. The participation of GC Advisors investment professionals in our valuation process, and the indirect pecuniary interest in GC Advisors by Lawrence E. Golub and David B. Golub, could result in a conflict of interest as GC Advisors management fee is based, in part, on our average adjusted gross assets and our incentive fees will be based, in part, on unrealized gains and losses.

Conflicts related to other arrangements with GC Advisors or its affiliates.

We have entered into a license agreement with Golub Capital LLC under which Golub Capital LLC has granted us a non-exclusive, royalty-free license to use the name Golub Capital . See Management Agreements License Agreement. In addition, we pay to the Administrator our allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement, such as rent and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. These arrangements create conflicts of interest that our board of directors must monitor.

The Investment Advisory Agreement and the Administration Agreement were not negotiated on an arm s-length basis and may not be as favorable to us as if they had been negotiated with an unaffiliated third party.

The Investment Advisory Agreement and the Administration Agreement were negotiated between related parties. Consequently, their terms, including fees payable to GC Advisors, may not be as favorable to us as if they had been negotiated with an unaffiliated third party. For example, certain accounts managed by GC Advisors have lower management, incentive or other fees than those charged under the Investment Advisory Agreement and/or a reduced ability to recover expenses and overhead than may be recovered by the Administrator under the Administration Agreement. In addition, we may choose not to enforce, or to enforce less vigorously, our rights and remedies under these agreements and the Adviser Revolver because of our desire to maintain our ongoing relationship with GC Advisors, the Administrator and their respective affiliates. Any such decision, however, would breach our fiduciary obligations to our stockholders.

Our ability to enter into transactions with our affiliates will be restricted, which may limit the scope of investments available to us.

We are prohibited under the 1940 Act from participating in certain transactions with our affiliates without the prior approval of our independent directors and, in some cases, the SEC. Any person that owns, directly or indirectly, five percent or more of our outstanding voting securities is our affiliate for purposes of the 1940 Act, and we are generally prohibited from buying or selling any security from or to such affiliate, absent the prior approval of our independent directors. We consider GC Advisors and its affiliates to be our affiliates for such purposes. The 1940 Act also prohibits certain joint transactions with certain of our affiliates, which could include investments in the same portfolio company, without prior approval of our independent directors and, in some cases, the SEC. We are prohibited from buying or selling any security from or to, among others, any person who owns more than 25% of our voting securities or certain of that person s affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC.

We may, however, invest alongside GC Advisors and its affiliates other clients in certain circumstances where doing so is consistent with applicable law and SEC staff interpretations. For example, we may invest alongside such

accounts consistent with guidance promulgated by the SEC staff permitting us and such other accounts to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that GC Advisors, acting on our behalf and on behalf of its other clients, negotiates no term other than price. We may also invest alongside GC Advisors other clients as otherwise permissible under regulatory guidance, applicable regulations and GC Advisors allocation policy. Under this allocation policy, if an investment opportunity is appropriate for us and another similar eligible account, the opportunity will be allocated pro rata based on the relative capital available for investment of each of us and such other eligible accounts, subject to minimum and maximum investment size limits. However, we can offer no assurance that investment opportunities will be allocated to us fairly or equitably in the short-term or over time.

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In situations in which co-investment with other accounts sponsored or managed by GC Advisors or its affiliates is not permitted or appropriate, such as when, in the absence of exemptive relief described below, we and such other entities may make investments in the same issuer or where the different investments could be expected to result in a conflict between our interests and those of other GC Advisors clients, GC Advisors needs to decide whether we or such other entity or entities will proceed with such investments. GC Advisors makes these determinations based on its policies and procedures, which generally require that such investment opportunities be offered to eligible accounts on a basis that is fair and equitable over time, including, for example, through random or rotational methods. Moreover, in certain circumstances, we may be unable to invest in an issuer in which an account sponsored or managed by GC Advisors or its affiliates has previously invested. Similar restrictions limit our ability to transact business with our officers or directors or their affiliates. These restrictions may limit the scope of investment opportunities that would otherwise be available to us.

We and GC Advisors have submitted an application for exemptive relief from the SEC to permit greater flexibility to negotiate the terms of co-investments if our board of directors determines that it would be advantageous for us to co-invest with other accounts sponsored or managed by GC Advisors or its affiliates in a manner consistent with our investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. We believe that co-investments by us and other accounts sponsored or managed by GC Advisors and its affiliates may afford us additional investment opportunities and an ability to achieve greater diversification. Accordingly, our application for exemptive relief seeks an exemptive order that would permit us to invest with accounts sponsored or managed by GC Advisors or its affiliates in the same portfolio companies under circumstances in which such investments would otherwise not be permitted under the 1940 Act. We expect that such exemptive relief permitting co-investments, if granted, would apply only if our independent directors review and approve each co-investment.

We may be the target of litigation.

We may be the target of securities litigation in the future, particularly if the trading price of our common stock fluctuates significantly. We could also generally be subject to litigation, including derivative actions by our stockholders. Any litigation could result in substantial costs and divert management s attention and resources from our business and cause a material adverse effect on our business, financial condition and results of operations.

We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.

A number of entities compete with us to make the types of investments that we plan to make. We compete with public and private funds, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some of our competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a business development company or the source of income, asset diversification and distribution requirements we must satisfy to maintain our qualification as a RIC. The competitive pressures we face may have a material adverse effect on our business, financial condition, results of operations and cash flows. As a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we may not be able to identify and make investments that are consistent with our investment objective.

With respect to the investments we make, we do not seek to compete based primarily on the interest rates we offer, and we believe that some of our competitors may make loans with interest rates that will be lower than the rates we offer. In the secondary market for acquiring existing loans, we compete generally on the basis of pricing terms. With respect to all investments, we may lose some investment opportunities if we do not match our competitors pricing, terms and structure. However, if we match our competitors pricing, terms and structure, we may experience decreased net interest income, lower yields and increased risk of credit loss.

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We may also compete for investment opportunities with accounts managed or sponsored by GC Advisors or its affiliates. Although GC Advisors allocates opportunities in accordance with its allocation policy, allocations to such other accounts will reduce the amount and frequency of opportunities available to us and may not be in the best interests of us and our securityholders. Moreover, the performance of investments will not be known at the time of allocation.

We will be subject to corporate-level income tax if we are unable to qualify as a RIC.

In order to be subject to tax as a RIC under the Code, we must meet certain source-of-income, asset diversification and distribution requirements. The distribution requirement for a RIC is satisfied if we distribute to our stockholders dividends for U.S. federal income tax purposes of an amount generally at least equal to 90% of our investment company taxable income, which is generally our net ordinary income plus the excess of our net short-term capital gains in excess of our net long-term capital losses, determined without regard to any deduction for dividends paid, to our stockholders on an annual basis. We are subject, to the extent we use debt financing, to certain asset coverage ratio requirements under the 1940 Act and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to qualify as a RIC. If we are unable to obtain cash from other sources, we may fail to be subject to tax as a RIC and, thus, may be subject to corporate-level income tax irrespective of the level of distributions paid to our stockholders. To be subject to tax as a RIC, we must also meet certain asset diversification requirements at the end of each quarter of our taxable year. Failure to meet these requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of our qualification as a RIC. Because most of our investments are in private or thinly traded public companies, any such dispositions could be made at disadvantageous prices and may result in substantial losses. If we fail to qualify as a RIC for any reason and become subject to corporate-level income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distributions to stockholders and the amount of our distributions and the amount of funds available for new investments. Such a failure would have a material adverse effect on us and our securityholders. See Material U.S. Federal Income Tax Considerations Taxation as a RIC.

We may need to raise additional capital to grow because we must distribute most of our income.

We may need additional capital to fund new investments and grow our portfolio of investments. We intend to access the capital markets periodically to issue debt or equity securities or borrow from financial institutions in order to obtain such additional capital. Unfavorable economic conditions could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. A reduction in the availability of new capital could limit our ability to grow. In addition, we are required to distribute each taxable year an amount at least equal to 90% of the sum of our net ordinary income and net short-term capital gains in excess of net long-term capital losses, or investment company taxable income, determined without regard to any deduction for dividends paid as dividends for U.S. federal income tax purposes, to our stockholders to maintain our ability to be subject to tax as a RIC. As a result, these earnings are not available to fund new investments. An inability to access the capital markets successfully could limit our ability to grow our business and execute our business strategy fully and could decrease our earnings, if any, which may have an adverse effect on the value of our securities. Furthermore, to the extent we are not able to raise capital and are at or near our targeted leverage ratios, we may receive smaller allocations, if any, on new investment opportunities under GC Advisors allocation policy and have, in the past, received such smaller allocations under similar circumstances.

We may have difficulty paying our required distributions if we recognize income before, or without, receiving cash representing such income.

For U.S. federal income tax purposes, we include in income certain amounts that we have not yet received in cash, such as the accretion of original issue discount. This may arise if we receive warrants in connection with the making of a loan and in other circumstances, or through contracted PIK interest, which represents contractual interest added to the loan balance and due at the end of the loan term. Such original issue discount, which could be significant relative to our overall investment activities, or increases in loan

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balances as a result of contracted PIK arrangements, is included in income before we receive any corresponding cash payments. We also may be required to include in income certain other amounts that we do not receive in cash.

That part of the incentive fee payable by us that relates to our net investment income is computed and paid on income that may include interest that has been accrued but not yet received in cash, such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the incentive fee will become uncollectible, and GC Advisors will have no obligation to refund any fees it received in respect of such accrued income.

Since in certain cases we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement to distribute dividends for U.S. federal income tax purposes of an amount generally at least equal to 90% of our investment company taxable income, determined without regard to any deduction for dividends paid, to our stockholders to maintain our ability to be subject to tax as a RIC. In such a case, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements. If we are not able to obtain such cash from other sources, we may fail to qualify as a RIC and thus be subject to corporate-level income tax. See Material U.S. Federal Income Tax Considerations Taxation as a RIC.

Regulations governing our operation as a business development company affect our ability to, and the way in which we, raise additional capital. As a business development company, the necessity of raising additional capital exposes us to risks, including the typical risks associated with leverage.

We may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively as senior securities, up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we are permitted as a business development company to issue senior securities in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 200% of gross assets (other than the U.S. Small Business Administration, or SBA, debentures of a small business investment company, or SBIC, subsidiary, as permitted by exemptive relief we have been granted by the SEC) less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities (other than the SBA debentures of an SBIC subsidiary, as permitted by exemptive relief we have been granted by the SEC). If the value of our assets declines, we may be unable to satisfy this ratio. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Also, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders. If we issue senior securities, we will be exposed to typical risks associated with leverage, including an increased risk of loss. As of September 30, 2016, we had $865.2 million of outstanding borrowings, including $215.0 million outstanding under the 2010 Debt Securitization and $246.0 million outstanding under the 2014 Debt Securitization.

In the absence of an event of default, no person or entity from which we borrow money has a veto right or voting power over our ability to set policy, make investment decisions or adopt investment strategies. If we issue preferred stock, which is another form of leverage, the preferred stock would rank senior to common stock in our capital structure, preferred stockholders would have separate voting rights on certain matters and might have other rights, preferences or privileges more favorable than those of our common stockholders, and the issuance of preferred stock could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for holders of our common stock or otherwise be in your best interest. Holders of our common stock

will directly or indirectly bear all of the costs associated with offering and servicing any preferred stock that we issue. In addition, any interests of preferred stockholders may not necessarily align with the interests of holders of our common stock and the rights of holders of shares of preferred stock to receive dividends would be senior to those of holders of shares of our common stock. We do not, however, anticipate issuing preferred stock in the next 12 months.

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a

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price below the then-current net asset value per share of our common stock if our board of directors determines that such sale is in the best interests of us and our stockholders, and if our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our board of directors, closely approximates the market value of such securities (less any distributing commission or discount). If we raise additional funds by issuing common stock or senior securities convertible into, or exchangeable for, our common stock, then the percentage ownership of our stockholders at that time will decrease, and you might experience dilution.

We intend to finance our investments with borrowed money, which will magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.

The use of leverage magnifies the potential for gain or loss on amounts invested. The use of leverage is generally considered a speculative investment technique and increases the risks associated with investing in our securities. The amount of leverage that we employ will depend on GC Advisors and our board of directors assessment of market and other factors at the time of any proposed borrowing. We cannot assure you that we will be able to obtain credit at all or on terms acceptable to us. We may issue senior debt securities to banks, insurance companies and other lenders. Lenders of these senior securities will have fixed dollar claims on our assets that are superior to the claims of our common stockholders, and we would expect such lenders to seek recovery against our assets in the event of a default. We may pledge up to 100% of our assets and may grant a security interest in all of our assets under the terms of any debt instruments we may enter into with lenders. The terms of our existing indebtedness require us to comply with certain financial and operational covenants, and we expect similar covenants in future debt instruments. Failure to comply with such covenants could result in a default under the applicable credit facility or debt instrument if we are unable to obtain a waiver from the applicable lender or holder, and such lender or holder could accelerate repayment under such indebtedness and negatively affect our business, financial condition, results of operations and cash flows. In addition, under the terms of any credit facility or other debt instrument we enter into, we are likely to be required by its terms to use the net proceeds of any investments that we sell to repay a portion of the amount borrowed under such facility or instrument before applying such net proceeds to any other uses. If the value of our assets decreases, leveraging would cause our net asset value to decline more sharply than it otherwise would have had we not leveraged, thereby magnifying losses or eliminating our equity stake in a leveraged investment. Similarly, any decrease in our net investment income will cause our net income to decline more sharply than it would have had we not borrowed. Such a decline would also negatively affect our ability to make distributions on our common stock or any outstanding preferred stock. Our ability to service our debt depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. Our common stockholders bear the burden of any increase in our expenses as a result of our use of leverage, including interest expenses and any increase in the base management fee payable to GC Advisors.

On September 13, 2011, we received exemptive relief from the SEC allowing us to modify the asset coverage requirement to exclude the SBA debentures from this calculation. As such, our ratio of total consolidated assets to outstanding indebtedness may be less than 200%. This provides us with increased investment flexibility but also increases our risks related to leverage.

The following table illustrates the effect of leverage on returns from an investment in our common stock as of September 30, 2016, assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing in the table below.

	Assumed Return on Our Portfolio (Net of Expenses)				
	-10%	-5%	0%	5%	10%
Corresponding return to common stockholder[1]	-22.78 %	-12.79 %	-2.80 %	7.20 %	17.19 %

(1) Assumes $1,756.5 million in total assets, $865.2 million in debt and secured borrowings outstanding and $878.8 million in net assets as of September 30, 2016 and an effective annual interest rate of 2.84% as of September 30, 2016.

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Based on our outstanding indebtedness of $865.2 million as of September 30, 2016 and the effective annual interest rate of 2.84% as of that date, our investment portfolio would have been required to experience an annual return of at least 1.40% to cover annual interest payments on the outstanding debt.

We are subject to risks associated with the 2010 Debt Securitization and the 2014 Debt Securitization.

As a result of the 2010 Debt Securitization and the 2014 Debt Securitization, we are subject to a variety of risks, including those set forth below. We use the term debt securitization in this prospectus to describe a form of secured borrowing under which an operating company (sometimes referred to as an originator or sponsor) acquires or originates mortgages, receivables, loans or other assets that earn income, whether on a one-time or recurring basis (collectively, income producing assets), and borrows money on a non-recourse basis against a legally separate pool of loans or other income producing assets. In a typical debt securitization, the originator transfers the loans or income producing assets to a single-purpose, bankruptcy-remote subsidiary (also referred to as a special purpose entity), which is established solely for the purpose of holding loans and income producing assets and issuing debt secured by these income producing assets. The special purpose entity completes the borrowing through the issuance of notes secured by the loans or other assets. The special purpose entity may issue the notes in the capital markets to a variety of investors, including banks, non-bank financial institutions and other investors. In each of the 2010 Debt Securitization and the 2014 Debt Securitization, institutional investors purchased the notes issued by the 2010 Issuer and the 2014 Issuer, respectively, in a private placement.

We are subject to certain risks as a result of our indirect interests in the junior notes and membership interests of the 2010 Issuer and our direct interests in the junior notes and membership interests of the 2014 Issuer.

Under the terms of the master loan sale agreement governing the 2010 Debt Securitization, (1) we sold and/or contributed to Holdings all of our ownership interest in our portfolio loans and participations for the purchase price and other consideration set forth in such master loan sale agreement and (2) Holdings, in turn, sold and/or contributed to the 2010 Issuer all of its ownership interest in such portfolio loans and participations for the purchase price and other consideration set forth in such master loan sale agreement. Following these transfers, the 2010 Issuer, and not Holdings or us, held all of the ownership interest in such portfolio loans and participations. As a result of the 2010 Debt Securitization, we held indirectly through Holdings, as of September 30, 2016, the Subordinated 2010 Notes as well as membership interests, which comprise 100% of the equity interests, in the 2010 Issuer and, following the October 20, 2016 refinancing of the Class B 2010 Notes, the Class B-Refi 2010 Notes. Under the terms of the loan sale agreement governing the 2014 Debt Securitization, we sold and/or contributed to the 2014 Issuer all of our ownership interest in our portfolio loans and participations for the purchase price and other consideration set forth in such loan sale agreement. Following this transfer, the 2014 Issuer held all of the ownership interest in such portfolio loans and participations. As a result of the 2014 Debt Securitization and as of September 30, 2016, we held the Class C 2014 Notes as well as all of the membership interests of the 2014 Issuer. As a result, we consolidate the financial statements of Holdings, the 2010 Issuer and the 2014 Issuer, as well as our other subsidiaries, in our consolidated financial statements.

Because each of Holdings, the 2010 Issuer and the 2014 Issuer is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the sale or contribution by us to Holdings and by Holdings to the 2010 Issuer and the sale or contribution by us to the 2014 Issuer did not constitute a taxable event for U.S. federal income tax purposes. If the U.S. Internal Revenue Service were to take a contrary position, there could be a material adverse

effect on our business, financial condition, results of operations or cash flows. We may, from time to time, hold asset-backed securities, or the economic equivalent thereof, issued by a securitization vehicle sponsored by another business development company to the extent permitted under the 1940 Act.

The Class B-Refi 2010 Notes, Subordinated 2010 Notes and membership interests in the 2010 Issuer are subordinated obligations of the 2010 Issuer and the Class C 2014 Notes are subordinated obligations of the 2014 Issuer and we may not receive cash from the 2010 Issuer or the 2014 Issuer.

The Class B-Refi 2010 Notes are subordinated in priority of payment to the Class A-Refi 2010 Notes issued by the 2010 Issuer and are subject to certain payment restrictions set forth in the indenture governing

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the 2010 Notes. Therefore, Holdings only receives cash distributions on the Class B-Refi 2010 Notes if the 2010 Issuer has made all cash interest payments in respect of the issued Class A-Refi 2010 Notes, and we only receive cash distributions in respect of our indirect ownership of the 2010 Issuer to the extent that Holdings receives any cash distributions in respect of its direct ownership of the 2010 Issuer. Consequently, to the extent that the value of the 2010 Issuer s portfolio of loan investments has been reduced as a result of conditions in the credit markets, or as a result of defaulted loans or individual fund assets, the value of the Class B-Refi 2010 Notes at their redemption could be reduced. In addition, if the 2010 Issuer does not meet the asset coverage tests or the interest coverage test set forth in the documents governing the 2010 Debt Securitization, cash would be diverted from the Class B-Refi 2010 Notes to first pay the Class A-Refi 2010 Notes in amounts sufficient to cause such tests to be satisfied.

The Subordinated 2010 Notes are the most junior class of notes issued by the 2010 Issuer, are subordinated in priority of payment to every other class of notes issued by the 2010 Issuer and are subject to certain payment restrictions set forth in the indenture governing the 2010 Notes. Therefore, Holdings only receives cash distributions on the Subordinated 2010 Notes if the 2010 Issuer has made all cash interest payments to all other notes it has issued, and we only receive cash distributions in respect of our indirect ownership of the 2010 Issuer to the extent that Holdings receives any cash distributions in respect of its direct ownership of the 2010 Issuer. The Subordinated 2010 Notes are also unsecured and rank behind all of the secured creditors, known or unknown, of the 2010 Issuer, including the holders of the senior notes it has issued. Consequently, to the extent that the value of the 2010 Issuer s portfolio of loan investments has been reduced as a result of conditions in the credit markets, or as a result of defaulted loans or individual fund assets, the value of the Subordinated 2010 Notes at their redemption could be reduced. In addition, if the 2010 Issuer does not meet the asset coverage tests or the interest coverage test set forth in the documents governing the 2010 Debt Securitization, cash would be diverted from the Subordinated 2010 Notes to first pay the Class A-Refi 2010 Notes and Class B-Refi 2010 Notes in amounts sufficient to cause such tests to be satisfied.

The membership interests in the 2010 Issuer represent all of the equity interest in the 2010 Issuer. As such, the holder of the membership interests is the residual claimant on distributions, if any, made by the 2010 Issuer after holders of all 2010 Notes have been paid in full on each payment date or upon maturity of such notes under the 2010 Debt Securitization documents. Such payments may be made by the 2010 Issuer only to the extent permitted under the 2010 Debt Securitization documents on any payment date or upon payment in full of the notes issued by the 2010 Issuer.

The Class C 2014 Notes are the most junior class of notes issued by the 2014 Issuer, are subordinated in priority of payment to the Class A 2014 Notes and the Class B 2014 Notes and are subject to certain payment restrictions set forth in the indenture governing the 2014 Notes. Therefore, we only receive cash distributions on the Class C 2014 Notes if the 2014 Issuer has made all cash interest payments to all other notes it has issued. Consequently, to the extent that the value of the 2014 Issuer s portfolio of loan investments has been reduced as a result of conditions in the credit markets, or as a result of defaulted loans or individual fund assets, the value of the Class C 2014 Notes at their redemption could be reduced. If the 2014 Issuer does not meet the asset coverage tests or the interest coverage test set forth in the documents governing the 2014 Debt Securitization, cash would be diverted from the Class C 2014 Notes to first pay the Class A 2014 Notes and Class B 2014 Notes in amounts sufficient to cause such tests to be satisfied.

The 2014 Issuer is the residual claimant on funds, if any, remaining after holders of all classes of 2014 Notes have been paid in full on each payment date or upon maturity of such notes under the 2014 Debt Securitization documents. The membership interests in the 2014 Issuer represent all of the equity interest in the 2014 Issuer, and, as the holder of the membership interests, we may receive distributions, if any, only to the extent that the 2014 Issuer makes distributions out of funds remaining after holders of all classes of 2014 Notes have been paid in full on each payment date any amounts due and owing on such payment date or upon maturity of such 2014 Notes. In the event that we fail to receive cash indirectly from the 2010 Issuer or directly from the 2014 Issuer, we could be unable to make such distributions in amounts sufficient to maintain our ability to be subject to tax as a RIC, or at all.

The Class B-Refi 2010 Notes, Subordinated 2010 Notes and membershipinterests in the 2010 Issuer are subordina

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The interests of holders of the senior classes of securities issued by the 2010 Issuer and the 2014 Issuer may not be aligned with our interests.

The Class A-Refi 2010 Notes are the debt obligations ranking senior in right of payment to other securities issued by the 2010 Issuer in the 2010 Debt Securitization. As such, there are circumstances in which the interests of holders of the Class A-Refi 2010 Notes may not be aligned with the interests of holders of the other classes of notes issued by, and membership interests of, the 2010 Issuer. For example, under the terms of the Class A-Refi 2010 Notes, holders of the Class A-Refi 2010 Notes have the right to receive payments of principal and interest prior to holders of the Class B-Refi 2010 Notes, the Subordinated 2010 Notes and the membership interests of the 2010 Issuer.

The Class A 2014 Notes are the debt obligations ranking senior in right of payment to other securities issued by the 2014 Issuer in the 2014 Debt Securitization. As such, there are circumstances in which the interests of holders of the Class A 2014 Notes may not be aligned with the interests of holders of the other classes of notes issued by, and membership interests of, the 2014 Issuer. For example, under the terms of the Class A 2014 Notes, holders of the Class A 2014 Notes have the right to receive payments of principal and interest prior to holders of the Class B 2014 Notes, the Class C 2014 Notes and the 2014 Issuer.

For as long as the Class A-Refi 2010 Notes remain outstanding, holders of the Class A-Refi 2010 Notes comprise the Controlling Class under the 2010 Debt Securitization. If the Class A-Refi 2010 Notes are paid in full, the Class B-Refi 2010 Notes would comprise the Controlling Class under the 2010 Debt Securitization; however, there is no assurance that Holdings will continue to hold the Class B-Refi 2010 Notes, which may be transferred to a third party. For as long as the Class A 2014 Notes remain outstanding, holders of the Class A 2014 Notes comprise the Controlling Class under the 2010 Debt Securitization. If the Class A 2014 Notes are paid in full, the Class B 2014 Notes would comprise the Controlling Class under the 2014 Debt Securitization. Holders of the Controlling Class under the 2010 Debt Securitization and 2014 Debt Securitization have the right to act in certain circumstances with respect to the portfolio loans in ways that may benefit their interests but not the interests of holders of more junior classes of notes and membership interests, including by exercising remedies under the indenture in the 2010 Debt Securitization and the 2014 Debt Securitization, as applicable.

If an event of default has occurred and acceleration occurs in accordance with the terms of the indenture for either the 2010 Debt Securitization or the 2014 Debt Securitization, the Controlling Class of such debt securitization, as the most senior class of notes then outstanding in such debt securitization will be paid in full before any further payment or distribution on the more junior classes of notes and membership interests. In addition, if an event of default under the 2010 Debt Securitization or 2014 Debt Securitization, as applicable, occurs, holders of a majority of the Controlling Class of the applicable debt securitization may be entitled to determine the remedies to be exercised under the applicable indenture, subject to the terms of such indenture. For example, upon the occurrence of an event of default with respect to the notes issued by the 2010 Issuer, the trustee or holders of a majority of the Controlling Class may declare the principal, together with any accrued interest, of all the notes of such class and any junior classes to be immediately due and payable. This would have the effect of accelerating the principal on such notes, triggering a repayment obligation on the part of the 2010 Issuer. If at such time the portfolio loans were not performing well, the 2010 Issuer may not have sufficient proceeds available to enable the trustee under the indenture to repay the obligations of holders of the Class B-Refi 2010 Notes or Subordinated 2010 Notes, or to pay a dividend to holders of the membership interests.

Remedies pursued by the Controlling Class could be adverse to the interests of the holders of the notes that are subordinated to the Controlling Class (which would include the Class B-Refi and Subordinated 2010 Notes to the extent the Class A-Refi 2010 Notes constitute the Controlling Class or the Subordinated 2010 Notes to the extent the

Class B-Refi 2010 Notes constitute the Controlling Class and the Class C 2014 Notes to the extent the Class A 2014 Notes or Class B 2014 Notes constitute the Controlling Class,), and the Controlling Class will have no obligation to consider any possible adverse effect on such other interests. Thus, we cannot assure you that any remedies pursued by the Controlling Class will be in the best interests of Holdings or us or that Holdings or we will receive any payments or distributions upon an acceleration of the notes. In a liquidation under the 2010 Debt Securitization, the Subordinated 2010 Notes will be deemed to be

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The interests of holders of the senior classes of securities issued by the 2010 Issuer and the 2014 Issuer may not b

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paid in full once the Class A-Refi 2010 Notes and Class B-Refi 2010 Notes are paid in full. In addition, under the 2010 Debt Securitization, after the Class A-Refi 2010 Notes are paid in full, Holdings will be the only remaining noteholder and may amend the indenture to, among other things, direct the assignment of any remaining assets to other wholly-owned subsidiaries for a price less than the fair market value of such assets with the difference in price to be considered an equity contribution to such subsidiaries. In a liquidation under the 2014 Debt Securitization, the Class C 2014 Notes will be subordinated to payment of the Class A 2014 Notes and Class B 2014 Notes and may not be paid in full to the extent funds remaining after payment of the Class A 2014 Notes and Class B 2014 Notes are insufficient. In addition, under the 2014 Debt Securitization, after the Class A 2014 Notes and Class B 2014 Notes are paid in full, the holder of the Class C 2014 Notes will be the only remaining noteholder and may amend the applicable indenture to, among other things, direct the assignment of any remaining assets to other wholly-owned subsidiaries for a price less than the fair market value of such assets with the difference in price to be considered an equity contribution to such subsidiaries. Any failure of the 2010 Issuer or the 2014 Issuer to make distributions on the notes we indirectly or directly hold, whether as a result of an event of default, liquidation or otherwise, could have a material adverse effect on our business, financial condition, results of operations and cash flows and may result in an inability of us to make distributions sufficient to maintain our ability to be subject to tax as a RIC.

The 2010 Issuer or the 2014 Issuer may fail to meet certain asset coverage tests.

Under the documents governing the 2010 Debt Securitization, there are two asset coverage tests applicable to the Class A-Refi 2010 Notes and Class B-Refi 2010 Notes, and the documents governing the 2014 Debt Securitization provide for the same two asset coverage tests applicable to the Class A 2014 Notes, the Class B 2014 Notes and the Class C 2014 Notes.

The first such test compares the amount of interest received on the portfolio loans held by the 2010 Issuer or the 2014 Issuer, as applicable, to the amount of interest payable in respect of the Class A-Refi 2010 Notes and Class B-Refi 2010 Notes, with respect to the 2010 Issuer and the Class A 2014 Notes, the Class B 2014 Notes and the Class C 2014 Notes, with respect to the 2014 Issuer. To meet this first test, in the case of the 2010 Debt Securitization, interest received on the portfolio loans must equal at least 115% of the interest payable in respect of the notes issued by the 2010 Issuer; and, in the case of the 2014 Debt Securitization, interest received on the portfolio loans must equal at least 120% of the interest payable in respect of the Class A 2014 Notes and Class B 2014 Notes, taken together, and at least 110% of the interest payable in respect of the Class C 2014 Notes.

The second such test compares the principal amount of the portfolio loans of the applicable debt securitization to the aggregate outstanding principal amount of the Class A-Refi 2010 Notes and Class B-Refi 2010 Notes, with respect to the 2010 Debt Securitization, and the Class A 2014 Notes, the Class B 2014 Notes and the Class C 2014 Notes, with respect to the 2014 Debt Securitization. To meet this second test at any time in the case of the 2010 Debt Securitization, the aggregate principal amount of the portfolio loans must equal at least 158% of the outstanding principal amount of the applicable 2010 Notes, taken together. To meet this second test at any time in the case of the 2014 Debt Securitization, the aggregate principal amount of the portfolio loans must equal at least 153.6% of the Class A 2014 Notes and the Class B 2014 Notes, taken together, and 136.1% of the Class C 2014 Notes.

If any asset coverage test with respect to the Class A-Refi 2010 Notes or Class B-Refi 2010 Notes is not met, proceeds from the portfolio of loan investments that otherwise would have been distributed to the holders of the Subordinated 2010 Notes and Holdings will instead be used to redeem first the Class A-Refi 2010 Notes and then the Class B-Refi 2010 Notes, to the extent necessary to satisfy the applicable asset coverage tests on a pro forma basis after giving effect to all payments made in respect of the notes, which we refer to as a mandatory redemption, or to obtain the

necessary ratings confirmation. If any asset coverage test with respect to the Class A 2014 Notes, the Class B 2014 Notes or Class C 2014 Notes is not met, proceeds from the portfolio of loan investments that otherwise would have been distributed to the holders of the Class C 2014 Notes and the 2014 Issuer will instead be used to redeem first the Class A 2014 Notes and then the Class B 2014 Notes, to the extent necessary to satisfy the applicable asset coverage tests on a pro forma basis after giving effect to all payments made in respect of the notes, which we refer to as a mandatory redemption, or to obtain the necessary ratings confirmation.

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The value of the Class B 2014 Notes could be adversely affected by a mandatory redemption because such redemption could result in the applicable notes being redeemed at par at a time when they are trading in the secondary market at a premium to their stated principal amount and when other investments bearing the same rate of interest may be difficult or expensive to acquire. A mandatory redemption could also result in a shorter investment duration than a holder of such notes may have wanted or anticipated, which could, in turn, result in such a holder incurring breakage costs on related hedging transactions. In addition, the reinvestment period under the 2010 Debt Securitization may extend through as late as July 20, 2018, which could affect the value of the collateral securing the Class B-Refi 2010 Notes, and the reinvestment period under the 2014 Debt Securitization may extend through as late as April 28, 2018, which could affect the value of the collateral securing the Class C 2014 Notes.

We may be required to assume liabilities of the 2010 Issuer and the 2014 Issuer and are indirectly liable for certain representations and warranties in connection with the 2010 Debt Securitization and 2014 Debt Securitization.

As part of the 2010 Debt Securitization, we entered into a master loan sale agreement under which we would be required to repurchase any loan (or participation interest therein) which was sold to the 2010 Issuer in breach of any representation or warranty made by us with respect to such loan on the date such loan was sold. To the extent we fail to satisfy any such repurchase obligation, the trustee of the 2010 Debt Securitization may, on behalf of the 2010 Issuer, bring an action against us to enforce these repurchase obligations.

The structure of the 2010 Debt Securitization is intended to prevent, in the event of our bankruptcy or the bankruptcy of Holdings, the consolidation of the 2010 Issuer with our operations or those of Holdings. The structure of the 2014 Debt Securitization is intended to prevent, in the event of our bankruptcy, the consolidation of the 2014 Issuer with our operations. If the true sale of the assets in the 2010 Debt Securitization or 2014 Debt Securitization, as applicable, were not respected in the event of our insolvency, a trustee or debtor-in-possession might reclaim the assets of the 2010 Issuer and the 2014 Issuer for our estate. However, in doing so, we would become directly liable for all of the indebtedness then outstanding under the 2010 Debt Securitization and the 2014 Debt Securitization, which would equal the full amount of debt of the 2010 Issuer and the 2014 Issuer reflected on our consolidated balance sheet. In addition, we cannot assure you that the recovery in the event we were consolidated with the 2010 Issuer or 2014 Issuer for purposes of any bankruptcy proceeding would exceed the amount to which we would otherwise be entitled as an indirect holder of the Subordinated 2010 Notes and the holder of the Class C 2014 Notes had we not been consolidated with the 2010 Issuer and the 2014 Issuer.

In addition, in connection with each of the 2010 Debt Securitization and the 2014 Debt Securitization, we indirectly gave the lenders certain customary representations with respect to the legal structure of the 2010 Issuer and the 2014 Issuer, respectively, and the quality of the assets transferred to each entity. We remain indirectly liable for any breach of such representations for the life of the 2010 Debt Securitization and the 2014 Debt Securitization, respectively.

The 2010 Issuer may issue additional Subordinated 2010 Notes and the 2014 Issuer may issue additional 2014 Notes.

Under the terms of the 2010 Debt Securitization documents, the 2010 Issuer could issue additional Subordinated 2010 Notes and use the net proceeds of such issuance to purchase additional portfolio loans. Any such additional issuance, however, would require the consent of the collateral manager to the 2010 Debt Securitization and the approval of a majority of the Subordinated 2010 Notes. Among the other conditions that must be satisfied in connection with an additional issuance of Subordinated 2010 Notes, the aggregate principal amount of all additional issuances of

Subordinated 2010 Notes may not exceed $97 million; the 2010 Issuer must notify each rating agency of such issuance prior to the issuance date; and the terms of the Subordinated 2010 Notes to be issued must be identical to the terms of previously issued Subordinated 2010 Notes (except that all monies due on such additional Subordinated 2010 Notes will accrue from the issue date of such notes and that the prices of such Subordinated 2010 Notes do not have to be identical to those of the initial Subordinated 2010 Notes). We do not expect to cause the 2010 Issuer to issue any additional Subordinated 2010 Notes at this time. We may amend the 2010 Debt Securitization documents from time to

time, and without amendment, the 2010 Debt Securitization documents do not provide for additional issuances of Class A-Refi 2010 Notes or Class B-Refi 2010 Notes. The total purchase price for any additional Subordinated 2010 Notes that may be issued may not always equal 100% of the par value of such 2010 Notes, depending on several factors, including fees and closing expenses.

Under the terms of the 2014 Debt Securitization documents, the 2014 Issuer could issue additional 2014 Notes in any class at any time during the reinvestment period on a pro rata basis for each class of notes or, if additional Class A 2014 Notes are not being issued, on a pro rata basis for all classes that are subordinate to the Class A 2014 Notes and use the net proceeds of such issuance to purchase additional portfolio loans or for another permitted use as provided in the 2014 Debt Securitization documents. Any such additional issuance, however, would require the consent of the collateral manager to the 2014 Debt Securitization and either the holders of a majority the Class A 2014 Notes or, in the case of an additional issuance of Class A 2014 Notes, the holders of a supermajority of the Class A 2014 Notes. Among the other conditions that must be satisfied in connection with an additional issuance of 2014 Notes, the aggregate principal amount of all additional issuances of any class of 2014 Notes may not exceed 100% of the outstanding principal amount of such class of 2014 Notes; the 2014 Issuer must notify each rating agency of such issuance prior to the issuance date and such rating agency, if it then rates any class of 2014 Notes, must confirm in writing that no immediate withdrawal or reduction with respect to its then-current rating of any such class of 2014 Notes will occur as a result of such issuance; and the terms of the 2014 Notes to be issued must be identical to the terms of previously issued 2014 Notes of the same class (except that all monies due on such additional 2014 Notes will accrue from the issue date of such notes and that the prices of such 2014 Notes do not have to be identical to those of the initial 2014 Notes). We do not expect to cause the 2014 Issuer to issue any additional 2014 Notes at this time. The total purchase price for any additional 2014 Notes that may be issued may not always equal 100% of the par value of such 2014 Notes, depending on several factors, including fees and closing expenses.

We are subject to risks associated with the Credit Facility.

On July 21, 2011, Funding, our wholly-owned subsidiary, entered into the Credit Facility, a senior secured revolving credit facility. As a result of the Credit Facility, we are subject to a variety of risks, including those set forth below.

Our interests in Funding are subordinated and we may not receive cash on our equity interests from Funding.

We own 100% of the equity interests in Funding. We consolidate the financial statements of Funding in our consolidated financial statements and treat the indebtedness of Funding as our leverage. Our interests in Funding are subordinated in priority of payment to every other obligation of Funding and are subject to certain payment restrictions set forth in the Credit Facility. We receive cash distributions on our equity interests in Funding only if Funding has made all required cash interest payments to the lenders and no default exists under the Credit Facility. We cannot assure you that distributions on the assets held by Funding will be sufficient to make any distributions to us or that such distributions will meet our expectations.

We receive cash from Funding only to the extent that we receive distributions on our equity interests in Funding. Funding may make distributions on its equity interests only to the extent permitted by the payment priority provisions of the Credit Facility. The Credit Facility generally provides that payments on such interests may not be made on any payment date unless all amounts owing to the lenders and other secured parties are paid in full. In addition, if Funding does not meet the asset coverage tests or the interest coverage test set forth in the Credit Facility documents, cash would be diverted from us to first pay the Lender in amounts sufficient to cause such tests to be satisfied. In the event that we fail to receive cash from Funding, we could be unable to make distributions to our stockholders in amounts

sufficient to maintain our status as a RIC, or at all. We also could be forced to sell investments in portfolio companies at less than their fair value in order to continue making such distributions.

Our equity interests in Funding rank behind all of the secured and unsecured creditors, known or unknown, of Funding, including the lenders in the Credit Facility. Consequently, to the extent that the value of Funding s portfolio of loan investments has been reduced as a result of conditions in the credit markets,

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defaulted loans, capital gains and losses on the underlying assets, prepayment or changes in interest rates, the return on our investment in Funding could be reduced. Accordingly, our investment in Funding may be subject to up to 100% loss.

The ability to sell investments held by Funding is limited.

The Credit Facility places significant restrictions on our ability, as servicer, to sell investments. As a result, there may be times or circumstances during which we are unable to sell investments or take other actions that might be in our best interests.

We are subject to risks associated with our SBIC Funds.

As a result of our SBIC Funds, we are subject to a variety of risks, including those set forth below.

Our interests in the SBIC Funds are subordinated and we may not receive cash on our equity interests from either of the SBIC Funds.

We own 100% of the equity interests in GC SBIC IV, L.P., or SBIC IV, and GC SBIC V, L.P., or SBIC V. We consolidate the financial statements of the SBIC Funds in our consolidated financial statements. Our interests in the SBIC Funds are subordinated in priority of payment to the SBA-guaranteed debentures issued by the respective SBIC Fund. We receive cash from SBIC IV and SBIC V only to the extent that we receive distributions on our equity interests in each such SBIC Fund. Our SBIC Funds may be limited by SBA regulations governing SBICs from making certain distributions to us unless we request a waiver of the SBA restrictions. We cannot assure you that the SBA would grant any such waiver. In the event that we fail to receive cash from our SBIC Funds, we could be unable to make distributions to our stockholders in amounts sufficient to maintain our ability to be subject to tax as a RIC, or at all. We also could be forced to sell investments in portfolio companies at less than their fair value in order to continue making such distributions.

Our SBIC Funds are licensed by the SBA and are subject to SBA regulations which limit the scope of investments available to the SBIC Funds.

Our wholly-owned subsidiaries, SBIC IV and SBIC V, received licenses to operate as SBICs under the Small Business Act of 1958, as amended, or the 1958 Act, and are regulated by the SBA. The SBA places certain limitations on the financing terms of investments by SBICs in portfolio companies and regulates the types of financings and prohibits investing in certain industries. Compliance with SBIC requirements may cause our SBIC Funds to invest at less competitive rates in order to qualify investments under the SBA regulations.

Further, SBA regulations require that a licensed SBIC be periodically examined and audited by the SBA to determine its compliance with the relevant regulations. If our SBIC Funds fail to comply with applicable regulations, the SBA could, depending on the severity of the violation, limit or prohibit their use of debentures, declare outstanding debentures immediately due and payable, and/or limit them from making new investments. In addition, the SBA could revoke or suspend our SBIC Funds licenses for willful or repeated violation of, or willful or repeated failure to observe, any provision of the 1958 Act or any rule or regulation promulgated thereunder. These actions by the SBA could have a material adverse effect on our business, financial condition and results of operations.

Our ability to invest in public companies may be limited in certain circumstances.

To maintain our status as a business development company, we are not permitted to acquire any assets other than qualifying assets specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our total assets are qualifying assets (with certain limited exceptions). Subject to certain exceptions for follow-on investments and investments in distressed companies, an investment in an issuer that has outstanding securities listed on a national securities exchange may be treated as qualifying assets only if such issuer has a common equity market capitalization that is less than $250.0 million at the time of such investment.

We may enter into reverse repurchase agreements, which are another form of leverage.

We may enter into reverse repurchase agreements as part of our management of our temporary investment portfolio. Under a reverse repurchase agreement, we will effectively pledge our assets as collateral

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to secure a short-term loan. Generally, the other party to the agreement makes the loan in an amount equal to a percentage of the fair value of the pledged collateral. At the maturity of the reverse repurchase agreement, we will be required to repay the loan and correspondingly receive back our collateral. While used as collateral, the assets continue to pay principal and interest which are for the benefit of us.

Our use of reverse repurchase agreements, if any, involves many of the same risks involved in our use of leverage, as the proceeds from reverse repurchase agreements generally will be invested in additional securities. There is a risk that the market value of the securities acquired in the reverse repurchase agreement may decline below the price of the securities that we have sold but remain obligated to purchase. In addition, there is a risk that the market value of the securities retained by us may decline. If a buyer of securities under a reverse repurchase agreement were to file for bankruptcy or experience insolvency, we may be adversely affected. Also, in entering into reverse repurchase agreements, we would bear the risk of loss to the extent that the proceeds of such agreements at settlement are less than the fair value of the underlying securities being pledged. In addition, due to the interest costs associated with reverse repurchase agreements, our net asset value would decline, and, in some cases, we may be worse off than if we had not used such agreements.

Adverse developments in the credit markets may impair our ability to enter into new debt financing arrangements.

During the economic downturn in the United States that began in mid-2007, many commercial banks and other financial institutions stopped lending or significantly curtailed their lending activity. In addition, in an effort to stem losses and reduce their exposure to segments of the economy deemed to be high risk, some financial institutions limited routine refinancing and loan modification transactions and even reviewed the terms of existing facilities to identify bases for accelerating the maturity of existing lending facilities. To the extent these circumstances arise again in the future, it may be difficult for us to finance the growth of our investments on acceptable economic terms, or at all and one or more of our leverage facilities could be accelerated by the lenders.

If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a business development company or be precluded from investing according to our current business strategy.

As a business development company, we may not acquire any assets other than qualifying assets unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets are qualifying assets. See Regulation Qualifying Assets.

In the future, we believe that most of our investments will constitute qualifying assets. However, we may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could violate the 1940 Act provisions applicable to business development companies. As a result of such violation, specific rules under the 1940 Act could prevent us, for example, from making follow-on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inappropriate times in order to come into compliance with the 1940 Act. If we need to dispose of such investments quickly, it could be difficult to dispose of such investments on favorable terms. We may not be able to find a buyer for such investments and, even if we do find a buyer, we may have to sell the investments at a substantial loss. Any such outcomes would have a material adverse effect on our business, financial condition, results of operations and cash flows.

Failure to qualify as a business development company will decrease our operating flexibility.

If we do not maintain our status as a business development company, we would be subject to regulation as a registered closed-end investment company under the 1940 Act. As a registered closed-end investment company, we would be subject to substantially more regulatory restrictions under the 1940 Act which would significantly decrease our operating flexibility.

The majority of our portfolio investments are recorded at fair value as determined in good faith by our board of directors and, as a result, there may be uncertainty as to the value of our portfolio investments.

The majority of our portfolio investments take the form of securities that are not publicly traded. The fair value of securities and other investments that are not publicly traded may not be readily determinable, and we

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value these securities at fair value as determined in good faith by our board of directors, including to reflect significant events affecting the value of our securities. As discussed in more detail under Management s Discussion and Analysis of Financial Condition, Results of Operations and Cash Flows Critical Accounting Policies, most, if not all, of our investments (other than cash and cash equivalents) are classified as Level 3 under Accounting Standards Codification, or ASC, Topic 820, Fair Value Measurement, or ASC Topic 820, as amended. This means that our portfolio valuations are based on unobservable inputs and our own assumptions about how market participants would price the asset or liability in question. Inputs into the determination of fair value of our portfolio investments require significant management judgment or estimation. Even if observable market data are available, such information may be the result of consensus pricing information or broker quotes, which may include a disclaimer that the broker would not be held to such a price in an actual transaction. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimers materially reduces the reliability of such information.

We have retained the services of several independent service providers to review the valuation of these securities. At least once annually, the valuation for each portfolio investment for which a market quote is not readily available is reviewed by an independent valuation firm. The types of factors that the board of directors may take into account in determining the fair value of our investments generally include, as appropriate, comparison to publicly traded securities, including such factors as yield, maturity and measures of credit quality, the enterprise value of a portfolio company, the nature and realizable value of any collateral, the portfolio company s ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Our net asset value could be adversely affected if our determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such securities.

We adjust quarterly the valuation of our portfolio to reflect our board of directors determination of the fair value of each investment in our portfolio. Any changes in fair value are recorded in our consolidated statement of operations as net change in unrealized appreciation or depreciation.

We may experience fluctuations in our quarterly operating results.

We could experience fluctuations in our quarterly operating results due to a number of factors, including the interest rate payable on the debt securities we acquire, the default rate on such securities, the number and size of investments we originate or acquire, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. In light of these factors, results for any period should not be relied upon as being indicative of our performance in future periods.

New or modified laws or regulations governing our operations may adversely affect our business.

We and our portfolio companies are subject to regulation by laws at the U.S. federal, state and local levels. These laws and regulations, as well as their interpretation, may change from time to time, and new laws, regulations and interpretations may also come into effect. Any such new or changed laws or regulations could have a material adverse effect on our business. In particular the Dodd-Frank Wall Street Reform and Consumer Protection Act, or Dodd-Frank, impacts many aspects of the financial services industry, and it requires the development and adoption of many implementing regulations over the next several years. The effects of Dodd-Frank on the financial services

industry will depend, in large part, upon the extent to which regulators exercise the authority granted to them and the approaches taken in implementing regulations. President-elect Trump has indicated that he may seek to amend or repeal portions of Dodd-Frank, among other federal laws, which may create regulatory uncertainty in the near term. While the impact of Dodd-Frank on us and our portfolio companies may not be known for an extended period of time, Dodd-Frank, including future rules implementing its provisions and the interpretation of those rules, along with other legislative and regulatory proposals directed at the financial services industry or affecting taxation that are proposed or pending in the U.S. Congress, may negatively impact the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies, intensify the regulatory

supervision of us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies. In addition, if we do not comply with applicable laws and regulations, we could lose any licenses that we then hold for the conduct of our business and may be subject to civil fines and criminal penalties.

Additionally, changes to the laws and regulations governing our operations, including those associated with RICs, may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities or result in the imposition of corporate-level taxes on us. Such changes could result in material differences to our strategies and plans and may shift our investment focus from the areas of expertise of GC Advisors to other types of investments in which GC Advisors may have little or no expertise or experience. Any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment. If we invest in commodity interests in the future, GC Advisors may determine not to use investment strategies that trigger additional regulation by the U.S. Commodity Futures Trading Commission, or CFTC, or may determine to operate subject to CFTC regulation, if applicable. If we or GC Advisors were to operate subject to CFTC regulation, we may incur additional expenses and would be subject to additional regulation.

In addition, certain regulations applicable to debt securitizations implementing credit risk retention requirements that have taken effect or will take effect in both the U.S. and in Europe may adversely affect certain amendments to or new issuances by the 2010 Debt Securitization or the 2014 Debt Securitization and may adversely affect or prevent us from entering into any future securitization transaction. The impact of these risk retention rules on the loan securitization market are uncertain, and such rules may cause an increase in our cost of funds under or may prevent us from completing any future securitization transactions or certain amendments to or new issuances by our existing debt securitizations. On October 21, 2014, U.S. risk retention rules adopted pursuant to Section 941 of Dodd-Frank, or the U.S. Risk Retention Rules, were issued. The U.S. Risk Retention Rules require the sponsor (directly or through a majority-owned affiliate) of a debt securitization subject to such rules, such as collateralized loan obligations, in the absence of an exemption, to retain an economic interest in the credit risk of the assets being securitized in the form of an eligible horizontal residual interest, an eligible vertical interest, or a combination thereof, in accordance with the requirements of the U.S. Risk Retention Rules. The U.S. Risk Retention Rules become effective December 24, 2016. We currently use the 2010 Debt Securitization and 2014 Debt Securitization as a source of long-term balance sheet financing for portfolios of middle-market loans. Generally, the financing costs associated with debt securitizations of this type are significantly more favorable than the financing costs we would incur in connection with a traditional senior secured credit facility. However, it is unclear whether we will be able to use these types of debt securitizations to finance our existing loans or to originate future loans in compliance with the U.S. Risk Retention Rules after December 24, 2016. Given the more attractive financing costs associated with these types of debt securitization as opposed to other types of financing available (such as traditional senior secured facilities), this would, in turn, increase our financing costs. Any associated increase in financing costs would ultimately be borne by our common stockholders.

Over the last several years, there also has been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non-bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non-bank credit extension could negatively impact our operations, cash flows or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business, financial condition and results of operations.

Our board of directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval.

Our board of directors has the authority, except as otherwise provided in the 1940 Act, to modify or waive our investment objective and certain of our operating policies and strategies without prior notice and without stockholder approval. However, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, a business development company. Under Delaware law, we also cannot be dissolved without prior stockholder approval. We cannot predict the effect any changes to our current investment objective, operating policies and strategies would have on our business, operating

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results and the price of our common stock. Nevertheless, any such changes could adversely affect our business and impair our ability to make distributions.

Provisions of the General Corporation Law of the State of Delaware and our certificate of incorporation and bylaws could deter takeover attempts and have an adverse effect on the price of our securities.

The General Corporation Law of the State of Delaware, or the DGCL, contains provisions that may discourage, delay or make more difficult a change in control of us or the removal of our directors. Our certificate of incorporation and bylaws contain provisions that limit liability and provide for indemnification of our directors and officers. These provisions and others also may have the effect of deterring hostile takeovers or delaying changes in control or management. We are subject to Section 203 of the DGCL, the application of which is subject to any applicable requirements of the 1940 Act. This section generally prohibits us from engaging in mergers and other business combinations with stockholders that beneficially own 15% or more of our voting stock, or with their affiliates, unless our directors or stockholders approve the business combination in the prescribed manner. If our board of directors does not approve a business combination, Section 203 of the DGCL may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer.

We have also adopted measures that may make it difficult for a third party to obtain control of us, including provisions of our certificate of incorporation classifying our board of directors in three classes serving staggered three-year terms, and provisions of our certificate of incorporation authorizing our board of directors to classify or reclassify shares of our preferred stock in one or more classes or series, to cause the issuance of additional shares of our stock, and to amend our certificate of incorporation, without stockholder approval, to increase or decrease the number of shares of stock that we have authority to issue. These provisions, as well as other provisions of our certificate of incorporation and bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our securityholders.

GC Advisors can resign on 60 days notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

GC Advisors has the right to resign under the Investment Advisory Agreement at any time upon not less than 60 days written notice, whether we have found a replacement or not. If GC Advisors resigns, we may not be able to find a new investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our business, financial condition, results of operations and cash flows as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and investment activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by GC Advisors and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our business, financial condition, results of operations and cash flows.

The Administrator can resign on 60 days notice, and we may not be able to find a suitable replacement, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

The Administrator has the right to resign under the Administration Agreement at any time upon not less than 60 days written notice, whether we have found a replacement or not. If the Administrator resigns, we may not be able to find a new administrator or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and administrative activities is likely to suffer if we are unable to identify and reach an agreement with a service provider or individuals with the

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expertise possessed by the Administrator. Even if we are able to retain a comparable service provider or individuals to perform such services, whether internal or external, their integration into our business and lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our business, financial condition, results of operations and cash flows.

We incur significant costs as a result of being a publicly traded company.

As a publicly traded company, we incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Exchange Act, as well as additional corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and other rules implemented by the SEC.

Our compliance with Section 404 of the Sarbanes-Oxley Act involves significant expenditures, and non-compliance with Section 404 of the Sarbanes-Oxley Act would adversely affect us and the market price of our common stock.

We are required to report on our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act and related rules and regulations of the SEC. As a result, we incur expenses that may negatively impact our financial performance and our ability to make distributions. This process also results in a diversion of management s time and attention. We cannot ensure that our evaluation, testing and remediation process is effective or that our internal control over financial reporting will be effective. In the event that we are unable to maintain compliance with Section 404 of the Sarbanes-Oxley Act and related rules, we and the market price of our securities would be adversely affected.

We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to pay dividends and other distributions.

Our business depends on the communications and information systems of GC Advisors and its affiliates. These systems are subject to potential attacks, including through adverse events that threaten the confidentiality, integrity or availability of our information resources (i.e., cyber incidents). These attacks could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption and result in disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships, any of which could, in turn, have a material adverse effect on our operating results and negatively affect the market price of our securities and our ability to pay dividends and other distributions to our securityholders. As our reliance on technology has increased, so have the risks posed to our information systems, both internal and those provided by GC Advisors and third-party service providers.

Risks Relating to Our Investments

Economic recessions or downturns could impair our portfolio companies and defaults by our portfolio companies will harm our operating results.

Many of our portfolio companies are susceptible to economic slowdowns or recessions and may be unable to repay our loans during these periods. Therefore, our non-performing assets are likely to increase and the value of our portfolio is likely to decrease during these periods. Adverse economic conditions may decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing our investments and harm our operating results.

A portfolio company s failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets, which could trigger cross-defaults under other agreements and jeopardize our portfolio company s ability to meet its obligations under the debt securities that we hold. We may incur expenses to the extent necessary to seek

recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, lenders in certain cases can be subject to lender liability claims for actions taken by them when they become too involved in the borrower s business or exercise control over a borrower. It is possible that we could become subject to a lender s liability claim, including as a result of actions taken if we render managerial assistance to the borrower.

Our debt investments may be risky and we could lose all or part of our investments.

The debt that we invest in is typically not initially rated by any rating agency, but we believe that if such investments were rated, they would be below investment grade (rated lower than Baa3 by Moody s Investors Service, lower than BBB- by Fitch Ratings or lower than BBB- by Standard & Poor s Ratings Services), which under the guidelines established by these entities is an indication of having predominantly speculative characteristics with respect to the issuer s capacity to pay interest and repay principal. Bonds that are rated below investment grade are sometimes referred to as high yield bonds or junk bonds. Therefore, our investments may result in an above average amount of risk and volatility or loss of principal.

Our investments in leveraged portfolio companies may be risky, and you could lose all or part of your investment.

Investment in leveraged companies involves a number of significant risks. Leveraged companies in which we invest may have limited financial resources and may be unable to meet their obligations under their debt securities that we hold. Such developments may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees that we may have obtained in connection with our investment. Smaller leveraged companies also may have less predictable operating results and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position.

Our investments in private and middle-market portfolio companies are risky, and you could lose all or part of your investment.

Investment in private and middle-market companies involves a number of significant risks. Generally, little public information exists about these companies, and we rely on the ability of GC Advisors investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If GC Advisors is unable to uncover all material information about these companies, it may not make a fully informed investment decision, and we may lose money on our investments. Middle-market companies generally have less predictable operating results and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. Middle-market companies may have limited financial resources, may have difficulty accessing the capital markets to meet future capital needs and may be unable to meet their obligations under their debt securities that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees we may have obtained in connection with our investment. In addition, such companies typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors actions and market conditions, as well as general economic downturns. Additionally, middle-market companies are more likely to depend on the management talents and efforts of a small group of persons. Therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us. Middle-market companies also may be parties to litigation and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. In addition, our executive officers, directors and

GC Advisors may, in the ordinary course of business, be named as defendants in litigation arising from our investments in the portfolio companies.

The lack of liquidity in our investments may adversely affect our business.

We may invest all of our assets in illiquid securities, and a substantial portion of our investments in leveraged companies are and will be subject to legal and other restrictions on resale or will otherwise be less liquid than more broadly traded public securities. The illiquidity of these investments may make it difficult for us to sell such investments if the need arises. In addition, if we are required to liquidate all or a portion of our

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portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments. We may also face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we, GC Advisors, Golub Capital or any of its affiliates have material nonpublic information regarding such portfolio company.

Price declines and illiquidity in the corporate debt markets may adversely affect the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation.

As a business development company, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by our board of directors. As part of the valuation process, we may take into account the following types of factors, if relevant, in determining the fair value of our investments:

- a comparison of the portfolio company s securities to publicly traded securities;
- the enterprise value of the portfolio company;
- the nature and realizable value of any collateral;
- the portfolio company s ability to make payments and its earnings and discounted cash flow;
- the markets in which the portfolio company does business; and
- changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments may be made in the future and other relevant factors.

When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we use the pricing indicated by the external event to corroborate our valuation. We record decreases in the market values or fair values of our investments as unrealized depreciation. Declines in prices and liquidity in the corporate debt markets may result in significant net unrealized depreciation in our portfolio. The effect of all of these factors on our portfolio may reduce our net asset value by increasing net unrealized depreciation in our portfolio. Depending on market conditions, we could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our portfolio companies may prepay loans, which may reduce our yields if capital returned cannot be invested in transactions with equal or greater expected yields.

The loans in our investment portfolio may be prepaid at any time, generally with little advance notice. Whether a loan is prepaid will depend both on the continued positive performance of the portfolio company and the existence of favorable financing market conditions that allow such company the ability to replace existing financing with less expensive capital. As market conditions change, we do not know when, and if, prepayment may be possible for each portfolio company. In some cases, the prepayment of a loan may reduce our achievable yield if the capital returned cannot be invested in transactions with equal or greater expected yields, which could have a material adverse effect on our business, financial condition and results of operations.

Our portfolio companies may be unable to repay or refinance outstanding principal on their loans at or prior to maturity, and rising interests rates may make it more difficult for portfolio companies to make periodic payments on their loans.

Our portfolio companies may be unable to repay or refinance outstanding principal on their loans at or prior to maturity. This risk and the risk of default is increased to the extent that the loan documents do not require the portfolio companies to pay down the outstanding principal of such debt prior to maturity. In addition, if general interest rates rise, there is a risk that our portfolio companies will be unable to pay escalating interest amounts, which could result in a default under their loan documents with us. Rising interests rates could also cause portfolio companies to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults. Any failure of one or more portfolio companies to repay or refinance its debt at or prior

to maturity or the inability of one or more portfolio companies to make ongoing payments following an increase in contractual interest rates could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have not yet identified the portfolio company investments we will acquire.

While we currently hold a portfolio of investments, we have not yet identified additional potential investments for our portfolio that we will acquire with the proceeds of any offering of securities pursuant to this prospectus or repayments of investments currently in our portfolio. Privately negotiated investments in illiquid securities or private middle-market companies require substantial due diligence and structuring, and we cannot assure you that we will achieve our anticipated investment pace. As a result, you will be unable to evaluate any future portfolio company investments prior to purchasing our shares of common stock. Additionally, GC Advisors selects all of our investments, and our stockholders will have no input with respect to such investment decisions. These factors increase the uncertainty, and thus the risk, of investing in our securities. We anticipate that we will use substantially all of the net proceeds of any offering of our securities within approximately six months following the completion of any offering of our securities, depending on the availability of appropriate investment opportunities consistent with our investment objectives and market conditions. Until such appropriate investment opportunities can be found, we may also invest the net proceeds in cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less from the date of investment. We expect these temporary investments to earn yields substantially lower than the income that we expect to receive in respect of our targeted investment types. As a result, any distributions we make during this period may be substantially smaller than the distributions that we expect to pay when our portfolio is fully invested.

We are a non-diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer.

We are classified as a non-diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. To the extent that we assume large positions in the securities of a small number of issuers, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market s assessment of the issuer. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond our asset diversification requirements as a RIC under the Code, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few portfolio companies.

Our portfolio may be concentrated in a limited number of portfolio companies and industries, which will subject us to a risk of significant loss if any of these companies defaults on its obligations under any of its debt instruments or if there is a downturn in a particular industry.

Our portfolio may be concentrated in a limited number of portfolio companies and industries. As a result, the aggregate returns we realize may be significantly and adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment. Additionally, while we are not targeting any specific industries, our investments may be concentrated in relatively few industries. For example, although we classify the industries of our portfolio companies by end-market (such as healthcare and business services) and not by

the products or services (such as software) directed to those end-markets, many of our portfolio companies principally provide software products or services, which exposes us to downturns in that sector. As a result, a downturn in any particular industry in which we are invested could also significantly impact the aggregate returns we realize.

We may hold the debt securities of leveraged companies that may, due to the significant volatility of such companies, enter into bankruptcy proceedings.

Leveraged companies may experience bankruptcy or similar financial distress. The bankruptcy process has a number of significant inherent risks. Many events in a bankruptcy proceeding are the product of contested matters and adversary proceedings and are beyond the control of the creditors. A bankruptcy filing by an issuer may adversely and permanently affect the issuer. If the proceeding is converted to a liquidation,

the value of the issuer may not equal the liquidation value that was believed to exist at the time of the investment. The duration of a bankruptcy proceeding is also difficult to predict, and a creditor s return on investment can be adversely affected by delays until the plan of reorganization or liquidation ultimately becomes effective. The administrative costs of a bankruptcy proceeding are frequently high and would be paid out of the debtor s estate prior to any return to creditors. Because the standards for classification of claims under bankruptcy law are vague, our influence with respect to the class of securities or other obligations we own may be lost by increases in the number and amount of claims in the same class or by different classification and treatment. In the early stages of the bankruptcy process, it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. In addition, certain claims that have priority by law (for example, claims for taxes) may be substantial.

Depending on the facts and circumstances of our investments and the extent of our involvement in the management of a portfolio company, upon the bankruptcy of a portfolio company, a bankruptcy court may recharacterize our debt investments as equity interests and subordinate all or a portion of our claim to that of other creditors. This could occur even though we may have structured our investment as senior debt.

Our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio.

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as follow-on investments, in seeking to:

- increase or maintain in whole or in part our position as a creditor or equity ownership percentage in a portfolio company;
- exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or
- preserve or enhance the value of our investment.

We have discretion to make follow-on investments, subject to the availability of capital resources. Failure on our part to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful portfolio company. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our level of risk, because we prefer other opportunities or because of regulatory or other considerations. Our ability to make follow-on investments may also be limited by GC Advisors allocation policy.

Because we generally do not hold controlling equity interests in our portfolio companies, we may not be able to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies that could decrease the value of our investments.

To the extent we do not hold controlling equity positions in our portfolio companies, we are subject to the risk that a portfolio company may make business decisions with which we disagree, and that the management and/or stockholders of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity of the debt and equity investments that we typically hold in our portfolio companies, we may not be able to dispose of our investments in the event we disagree with the actions of a portfolio company and may therefore suffer a decrease in the value of our investments.

We may hold the debt securities of leveraged companies that may, due to thesignificant volatility of such companies

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies and such portfolio companies may not generate sufficient cash flow to service their debt obligations to us.

We have invested a portion of our capital in second lien and subordinated loans issued by our portfolio companies and intend to continue to do so in the future. Our portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or senior to, the securities in which we invest. Such subordinated investments are subject to greater risk of default than senior obligations as a result of adverse changes in the financial condition of the obligor or in general economic conditions. If we make a subordinated investment in a portfolio company, the portfolio company may be highly leveraged, and its relatively high

debt-to-equity ratio may create increased risks that its operations might not generate sufficient cash flow to service all of its debt obligations. By their terms, such debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments in respect of the securities in which we invest. These debt instruments would usually prohibit the portfolio companies from paying interest on or repaying our investments in the event of and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying senior creditors, the portfolio company may not have any remaining assets to use for repaying its obligation to us where we are junior creditor. In the case of debt ranking equally with debt securities in which we invest, we would have to share any distributions on an equal and ratable basis with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

Additionally, certain loans that we make to portfolio companies may be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral will secure the portfolio company s obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the portfolio company under the agreements governing the loans. The holders of obligations secured by first priority liens on the collateral will generally control the liquidation of, and be entitled to receive proceeds from, any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds were not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company s remaining assets, if any.

We have made in the past, and may make in the future, unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on a portfolio company s collateral, if any, will secure the portfolio company s obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured loan obligations after payment in full of all loans secured by collateral. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors claims against the portfolio company s remaining assets, if any.

The rights we may have with respect to the collateral securing any junior priority we make to our portfolio companies may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of senior debt. Under a typical intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens:

- the ability to cause the commencement of enforcement proceedings against the collateral;
- the ability to control the conduct of such proceedings;
- the approval of amendments to collateral documents;
- releases of liens on the collateral; and

waivers of past defaults under collateral documents.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies an

We may not have the ability to control or direct such actions, even if our rights as junior lenders are adversely affected.

The disposition of our investments may result in contingent liabilities.

A significant portion of our investments involve private securities. In connection with the disposition of an investment in private securities, we may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. We may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to potential liabilities. These arrangements may result in contingent liabilities that ultimately result in funding obligations that we must satisfy through our return of distributions previously made to us.

GC Advisors liability is limited, and we have agreed to indemnify GC Advisors against certain liabilities, which may lead GC Advisors to act in a riskier manner on our behalf than it would when acting for its own account.

Under the Investment Advisory Agreement and the collateral management agreements for each of the 2010 Debt Securitization and the 2014 Debt Securitization, GC Advisors does not assume any responsibility to us other than to render the services called for under those agreements, and it is not responsible for any action of our board of directors in following or declining to follow GC Advisors advice or recommendations. Under the terms of the Investment Advisory Agreement and each of the collateral management agreements, GC Advisors, its officers, members, personnel, and any person controlling or controlled by GC Advisors are not liable to us, any subsidiary of ours, our directors, our stockholders or any subsidiary s stockholders or partners for acts or omissions performed in accordance with and pursuant to the Investment Advisory Agreement and the collateral management agreements, except those resulting from acts constituting gross negligence, willful misconduct, bad faith or reckless disregard of GC Advisors duties under the Investment Advisory Agreement and the collateral management agreements. In addition, we have agreed to indemnify GC Advisors and each of its officers, directors, members, managers and employees from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Investment Advisory Agreement and the collateral management agreements, except where attributable to gross negligence, willful misconduct, bad faith or reckless disregard of such person s duties under the Investment Advisory Agreement and the collateral management agreements. These protections may lead GC Advisors to act in a riskier manner when acting on our behalf than it would when acting for its own account.

We may be subject to risks under hedging transactions and may become subject to risks if we invest in foreign securities.

As of September 30, 2016, we were invested in the securities of one non-U.S. company. Securities issued by non U.S. companies are not qualifying assets under the 1940 Act, and we may invest in non-U.S. companies, including emerging market issuers, to the limited extent such investments are permitted under the 1940 Act. We expect that these investments would focus on the same types of investments that we make in U.S. middle-market companies and accordingly would be complementary to our overall strategy and enhance the diversity of our holdings. Investing in securities of emerging market issuers involves many risks including economic, social, political, financial, tax and security conditions in the emerging market, potential inflationary economic environments, regulation by foreign governments, different accounting standards and political uncertainties. Economic, social, political, financial, tax and security conditions also could negatively affect the value of emerging market companies. These factors could include

changes in the emerging market government s economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to the emerging market companies or investments in their securities and the possibility of fluctuations in the rate of exchange between currencies.

We have engaged in and, in the future, may engage in hedging transactions to the limited extent such transactions are permitted under the 1940 Act and applicable commodities laws. Engaging in hedging transactions or investing in foreign securities would entail additional risks to our stockholders. We could, for

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example, use instruments such as interest rate swaps, caps, collars and floors and, if we were to invest in foreign securities, we could use instruments such as forward contracts or currency options and borrow under a credit facility in currencies selected to minimize our foreign currency exposure. In each such case, we generally would seek to hedge against fluctuations of the relative values of our portfolio positions from changes in market interest rates or currency exchange rates. Hedging against a decline in the values of our portfolio positions would not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of the positions declined. However, such hedging could establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions could also limit the opportunity for gain if the values of the underlying portfolio positions increased. Moreover, it might not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. Use of a hedging transaction could involve counterparty credit risk.

The success of any hedging transaction we may enter into will depend on our ability to correctly predict movements in currencies and interest rates. Therefore, while we may enter into hedging transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates could result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged could vary. Moreover, for a variety of reasons, we might not seek to (or be able to) establish a perfect correlation between the hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation could prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it might not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations. Our ability to engage in hedging transactions may also be adversely affected by rules adopted by the CFTC.

We may not realize gains from our equity investments.

When we invest in one stop, second lien and subordinated loans, we may acquire warrants or other equity securities of portfolio companies as well. We may also invest in equity securities directly. To the extent we hold equity investments, we will attempt to dispose of them and realize gains upon our disposition of them. However, the equity interests we receive may not appreciate in value and may decline in value. As a result, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

Risks Relating to Offerings Pursuant to this Prospectus

Investing in our securities may involve an above average degree of risk.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. Our investments in portfolio companies involve higher levels of risk, and therefore, an investment in our securities may not be suitable for someone with lower risk tolerance.

Shares of closed-end investment companies, including business development companies, often trade at a discount to their net asset value.

Shares of closed-end investment companies, including business development companies, may trade at a discount from net asset value. This characteristic of closed-end investment companies and business development companies is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our common stock will trade at, above or below net asset value.

There is a risk that investors in our equity securities may not receive distributions or that our distributions may not grow over time and a portion of our distributions may be a return of capital.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay

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distributions might be adversely affected by the impact of one or more of the risk factors described in this prospectus. Due to the asset coverage test applicable to us under the 1940 Act as a business development company, we may be limited in our ability to make distributions. If we declare a dividend and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash dividend payments. To the extent we make distributions to stockholders that include a return of capital, such portion of the distribution essentially constitutes a return of the stockholder s investment. Although such return of capital may not be taxable, such distributions may increase an investor s tax liability for capital gains upon the future sale of our common stock. Although such return of capital may not be taxable, such distributions would generally decrease a stockholder s basis in our common stock and may therefore increase such stockholder s tax liability for capital gains upon the future sale of such stock. A return of capital distribution may cause a stockholder to recognize a capital gain from the sale of our common stock even if the stockholder sells its shares for less than the original purchase price.

The market price of our securities may fluctuate significantly.

The market price and liquidity of the market for our securities may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of business development companies or other companies in our sector, which are not necessarily related to the operating performance of the companies;
- changes in regulatory policies, accounting pronouncements or tax guidelines, particularly with respect to RICs and business development companies;
- loss of our qualification as a RIC or business development company;
- changes in market interest rates and decline in the prices of debt;
- changes in earnings or variations in operating results;
- changes in the value of our portfolio investments;
- changes in accounting guidelines governing valuation of our investments;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- departure of GC Advisors or any of its affiliates key personnel;
- operating performance of companies comparable to us;
- general economic trends and other external factors; and
- loss of a major funding source.

If we issue preferred stock, debt securities or convertible debt securities, the net asset value and market value of our common stock may become more volatile.

We cannot assure you that the issuance of preferred stock and/or debt securities would result in a higher yield or return to the holders of our common stock. The issuance of preferred stock, debt securities or convertible debt would likely cause the net asset value and market value of our common stock to become more volatile. If the dividend rate on the preferred stock, or the interest rate on the debt securities, were to approach the net rate of return on our investment portfolio, the benefit of leverage to the holders of our common stock would be reduced. If the dividend rate on the preferred stock, or the interest rate on the debt securities, were to exceed the net rate of return on our portfolio, the use of leverage would result in a lower rate of return to the holders of common stock than if we had not issued the preferred stock or debt securities. Any decline in the net asset value of our investment would be borne entirely by the holders of our common stock. Therefore, if the market value of our portfolio were to decline, the leverage would result

in a greater

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If we issue preferred stock, debt securities or convertible debt securities, thenet asset value and market value of ou

decrease in net asset value to the holders of our common stock than if we were not leveraged through the issuance of preferred stock. This decline in net asset value would also tend to cause a greater decline in the market price for our common stock.

There is also a risk that, in the event of a sharp decline in the value of our net assets, we would be in danger of failing to maintain required asset coverage ratios which may be required by the preferred stock, debt securities, convertible debt or units or of a downgrade in the ratings of the preferred stock, debt securities, convertible debt or units or our current investment income might not be sufficient to meet the dividend requirements on the preferred stock or the interest payments on the debt securities. In order to counteract such an event, we might need to liquidate investments in order to fund redemption of some or all of the preferred stock, debt securities or convertible debt. In addition, we would pay (and the holders of our common stock would bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred stock, debt securities, convertible debt or any combination of these securities. Holders of preferred stock, debt securities or convertible debt may have different interests than holders of common stock and may at times have disproportionate influence over our affairs.

We are a holding company and depend on payments from our subsidiaries in order to make payments on any debt securities that we may issue as well as to pay dividends on our common stock. Any debt securities that we issue will be structurally subordinated to the obligations of our subsidiaries.

We are a holding company and fund a majority of our investments through wholly-owned subsidiaries, and a majority of the assets that we hold directly are the equity interests in such subsidiaries, including the Subordinated Notes. We depend upon the cash flow from our subsidiaries and the receipt of funds from them in the form of payments on the Subordinated Notes, dividends, and other distributions, any of which may be subject to restriction or limitations based on the organizational documents of the subsidiaries and the agreements governing the debt of any such subsidiary. In addition, because we are a holding company, any debt securities that we issue will be structurally subordinated to the obligations of our subsidiaries. In the event that one of our subsidiaries becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, its assets will be used first to satisfy the claims of its creditors. Consequently, any claim by us or our creditors, including holders of any debt securities that we may issue, against any subsidiary will be structurally subordinated to all of the claims of the creditors of such subsidiary. We cannot assure security holders that they will receive any payments required to be made under the terms of any debt securities that we may issue, dividends or other distributions.

Holders of any preferred stock that we may issue will have the right to elect members of the board of directors and have class voting rights on certain matters.

The 1940 Act requires that holders of shares of preferred stock must be entitled as a class to elect two directors at all times and to elect a majority of the directors if dividends on such preferred stock are in arrears by two years or more, until such arrearage is eliminated. In addition, certain matters under the 1940 Act require the separate vote of the holders of any issued and outstanding preferred stock, including changes in fundamental investment restrictions and conversion to open-end status and, accordingly, preferred stockholders could veto any such changes. Restrictions imposed on the declarations and payment of dividends or other distributions to the holders of our common stock and preferred stock, both by the 1940 Act and by requirements imposed by rating agencies, might impair our ability to maintain our qualification as a RIC for U.S. federal income tax purposes.

Your interest in us may be diluted if you do not fully exercise your subscription rights in any rights offering. In addition, if the subscription price is less than our net asset value per share, then you will experience an immediate dilution of the aggregate net asset value of your shares.

In the event we issue subscription rights, stockholders who do not fully exercise their subscription rights should expect that they will, at the completion of a rights offering pursuant to this prospectus, own a smaller proportional interest in us than would otherwise be the case if they fully exercised their rights. We cannot state precisely the amount of any such dilution in share ownership because we do not know at this time what proportion of the shares will be purchased as a result of such rights offering.

In addition, if the subscription price is less than the net asset value per share of our common stock, then our stockholders would experience an immediate dilution of the aggregate net asset value of their shares as a result of the offering. The amount of any decrease in net asset value is not predictable because it is not known at this time what the subscription price and net asset value per share will be on the expiration date of a rights offering or what proportion of the shares will be purchased as a result of such rights offering. Such dilution could be substantial.

These dilutive effects may be exacerbated if we were to conduct multiple subscription rights offerings, particularly if such offerings were to occur over a short period of time. In addition, subscription rights offerings and the prospect of future subscription rights offerings may create downward pressure on the secondary market price of our common stock due to the potential for the issuance of shares at a price below our net asset value, without a corresponding change to our net asset value.

Our stockholders will experience dilution in their ownership percentage if they do not participate in our dividend reinvestment plan.

All distributions declared in cash payable to stockholders that are participants in our dividend reinvestment plan are automatically reinvested in shares of our common stock. As a result, our stockholders that do not participate in our dividend reinvestment plan will experience dilution in their ownership percentage of our common stock over time.

The trading market or market value of our publicly issued debt securities may fluctuate.

Our publicly issued debt securities may or may not have an established trading market. We cannot assure you that a trading market for our publicly issued debt securities will ever develop or be maintained if developed. In addition to our creditworthiness, many factors may materially adversely affect the trading market for, and market value of, our publicly issued debt securities. These factors include, but are not limited to, the following:

- the time remaining to the maturity of these debt securities;
- the outstanding principal amount of debt securities with terms identical to these debt securities;
- the ratings assigned by national statistical ratings agencies;
- the general economic environment;
- the supply of debt securities trading in the secondary market, if any;
- the redemption or repayment features, if any, of these debt securities;
- the level, direction and volatility of market interest rates generally; and
- market rates of interest higher or lower than rates borne by the debt securities.

You should also be aware that there may be a limited number of buyers when you decide to sell your debt securities. This too may materially adversely affect the market value of the debt securities or the trading market for the debt securities.

Terms relating to redemption may materially adversely affect your return on any debt securities that we may issue.

If your debt securities are redeemable at our option, we may choose to redeem your debt securities at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In addition, if your debt securities are subject to mandatory redemption, we may be required to redeem your debt securities also at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In this circumstance, you may not be able to

reinvest the redemption proceeds in a comparable security at an effective interest rate as high as your debt securities being redeemed.

Our credit ratings may not reflect all risks of an investment in our debt securities.

Our credit ratings are an assessment by third parties of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of our debt securities.

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Our credit ratings, however, may not reflect the potential impact of risks related to market conditions generally or other factors discussed above on the market value of or trading market for the publicly issued debt securities.

Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock.

Sales of substantial amounts of our common stock, or the availability of such common stock for sale, could adversely affect the prevailing market prices for our common stock. If this occurs and continues, it could impair our ability to raise additional capital through the sale of securities should we desire to do so.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this prospectus involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the effect of investments that we expect to make and the competition for those investments;
- our contractual arrangements and relationships with third parties;
- actual and potential conflicts of interest with GC Advisors and other affiliates of Golub Capital;
- the dependence of our future success on the general economy and its effect on the industries in which we invest;
- the ability of our portfolio companies to achieve their objectives;
- the use of borrowed money to finance a portion of our investments;
- the adequacy of our financing sources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- general economic and political trends and other external factors;
- the ability of GC Advisors to locate suitable investments for us and to monitor and administer our investments;
- the ability of GC Advisors or its affiliates to attract and retain highly talented professionals;
- our ability to qualify and maintain our qualification as a RIC and as a business development company;
- general price and volume fluctuations in the stock markets;
- the impact on our business of Dodd-Frank and the rules and regulations issued thereunder; and
- the effect of changes to tax legislation and our tax position.

Such forward-looking statements may include statements preceded by, followed by or that otherwise include the words may, might, will, intend, should, could, can, would, expect, believe, estimate, anticipa or similar words. The forward-looking statements contained in this prospectus involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth as Risk Factors and elsewhere in this prospectus.

We have based the forward-looking statements included in this prospectus on information available to us on the date of this prospectus. Actual results could differ materially from those anticipated in our forward-looking statements and future results could differ materially from historical performance. You are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. This prospectus contains statistics and other data that have been obtained from or compiled from information made available by third-party service providers. We have not independently verified such statistics or data.

You should understand that, under Sections 27A(b)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E(b)(2)(B) of the Exchange Act, the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 do not apply to statements made in connection with any offering of securities pursuant to this prospectus, any prospectus supplement or in periodic reports we file under the Exchange Act.

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USE OF PROCEEDS

Unless otherwise specified in a prospectus supplement, we intend to use all or substantially all of the net proceeds from the sale of our securities to invest in portfolio companies in accordance with our investment objective and strategies and for general corporate purposes. We expect that our new investments will consist primarily of senior secured and one stop loans. We will also pay operating expenses, including management and administrative fees, and may pay other expenses such as due diligence expenses relating to potential new investments, from the net proceeds of any offering of our securities. We may also use a portion of the net proceeds from the sale of our securities to repay amounts outstanding under our Credit Facility, which bore an annual interest rate of 3.35% (*i.e.*, one-month LIBOR plus 2.25% per annum) on the outstanding balance of $126.7 million as of September 30, 2016 and matures on July 30, 2020.

We anticipate that we will use substantially all of the net proceeds of an offering for the above purposes within approximately six months after the completion of any offering of our securities, depending on the availability of appropriate investment opportunities consistent with our investment objective and market conditions. We cannot assure you that we will achieve our targeted investment pace.

Until appropriate investment opportunities can be found, we may also invest the net proceeds of any offering of our securities primarily in cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less from the date of investment. These temporary investments may have lower yields than our targeted investment types and, accordingly, may result in lower distributions, if any, during such period. Our ability to achieve our investment objective may be limited to the extent that the net proceeds from an offering, pending full investment, are held in lower yielding interest-bearing deposits or other short-term instruments. See Regulation Temporary Investments for additional information about temporary investments we may make while waiting to make longer-term investments in pursuit of our investment objective.

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DISTRIBUTIONS

To the extent that we have income available, we intend to make quarterly distributions to our stockholders. Our quarterly distributions, if any, are determined by our board of directors. Any distributions to our stockholders will be declared out of assets legally available for distribution.

We have elected to be treated, and intend to qualify annually, as a RIC under Subchapter M of the Code. To maintain RIC qualification, we must distribute dividends to our stockholders in respect of each tax year of an amount generally at least equal to 90% of our investment company taxable income, determined without regard to any deduction for dividends paid. In addition, we are subject to distribution requirements under U.S. federal excise tax rules for each calendar year. If we do not meet the required distributions we will be subject to a 4% nondeductible federal excise tax on the undistributed amount.

The following table reflects the cash distributions, including dividends and returns of capital, if any, per share that we have paid on our common stock since October 1, 2014.

Record Dates	Payment Dates	Distributions Declared Per Share	Dollar amount
		(in thousands except per share data)	
Fiscal year ended September 30, 2015			
December 18, 2014	December 29, 2014	$ 0.32	$ 15,078
March 20, 2015	March 27, 2015	0.32	15,095
June 18, 2015	June 29, 2015	0.32	16,393
September 7, 2015	September 29, 2015	0.32	16,403
Fiscal year ending September 30, 2016			
December 11, 2015	December 29, 2015	0.32	16,416
March 7, 2016	March 30, 2016	0.32	16,442
June 6, 2016	June 29, 2016	0.32	16,484
September 5, 2016	September 29, 2016	0.32	17,537
Fiscal year ending September 30, 2017			
December 12, 2016	December 29, 2016	0.57	31,384
Total		$ 3.13	$ 161,232

We currently intend to distribute net capital gains (*i.e.*, net long-term capital gains in excess of net short-term capital losses), if any, at least annually out of the assets legally available for such distributions. However, we may decide in the future to retain such capital gains for investment and elect to treat such gains as deemed distributions to you. If this happens, you will be treated for U.S. federal income tax purposes as if you had received an actual distribution of the capital gains that we retain and reinvested the net after tax proceeds in us. In this situation, you would be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to your allocable share of the tax we paid on the capital gains deemed distributed to you. See Material U.S. Federal Income Tax Considerations Taxation of U.S. Stockholders. We cannot assure you that we will achieve results that will permit us to pay any cash distributions, and if we issue senior securities, we will be prohibited from making distributions if doing so would cause us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if such distributions are limited by the terms of any of our borrowings.

Unless you elect to receive your distributions in cash, we intend to make such distributions in additional shares of our common stock under our dividend reinvestment plan. Although distributions paid in the form of additional shares of our common stock will generally be subject to U.S. federal, state and local taxes in the same manner as cash distributions, investors participating in our dividend reinvestment plan will not receive any corresponding cash distributions with which to pay any such applicable taxes. If you hold shares of our common stock in the name of a broker or financial intermediary, you should contact such broker or financial intermediary regarding your election to receive distributions in cash in lieu of shares of our common stock. Any distributions reinvested through the issuance of shares through our dividend reinvestment plan will increase our gross assets on which the base management fee and the incentive fee are determined and paid to GC Advisors. See Dividend Reinvestment Plan.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data of Golub Capital BDC as of and for the year ended September 30, 2016 are derived from the consolidated financial statements that have been audited by Ernst & Young LLP, independent registered public accounting firm. The following selected consolidated financial data of Golub Capital BDC as of and for the years ended September 30, 2015, 2014, 2013 and 2012 are derived from the consolidated financial statements that have been audited by RSM US LLP (formerly McGladrey LLP through October 25, 2015), independent registered public accounting firm. The financial data should be read in conjunction with our consolidated financial statements and related notes thereto and Management s Discussion and Analysis of Financial Condition, Results of Operations and Cash Flows included elsewhere in this prospectus.

	Golub Capital BDC As of and for the years ended September 30,				
	2016	2015	2014	2013	2012
	(In thousands, except per share data)				
Statement of Operations Data:					
Total investment income	$127,871	$119,968	$109,526	$83,774	$57,859
Base management fee	22,020	20,330	17,053	11,749	8,495
Incentive fee	7,266	10,226	10,128	9,844	6,228
Interest and other debt financing expenses	27,724	24,510	20,227	12,427	10,781
All other expenses	5,881	5,905	5,583	5,359	4,479
Net investment income	64,980 (1)	58,997	56,535	44,395	27,876
Net realized gain (loss) on investments and derivative instruments	6,254	9,354	5,384	(1,363)	(3,372)
Net change in unrealized appreciation (depreciation) on investments, derivative instruments and secured borrowings	(2,030)	2,440	3,469	3,488	7,256
Net increase/(decrease) in net assets resulting from operations	69,204	70,791	65,388	46,520	31,760
Per share data:					
Net asset value	$15.96	$15.80	$15.55	$15.21	$14.60
Net investment income	1.25 (1)	1.20	1.26	1.29	1.15
Net realized gain (loss) on investments and derivative instruments	0.12	0.19	0.11	(0.04)	(0.14)
Net change in unrealized appreciation (depreciation) on investments, derivative instruments and secured borrowings	(0.04)	0.05	0.07	0.10	0.30
Net increase/(decrease) in net assets resulting from operations	1.33	1.44	1.44	1.35	1.31
Per share distributions declared	1.28	1.28	1.28	1.28	1.28
From net investment income	1.04	1.18	1.28	1.15	1.24
From capital gains	0.24	0.10			
From return of capital				0.13	0.04
Dollar amount of distributions declared	66,879	62,969	57,823	45,394	31,556
From net investment income	54,461	58,152	57,823	40,605	30,484
From capital gains	12,418	4,817			

From return of capital				4,789	1,072
Balance Sheet data at period end:					
Investments, at fair value	$1,660,612	$1,529,784	$1,347,612	$1,024,645	$672,910
Cash, restricted cash and cash equivalents	89,540	97,484	79,943	54,717	50,927
Other assets	6,357	6,158 (2)	6,318 (2)	4,552 (2)	4,361 (2)
Total assets	1,756,509	1,633,426 (2)	1,433,873 (2)	1,083,914 (2)	728,198 (2)
Total debt	865,175	813,605	697,539	420,909	352,300
Total liabilities	877,684	822,556 (2)	701,134 (2)	425,678 (2)	353,069 (2)
Total net assets	878,825	810,870	732,739	658,236	375,129
Other data:					
Weighted average yield on income producing investments at fair value(3)	7.6 %	7.8 %	8.3 %	9.1 %	9.3 %
Number of portfolio companies at period end	183	164	145	135	121

(1) Net investment income for the year ended September 30, 2016 is shown after a net expense of $333,000 for U.S. federal excise tax.

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(2) On October 1, 2015, we adopted Accounting Standards Update, or ASU, 2015-03 which requires that debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the carrying amount of the debt liability rather than as an asset. Adoption of ASU 2015-03 requires the changes to be applied retrospectively.

(3) Weighted average yield on income producing investments is computed by dividing (a) income from interest, including subordinated notes in SLF, and fees excluding amortization of capitalized fees and discounts on accruing loans and debt securities by (b) total income producing investments at fair value.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS

The following discussion and analysis of our financial condition, results of operations and cash flows should be read in conjunction with Selected Consolidated Financial Data and the financial statements and the related notes thereto of us appearing elsewhere in this prospectus. The information in this section contains forward-looking statements that involve risks and uncertainties. Please see Risk Factors and Special Note Regarding Forward-Looking Statements for a discussion of the uncertainties, risks and assumptions associated with these statements.

Overview

We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the 1940 Act. In addition, for U.S. federal income tax purposes, we have elected to be treated as a RIC under the Code. As a business development company and a RIC, we are also subject to certain constraints, including limitations imposed by the 1940 Act and the Code.

Our shares are currently listed on The NASDAQ Global Select Market under the symbol GBDC .

Our investment objective is to generate current income and capital appreciation by investing primarily in senior secured and one stop loans of U.S. middle-market companies. We may also selectively invest in second lien and subordinated loans of, and warrants and minority equity securities in U.S. middle-market companies. We intend to achieve our investment objective by (1) accessing the established loan origination channels developed by Golub Capital, a leading lender to U.S middle-market companies with over $18.0 billion in capital under management as of September 30, 2016, (2) selecting investments within our core middle-market company focus, (3) partnering with experienced private equity firms, or sponsors, in many cases with whom Golub Capital has invested alongside in the past, (4) implementing the disciplined underwriting standards of Golub Capital and (5) drawing upon the aggregate experience and resources of Golub Capital.

Our investment activities are managed by GC Advisors and supervised by our board of directors of which a majority of the members are independent of us, GC Advisors and its affiliates.

Under the Investment Advisory Agreement, which was most recently reapproved by our board of directors in May 2016, we have agreed to pay GC Advisors an annual base management fee based on our average adjusted gross assets as well as an incentive fee based on our investment performance. Under the Administration Agreement, we are provided with certain administrative services by the Administrator, which is currently Golub Capital LLC.

We seek to create a portfolio that includes primarily senior secured and one stop loans by primarily investing approximately $5.0 million to $30.0 million of capital, on average, in the securities of U.S. middle-market companies. We may also selectively invest more than $30.0 million in some of our portfolio companies and generally expect that the size of our individual investments will vary proportionately with the size of our capital base.

We generally invest in securities that have been rated below investment grade by independent rating agencies or that would be rated below investment grade if they were rated. These securities, which may be referred to as junk, have predominantly speculative characteristics with respect to the issuer s capacity to pay interest and repay principal. In

addition, many of our debt investments have floating interest rates that reset on a periodic basis and typically do not fully pay down principal prior to maturity, which may increase our risk of losing part or all of our investment.

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As of September 30, 2016 and September 30, 2015, our portfolio at fair value was comprised of the following:

Investment Type	As of September 30, 2016		As of September 30, 2015	
	Investments at Fair Value (In thousands)	Percentage of Total Investments	Investments at Fair Value (In thousands)	Percentage of Total Investments
Senior secured	$ 162,849	9.8 %	$ 197,329	12.9 %
One stop	1,304,467	78.5	1,134,222	74.1
Second lien	27,909	1.7	39,774	2.6
Subordinated debt	1,427	0.1	1,715	0.1
Subordinated notes in SLF[1]	77,301	4.7	76,563	5.0
LLC equity interests in SLF[1]	26,927	1.6	22,373	1.5
Equity	59,732	3.6	57,808	3.8
Total	$ 1,660,612	100.0 %	$ 1,529,784	100.0 %

(1) Proceeds from the subordinated notes and LLC equity interests invested in SLF were utilized by SLF to invest in senior secured loans.

One stop loans include loans to technology companies undergoing strong growth due to new services, increased adoption and/or entry into new markets. We refer to loans to these companies as late stage lending loans. Other targeted characteristics of late stage lending businesses include strong customer revenue retention rates, a diversified customer base and backing from growth equity or venture capital firms. In some cases, the borrower s high revenue growth is supported by a high level of discretionary spending. As part of the underwriting of such loans and consistent with industry practice, we may adjust our characterization of the earnings of such borrowers for a reduction or elimination of such discretionary expenses, if appropriate. As of September 30, 2016 and 2015, one stop loans included $128.4 million and $88.2 million, respectively, of late stage lending loans at fair value.

As of September 30, 2016, 2015 and 2014, we had debt and equity investments in 183, 164 and 145 portfolio companies, respectively, and investments in subordinated notes and LLC equity interests in SLF.

The weighted average income yield and weighted average investment income yield of our income producing debt investments, which represented nearly 100% of our debt investments, for the years ended September 30, 2016, 2015 and 2014 was as follows:

	For the years ended September 30,		
	2016	2015	2014
Weighted average income yield[1]	7.6 %	7.8 %	8.3 %
Weighted average investment income yield[2]	8.2 %	8.4 %	9.0 %

(1) Represents income from interest, including subordinated notes in SLF, and fees excluding amortization of capitalized fees and discounts divided by the average fair value of earning debt investments.

(2) Represents income from interest, including subordinated notes in SLF, fees and amortization of capitalized fees and discounts divided by the average fair value of earning debt investments.

Revenues: We generate revenue in the form of interest and fee income on debt investments and capital gains and distributions, if any, on portfolio company investments that we originate or acquire. Our debt investments, whether in the form of senior secured, one stop, second lien or subordinated loans, typically have a term of three to seven years and bear interest at a fixed or floating rate. In some instances, we receive payments on our debt investments based on scheduled amortization of the outstanding balances. In addition, we receive repayments of some of our debt investments prior to their scheduled maturity date. The frequency or volume of these repayments fluctuates significantly from period to period. Our portfolio activity also reflects the proceeds of sales of securities. In some cases, our investments provide for deferred interest payments or PIK interest. The principal amount of loans and any accrued but unpaid interest generally become due at the maturity date. In addition, we may generate revenue in the form of commitment,

origination, amendment, structuring or due diligence fees, fees for providing managerial assistance and consulting fees. Loan origination fees, original issue discount and market discount or premium are capitalized, and we accrete or amortize such amounts as interest income. We record prepayment premiums on loans as fee income. For additional details on revenues, see Critical Accounting Policies Revenue Recognition .

We recognize realized gains or losses on investments based on the difference between the net proceeds from the disposition and the cost basis of the investment or derivative instrument, without regard to unrealized gains or losses previously recognized. We record current period changes in fair value of investments and derivative instruments that are measured at fair value as a component of the net change in unrealized appreciation (depreciation) on investments in the consolidated statements of operations.

Expenses: Our primary operating expenses include the payment of fees to GC Advisors under the Investment Advisory Agreement and interest expense on our outstanding debt. We bear all other out-of-pocket costs and expenses of our operations and transactions, including:

- calculating our NAV (including the cost and expenses of any independent valuation firm);
- fees and expenses incurred by GC Advisors payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for us and in monitoring our investments and performing due diligence on our prospective portfolio companies or otherwise relating to, or associated with, evaluating and making investments, which fees and expenses may include, among other items, due diligence reports, appraisal reports, any studies that may be commissioned by GC Advisors and travel and lodging expenses;
- expenses related to unsuccessful portfolio acquisition efforts;
- offerings of our common stock and other securities;
- administration fees and expenses, if any, payable under the Administration Agreement (including payments based upon our allocable portion of the Administrator s overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of our chief compliance officer, chief financial officer and their respective staffs);
- fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments in portfolio companies, including costs associated with meeting financial sponsors;
- transfer agent, dividend agent and custodial fees and expenses;
- U.S. federal and state registration and franchise fees;
- all costs of registration and listing our shares on any securities exchange;
- U.S. federal, state and local taxes;
- independent directors fees and expenses;
- costs of preparing and filing reports or other documents required by the SEC or other regulators;
- costs of any reports, proxy statements or other notices to stockholders, including printing costs;
- costs associated with individual or group stockholders;
- costs associated with compliance under the Sarbanes-Oxley Act;
- our allocable portion of any fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs;
- proxy voting expenses; and
- all other expenses incurred by us or the Administrator in connection with administering our business.

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We expect our general and administrative expenses to be relatively stable or decline as a percentage of total assets during periods of asset growth and to increase during periods of asset declines.

GC Advisors, as collateral manager for the 2010 Issuer the 2010 Collateral Management Agreement, is entitled to receive an annual fee in an amount equal to 0.35% of the principal balance of the portfolio loans held by the 2010 Issuer at the beginning of the collection period relating to each payment date, which is payable in arrears on each payment date. Under the 2010 Collateral Management Agreement, the term collection period refers to a quarterly period running from the day after the end of the prior collection period to the fifth business day of the calendar month in which a payment date occurs.

GC Advisors, as collateral manager for the 2014 Issuer under the 2014 Collateral Management Agreement, is entitled to receive an annual fee in an amount equal to 0.25% of the principal balance of the portfolio loans held by the 2014 Issuer at the beginning of the collection period relating to each payment date, which is payable in arrears on each payment date. Under the 2014 Collateral Management Agreement, the term collection period refers to a quarterly period running from the day after the end of the prior collection period to the tenth business day prior to the payment date.

Collateral management fees are paid directly by the 2010 Issuer and the 2014 Issuer to GC Advisors and offset against the management fees payable under the Investment Advisory Agreement. In addition, the 2010 Issuer and 2014 Issuer paid Wells Fargo Securities, LLC structuring and placement fees for its services in connection with the initial structuring and the first amendment of the 2010 Debt Securitization and the initial structuring of the 2014 Debt Securitization, and the 2010 Issuer paid J.P. Morgan Securities Inc. certain fees in connection with two subsequent amendments to the 2010 Debt Securitization. The 2010 Issuer and 2014 Issuer also agreed to pay ongoing administrative expenses to the trustee, collateral manager, independent accountants, legal counsel, rating agencies and independent managers in connection with developing and maintaining reports, and providing required services in connection with the administration of the Debt Securitizations, as applicable.

We believe that these administrative expenses approximate the amount of ongoing fees and expenses that we would be required to pay in connection with a traditional secured credit facility. Our common stockholders indirectly bear all of these expenses. GC Advisors may also receive origination and other transaction fees from issuers, co-investors, or syndicatees in connection with the origination or acquisition of loans and post-closing loans syndications. These fees and other amounts are received directly by GC Advisors and have no impact on the expenses borne by our common stockholders, either directly or indirectly. In certain instances, GC Advisors may share a portion of such fees with accounts that it manages, and the sharing of such fees may differ among accounts managed by GC Advisors.

Recent Developments

On November 14, 2016, our board of directors declared a quarterly distribution of $0.32 per share and a special distribution of $0.25 per share both of which are payable on December 29, 2016 to holders of record as of December 12, 2016.

On October 20, 2016, the 2010 Issuer amended the 2010 Debt Securitization to, among other things, (a) refinance the issued Class A 2010 Notes by redeeming in full the $203.0 million of Class A 2010 Notes and issuing new Class A-Refi 2010 Notes in an aggregate principal amount of $205.0 million that bear interest at a rate of three-month LIBOR plus 1.90%, (b) refinance the Class B 2010 Notes by redeeming in full the $12.0 million of Class B 2010 Notes and issuing new Class B-Refi 2010 Notes in an aggregate principal amount of $10.0 million that bear interest at a rate of three-month LIBOR plus 2.40% and (c) extend the reinvestment period applicable to the 2010 Issuer to July

20, 2018. Following the refinancing, Holdings retained the Class B-Refi 2010 Notes, which will be eliminated from the consolidated statements of financial condition in consolidation.

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Consolidated Results of Operations

Consolidated operating results for the years ended September 30, 2016, 2015 and 2014 are as follows:

	For the years ended September 30,			Variances	
	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
	(In thousands)				
Interest income	$106,184	$103,404	$93,225	$2,780	$10,179
Income from accretion of discounts and origination fees	8,662	9,002	9,158	(340)	(156)
Interest income from subordinated notes of SLF	6,939	3,735	1,947	3,204	1,788
Dividend income	4,638	1,562	1,766	3,076	(204)
Fee income	1,448	2,265	3,430	(817)	(1,165)
Total investment income	127,871	119,968	109,526	7,903	10,442
Total expenses	62,558	60,971	52,991	1,587	7,980
Net investment income before excise tax	65,313	58,997	56,535	6,316	2,462
Excise tax	333			333	
Net investment income after excise tax	64,980	58,997	56,535	5,983	2,462
Net realized gain (loss) on investments	6,254	9,354	5,384	(3,100)	3,970
Net change in unrealized appreciation (depreciation) on investments, and secured borrowings	(2,030)	2,440	3,469	(4,470)	(1,029)
Net increase in net assets resulting from operations	$69,204	$70,791	$65,388	$(1,587)	$5,403
Average earning portfolio company investments, at fair value	$1,500,250	$1,404,556	$1,195,099	$95,694	$209,457
Average debt outstanding[1]	$826,366	$752,567	$587,624	$73,799	$164,943

(1) For the years ended September 30, 2016, 2015 and 2014, we have excluded $0.5 million, $0.4 million and $14.4 million, respectively, of secured borrowings, at fair value, which were the result of participations and partial loan sales that did not meet the definition of a participating interest , as defined in the guidance to ASC Topic 860 Transfers and Servicing, or ASC Topic 860.

Net income can vary substantially from period to period for various reasons, including the recognition of realized gains and losses and unrealized appreciation and depreciation. As a result, annual comparisons of net income may not be meaningful.

Investment Income

Investment income increased from the year ended September 30, 2015 to the year ended September 30, 2016 by $7.9 million primarily as a result of an increase in the average earning investment balance, which is the annual average balance of accruing loans in our investment portfolio, of $95.7 million and an increase in income from our investments in SLF of $6.0 million. These increases were partially offset by a decline in fee income of $0.8 million

that was primarily driven by a decrease in prepayment fees. Investment income increased from the year ended September 30, 2014 to the year ended September 30, 2015 by $10.4 million as a result of an increase in the average earning investment balance, of $209.5 million and an increase in interest income from subordinated notes of SLF of $1.8 million. These increases were partially offset by a decline in the weighted average investment income yield of 0.6%, which was driven primarily by interest rate compression on new investments, and a decline in fee income of $1.2 million that was primarily driven by a decrease in prepayment fees.

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The income yield by security type for the years ended September 30, 2016, 2015 and 2014 was as follows:

	For the years ended September 30,		
	2016	2015	2014
Senior secured	6.3 %	6.5 %	7.1 %
One stop	7.7 %	7.9 %	8.3 %
Second lien	9.9 %	9.5 %	11.7 %
Subordinated debt	5.2 %	8.1 %	10.1 %
Subordinated notes in SLF[1]	8.4 %	8.3 %	7.3 %

(1) SLF s proceeds from the subordinated notes were utilized by SLF to invest in senior secured loans.

Income yields on senior secured and one stop investments declined for each of the years ended September 30, 2016 and 2015 due to a continued general trend of interest rate compression on new investments. Due to the limited number of second lien and subordinated debt investments in our portfolio, income yields on second lien and subordinated debt investments can be significantly impacted by the addition, subtraction or refinancing of one investment. The increase in the annualized income yield on second lien investments was driven by a contractual rate change on one investment representing 34% of the $27.9 million, at fair value, of second lien investments held. As of September 30, 2016, we have three second lien investments and two subordinated debt investments as shown in the Consolidated Schedule of Investments.

Income yield on subordinated notes of SLF for the year ended September 30, 2016 as compared to the year ended September 30, 2015 remained relatively stable. The increase in the income yield on subordinated notes of SLF for the year ended September 30, 2015 as compared to the year ended September 30, 2014 is a result of the subordinated notes accruing interest at the rate of LIBOR plus 8.0% for the full year ended September 30, 2015 as compared to a partial year for the year ended September 30, 2014. In January 2014, the spread on the subordinated notes was increased to LIBOR plus 8.0% from LIBOR plus 4.0% subsequent to the closing of the SLF Credit Facility entered into by SLF II, which, as amended, allows SLF II to borrow up to $300.0 million, subject to leverage and borrowing base restrictions.

For additional details on investment yields and asset mix, refer to the Liquidity and Capital Resources Portfolio Composition, Investment Activity and Yield section below.

Expenses

The following table summarizes our expenses:

	For the years ended September 30,			Variances	
	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
	(In thousands)				
Interest and other debt financing expenses	$23,540	$ 20,004	$ 17,197	$3,536	$ 2,807
Amortization of debt issuance costs	4,184	4,506	3,030	(322)	1,476

Base management fee	22,020	20,330	17,053	1,690	3,277
Income Incentive Fee	6,022	7,489	10,032	(1,467)	(2,543)
Capital gain incentive fee accrued under GAAP	1,244	2,737	96	(1,493)	2,641
Professional fees	2,814	2,942	2,451	(128)	491
Administrative service fee	2,209	2,372	2,527	(163)	(155)
General and administrative expenses	525	591	605	(66)	(14)
Total expenses	$62,558	$60,971	$52,991	$1,587	$7,980

Interest and other debt financing expenses increased from the year ended September 30, 2015 to the year ended September 30, 2016 primarily due to an increase in the weighted average of outstanding borrowings from $752.6 million for the year ended September 30, 2015 to $826.4 million for the year ended September 30, 2016. The increase in our debt was primarily driven by an increase in our use of debt under

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our SBA debentures through our SBICs, which had outstanding balances of $277.0 million outstanding as of September 30, 2016 and $225.0 million as of September 30, 2015. The effective annual average interest rate on our outstanding debt increased slightly to 3.4% for the year ended September 30, 2016 from 3.3% for the year ended September 30, 2015 primarily due to an increase in LIBOR.

Interest and other debt financing expenses increased from the year ended September 30, 2014 to the year ended September 30, 2015 primarily due to an increase in the weighted average of outstanding borrowings from $587.6 million for the year ended September 30, 2014 to $752.6 million for the year ended September 30, 2015. The increase in our debt was driven by an increase in our use of debt under the Credit Facility Funding, a wholly-owned subsidiary of ours, to $127.3 million as of September 30, 2015 from an outstanding balance of $27.4 million as of September 30, 2014 as well as the increase in our use of debt under our SBA debentures through the SBICs; which had outstanding balances of $225.0 million outstanding as of September 30, 2015 and $208.8 million as of September 30, 2014.

Amortization of debt issuance costs declined modestly from the year ended September 30, 2015 to the year ended September 30, 2016 as initial debt issuance cost associated with 2010 Issuer fully amortized. Amortization of debt issuance costs increased by $1.5 million from the year ended September 30, 2014 to the year ended September 30, 2015 primarily due to a full year of amortization of the additional capitalized debt issuance costs associated with the 2014 Debt Securitization. The increase in amortization of debt issuance costs resulted in an increase in our effective annual average interest rate on our outstanding debt from 3.2% for the year ended September 30, 2014 to 3.3% for the year ended September 30, 2015.

The base management fee increased as a result of a sequential increase in average adjusted gross assets from 2014 to 2016. The administrative service fee decreased from the year ended September 30, 2015 to the year ended September 30, 2016 and from the year ended September 30, 2014 to the year ended September 30, 2015 due to efficiencies gained by the Administrator in servicing a growing portfolio.

The incentive fee payable under the Investment Advisory Agreement consists of two parts: (1) the Income Incentive Fee and (2) the Capital Gain Incentive Fee. The Income Incentive Fee decreased by $1.5 million from the year ended September 30, 2015 to the year ended September 30, 2016 and decreased by $2.5 million from the year ended September 30, 2014 to the year ended September 30, 2015 as the interest rate compression on new investments and the decline of second lien and subordinated debt investments in our portfolio caused a decline in our Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of our net assets. Due to this decline, we were not fully through the catch-up provision of the incentive fee calculation. For the year ended September 30, 2016, the Income Incentive Fee expense as a percentage of Pre-Incentive Fee Net Investment Income was 8.3% compared to 10.8% for the year ended September 30, 2015 and 15.0% for the year ended September 30, 2014.

The Capital Gain Incentive Fee payable as calculated under the Investment Advisory Agreement for each of the years ended September 30, 2016, 2015 and 2014 was $0. However, in accordance with GAAP, we are required to include the aggregate unrealized capital appreciation on investments in the calculation and accrue a capital gain incentive fee as if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee actually payable under the Investment Advisory Agreement. The accrual for capital gain incentive fee under GAAP was $1.2 million, or $0.03 per share, for the year ended September 30, 2016, $2.7 million, or $0.06 per share, for the year ended September 30, 2015 and $96,000, or less than $0.01 per share, for the year ended September 30, 2014. The decrease in accruals for a capital gain incentive fee under GAAP for the year ended September 30, 2016 from the year ended September 30, 2015 was primarily the result of unrealized depreciation of debt and equity investments. The increase in accruals for a capital gain incentive fee under GAAP for the year ended September 30, 2015 from the year ended September 30, 2014 was primarily the result of realized gains on the sale of equity investments and unrealized appreciation of debt and equity investments.

For additional details on the liquidation of equity investments, refer to the Net Realized and Unrealized Gains and Losses section below.

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The Administrator pays for certain expenses incurred by us. These expenses are subsequently reimbursed in cash. Total expenses reimbursed by us to the Administrator for the years ended September 30, 2016, 2015 and 2014 were $2.4 million, $1.0 million and $1.4 million, respectively.

As of September 30, 2016 and 2015, included in accounts payable and accrued expenses were $0.6 million and $0.6 million, respectively, for accrued expenses paid on behalf of us by the Administrator.

Excise Tax Expense

We have elected to be treated as a RIC under Subchapter M of the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. In order to be subject to tax as a RIC, we are required to meet certain source of income and asset diversification requirements, as well as timely distribute to to our stockholders at least 90% of investment company taxable income, as defined by the Code, and determined without regard to any deduction for dividends paid for each tax year. We have made and intend to continue to make the requisite distributions to our stockholders that will generally relieve us from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to retain taxable income in excess of current year distributions into the next tax year in an amount less than what would trigger payments of federal income tax under Subchapter M of the Code. We may then be required to pay a 4% excise tax on such income. To the extent that we determine that our estimated current year annual taxable income may exceed estimated current year distributions, we accrue excise tax, if any, on estimated excess taxable income as taxable income is earned. For the year ended September 30, 2016, we recorded a net expense of $333,000 for U.S. federal excise tax. For each of the years ended September 30, 2015 and 2014, we recorded no U.S. federal excise tax expense.

Net Realized and Unrealized Gains and Losses

The following table summarizes our net realized and unrealized gains (losses) for the periods presented:

	For the years ended September 30,			Variances	
	2016	2015	2014	2016 vs. 2015	2015 vs. 2014
	(In thousands)				
Net realized gain (loss) on investments	$6,254	$9,354	$5,384	$(3,100)	$3,970
Net realized gain (loss)	6,254	9,354	5,384	(3,100)	3,970
Unrealized appreciation on investments	32,943	26,469	24,748	6,474	1,721
Unrealized (depreciation) on investments	(31,411)	(23,258)	(21,221)	(8,153)	(2,037)
Unrealized appreciation on investments in SLF(1)			75		(75)
Unrealized (depreciation) on investments in SLF(1)	(3,562)	(773)	(254)	(2,789)	(519)
Unrealized appreciation on secured borrowings		2	126	(2)	(124)
Unrealized (depreciation) on secured borrowings			(5)		5
Net change in unrealized appreciation (depreciation) on investments, investments in	$(2,030)	$2,440	$3,469	$(4,470)	$(1,029)

SLF, and secured borrowings

(1) Unrealized appreciation and (depreciation) on investments in SLF include our investments in subordinated notes and LLC equity interests in SLF.

For the year ended September 30, 2016, we had $32.9 million in unrealized appreciation on 143 portfolio company investments, which was partially offset by $31.4 million in unrealized depreciation on 142 portfolio company investments. Unrealized appreciation during the year ended September 30, 2016 resulted from an increase in fair value primarily due to the rise in market prices of portfolio company investments and the reversal of prior period unrealized depreciation associated with the non-accrual portfolio company investments

that were sold and written-off. Unrealized depreciation primarily resulted from the amortization of discounts, negative credit related adjustments that caused a reduction in fair value and the reversal of the net unrealized appreciation associated with the sales of portfolio company investments.

For the year ended September 30, 2016, we had $3.6 million in unrealized depreciation on our investment in SLF LLC equity interests. Unrealized depreciation on the SLF LLC equity interests was driven by negative credit related adjustments associated with SLF s investment portfolio that was primarily driven by one portfolio company investment taken to non-accrual status.

We also had $6.3 million in net realized gains on investments during the year ended September 30, 2016, primarily due to the sale of, or capital gain distributions received from, several equity investments and the sale of debt investments to SLF that were partially offset by the realized loss on the sale of one non-accrual portfolio company investment and the write off of one non-accrual portfolio company investment.

For the year ended September 30, 2015, we had $26.5 million in unrealized appreciation on 130 portfolio company investments, which was partially offset by $23.3 million in unrealized depreciation on 133 portfolio company investments. Unrealized depreciation primarily resulted from the amortization of discounts and negative credit related adjustments that caused a reduction in fair value. Unrealized appreciation during the year ended September 30, 2015 resulted from an increase in fair value primarily due to the rise in market prices and a reversal of prior period unrealized depreciation.

For the year ended September 30, 2015, we had $0.8 million in unrealized depreciation on our investment in SLF LLC equity interests. Unrealized depreciation on the SLF LLC equity interests was driven by negative credit-related adjustments associated with SLF s investment portfolio.

We also had $9.4 million in net realized gains on investments during the year ended September 30, 2015, primarily as a result of the sale of several equity investments which were partially offset by realized losses on two non-accrual portfolio companies.

For the year ended September 30, 2014, we had $24.7 million in unrealized appreciation on 119 portfolio company investments, which was partially offset by $21.2 million in unrealized depreciation on 125 portfolio company investments. Unrealized depreciation primarily resulted from the amortization of discounts and negative credit related adjustments that caused a reduction in fair value. Unrealized appreciation during the year ended September 30, 2014 resulted from an increase in fair value primarily due to the rise in market prices and a reversal of prior period unrealized depreciation.

For the year ended September 30, 2014, we had $75,000 in unrealized appreciation on our investment in SLF subordinated notes, which was offset by $0.3 million in unrealized depreciation on our investment in SLF LLC equity interests. The unrealized appreciation was the result of the reversal of the prior period unrealized depreciation following the increase in the contractual rate on the subordinate notes to one-month LIBOR plus 8.0% subsequent to the closing of the SLF Credit Facility. Unrealized depreciation on the SLF LLC equity interests was driven by negative credit-related adjustments associated with SLF s investment portfolio as well as the offsetting impact of the pricing on the subordinated notes.

We also had $5.4 million in net realized gains on investments during the year ended September 30, 2014, primarily as a result of the sale of several equity investments which were partially offset by realized losses on the sale of one underperforming portfolio company and the write off of two non-accrual portfolio companies.

Liquidity and Capital Resources

For the year ended September 30, 2016, we experienced a net increase in cash and cash equivalents of $5.5 million. During the period, we used $56.1 million in operating activities, primarily as a result of fundings of portfolio investments of $654.8 million. This was partially offset by proceeds from principal payments and sales of portfolio investments of $538.6 million and net investment income of $65.0 million. During the same period, cash provided by investment activities of $13.4 million was driven by the decrease in restricted cash and cash equivalents. Lastly, cash provided by financing activities was $48.1 million, primarily due to net proceeds of an aggregate of $58.6 million from one equity offering and one private placement and borrowings on debt of $440.7 million, partially offset by repayments of debt of $389.2 million and distributions paid of $59.5 million.

For the year ended September 30, 2015, we experienced a net increase in cash and cash equivalents of $0.3 million. During the period we used $103.3 million in operating activities, primarily as a result of fundings of portfolio investments of $858.1 million. This was partially offset by proceeds from principal payments and sales of portfolio investments of $699.1 million and net investment income of $59.0 million. During the same period, cash used in investment activities of $17.2 million was driven by the increase in restricted cash and cash equivalents. Lastly, cash provided by financing activities was $120.8 million, primarily due to net proceeds of an aggregate of $67.6 million from one equity offering and borrowings on debt of $503.2 million, partially offset by repayments of debt of $387.1 million and distributions paid of $60.0 million.

For the year ended September 30, 2014, we experienced a net decrease in cash and cash equivalents of $11.2 million. During the period we used $255.6 million in operating activities, primarily as a result of fundings of portfolio investments of $878.6 million. This was partially offset by proceeds from principal payments and sales of portfolio investments of $573.2 million and net investment income of $56.5 million. During the same period, cash used in investment activities of $36.4 million was driven by the increase in restricted cash and cash equivalents. Lastly, cash provided by financing activities was $280.8 million, primarily due to net proceeds of an aggregate of $64.2 million from one equity offering and borrowings on debt of $826.0 million, partially offset by repayments of debt of $540.9 million and distributions paid of $55.0 million.

As of September 30, 2016 and 2015, we had cash and cash equivalents of $10.9 million and $5.5 million, respectively. In addition, we had restricted cash and cash equivalents of $78.6 million and $92.0 million as of September 30, 2016 and 2015, respectively. Cash and cash equivalents are available to fund new investments, pay operating expenses and pay distributions. As of September 30, 2016, $53.8 million of our restricted cash and cash equivalents could be used to fund new investments that meet the investment guidelines established in the Debt Securitizations, which are described in further detail in Note 7 to our consolidated financial statements, and for the payment of interest expense on the notes issued in the Debt Securitizations. $12.8 million of such restricted cash and cash equivalents could be used to fund investments that meet the guidelines under the Credit Facility as well as for the payment of interest expense and revolving debt of the Credit Facility. The remaining $12.0 million of restricted cash and cash equivalents could be used to fund new investments that meet the regulatory and investment guidelines established by the SBA for our SBICs, which are described in further detail in Note 7 to our consolidated financial statements, and for interest expense and fees on our outstanding SBA debentures.

As of September 30, 2016, the Credit Facility allowed Funding to borrow up to $200.0 million at any one time outstanding, subject to leverage and borrowing base restrictions. As of September 30, 2016 and 2015, subject to leverage and borrowing base restrictions, we had approximately $73.3 million and $72.7 million, respectively, of remaining commitments and $30.8 million and $40.1 million, respectively, of availability on the Credit Facility. As of September 30, 2016 and 2015, we had $126.7 million and $127.3 million outstanding under the Credit Facility, respectively. On June 22, 2016, we entered into an unsecured revolving credit facility with GC Advisors, the Adviser Revolver, which permitted us to borrow up to $20.0 million at any one time outstanding. As of September 30, 2016, we had no amounts outstanding on the Adviser Revolver which was not in existence as of September 30, 2015.

On October 21, 2015, the Company and Golub Capital BDC Revolver Funding LLC, or Revolver Funding, terminated the $15.0 million revolving line of credit that Revolver Funding entered into on November 22, 2013 with The PrivateBank and Trust Company, or the Revolver. There were no borrowings outstanding on the Revolver at the time of termination and Revolver Funding was released of all obligations under the Revolver, and all liens on the assets held by Revolver Funding collateralizing the Revolver were released. As of September 30, 2015, subject to leverage and borrowing base restrictions, we had approximately $15.0 million of remaining commitments and $2.9 million of availability on the Revolver.

On July 16, 2010, we completed the 2010 Debt Securitization, which was subsequently increased to $350 million. As of September 30, 2016 and 2015, the 2010 Notes, consisted of $203.0 million of Class A 2010 Notes, which bear interest at a rate of three-month LIBOR rate, plus 1.74%, $12.0 million of Class B 2010 Notes, which bear interest at a rate of three-month LIBOR plus 2.40%, and $135.0 million face amount

of Subordinated 2010 Notes that do not bear interest. The Class A and Class B 2010 Notes are included in the September 30, 2016 and 2015 consolidated statements of financial condition as our debt. The Subordinated 2010 Notes were eliminated in consolidation as of September 30, 2016 and 2015. As of September 30, 2016 and September 30, 2015, we had outstanding debt under the 2010 Debt Securitization of $215.0 million and $215.0 million, respectively.

On June 25, 2015, the 2010 Issuer amended the 2010 Debt Securitization to, among other things, (a) extend the reinvestment period two years to July 20, 2017, (b) make certain modifications for purposes of compliance with the loan securitization exclusion of the Volcker Rule and (c) modify the computation of the weighted average life test which relates to the loans securing the 2010 Debt Securitization.

On October 20, 2016, the 2010 Issuer amended the 2010 Debt Securitization to, among other things, (a) refinance the issued Class A 2010 Notes by redeeming in full the $203.0 million of Class A 2010 Notes and issuing new Class A-Refi 2010 Notes in an aggregate principal amount of $205.0 million that bear interest at a rate of three-month LIBOR plus 1.90%, (b) refinance the Class B 2010 Notes by redeeming in full the $12.0 million of Class B 2010 Notes and issuing new Class B-Refi 2010 Notes in an aggregate principal amount of $10.0 million that bear interest at a rate of three-month LIBOR plus 2.40%, and (c) extend the reinvestment period applicable to the 2010 Issuer to July 20, 2018. Following the refinancing, Holdings retained the Class B-Refi 2010 Notes, which will be eliminated from the consolidated statements of financial condition in consolidation.

On June 5, 2014, we completed the 2014 Debt Securitization in which the 2014 Issuer issued an aggregate of $402.6 million of 2014 Notes, including $191.0 million of Class A-1 2014 Notes, which bear interest at a rate of three-month LIBOR plus 1.75%, $20.0 million of Class A-2 2014 Notes, which bear interest at a rate of three-month LIBOR plus 1.95%, $35.0 million of Class B 2014 Notes, which bear interest at a rate of three-month LIBOR plus 2.50%, $37.5 million of Class C 2014 Notes, which bear interest at a rate of three-month LIBOR plus 3.50%, and $119.1 million of LLC equity interests in the 2014 Issuer that do not bear interest. We retained all of the Class C 2014 Notes and LLC equity interests in the 2014 Issuer totaling $37.5 million and $119.1 million, respectively. The Class A-1, Class A-2 and Class B 2014 Notes are included in the September 30, 2016 and 2015 consolidated statements of financial condition as our debt and the Class C 2014 Notes and LLC equity interests in the 2014 issuer were eliminated in consolidation. As of September 30, 2016 and 2015, we had outstanding debt under the 2014 Debt Securitization of $246.0 million, respectively.

Under present SBIC regulations, the maximum amount of SBA-guaranteed debentures that may be issued by multiple licensees under common management is $350.0 million. The maximum amount that a single SBIC licensee may issue is $150.0 million. On February 11, 2016, the SBA approved the application of GC SBIC V, L.P., or SBIC V, for an additional $75.0 million of debenture commitments bringing SBIC V s total debenture commitments up to $150.0 million. GC SBIC IV, L.P., or SBIC IV, and SBIC V, our consolidated SBIC subsidiaries, may each borrow up to two times the amount of its regulatory capital, subject to customary regulatory requirements. As of September 30, 2016, SBIC IV and SBIC V had $150.0 million and $127.0 million of outstanding SBA-guaranteed debentures, respectively, that mature between March 2021 and September 2026, leaving incremental borrowing capacity of $23.0 million for SBIC V under present SBIC regulations. As of September 30, 2015, SBIC IV and SBIC V had $150.0 million and $75.0 million of outstanding SBA-guaranteed debentures, respectively.

On March 18, 2014, we priced a public offering of 3,500,000 shares of our common stock at a public offering price of $18.05 per share raising approximately $63.2 million in gross proceeds. On March 21, 2014, the transaction closed, the shares were issued, and proceeds, net of underwriting discounts and commissions but before expenses, of $61.3 million were received. On April 23, 2014, we sold an additional 166,855 shares of our common stock at a public offering price of $18.05 per share pursuant to the underwriters partial exercise of the option to purchase additional

shares granted in connection with the public offering in March 2014.

In August 2016, our board of directors reapproved a share repurchase program, or the Program, which allows us to repurchase up to $50.0 million of our outstanding common stock on the open market at prices below the NAV per share as reported in our then most recently published consolidated financial statements.

The Program may be implemented at the discretion of management. The shares may be purchased from time to time at prevailing market prices, through open market transactions, including block transactions. We did not make any repurchases of our common stock during the years ended September 30, 2016, 2015 and 2014.

On April 10, 2015, we priced a public offering of 3,500,000 shares of our common stock at a public offering price of $17.42 per share, raising approximately $60.1 million in gross proceeds. On April 15, 2015, the transaction closed, the shares were issued, and proceeds, net of underwriting discounts and commissions but before expenses, of $59.1 million were received. On May 7, 2015, we sold an additional 502,292 shares of our common stock at a public offering price of $17.42 per share pursuant to the underwriters partial exercise of the option to purchase additional shares granted in connection with the public offering in April 2015.

On July 18, 2016, we entered into a securities purchase agreement with a third party institutional investor for the sale of 1,433,486 shares of our common stock at a price per share of $17.44 per share. On July 21, 2016, the transaction closed, the shares were issued and proceeds of $25.0 million were received.

On August 15, 2016, we priced a public offering of 1,750,000 shares of our common stock at a public offering price of $18.35 per share, raising approximately $32.1 million in gross proceeds. On August 19, 2016, the transaction closed, the shares were issued and proceeds, net of underwriting discounts and commissions but before expenses, of $31.1 million were received. On September 19, 2016, we sold an additional 136,970 shares of our common stock at a public offering price of $18.35 per share pursuant to the underwriters partial exercise of the option granted in connection with the public offering in August 2016.

In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. On September 13, 2011, we received exemptive relief from the SEC allowing us to modify the asset coverage requirement to exclude the SBA debentures from this calculation. As such, our ratio of total consolidated assets to outstanding indebtedness may be less than 200%. This provides us with increased investment flexibility but also increases our risks related to leverage. As of September 30, 2016, our asset coverage for borrowed amounts was 248.8% (excluding the SBA debentures).

As of September 30, 2016 and September 30, 2015, we had outstanding commitments to fund investments, excluding our investments in SLF, totaling $81.4 million and $121.5 million, respectively. These amounts may or may not be funded to the borrowing party now or in the future. The unfunded commitments relate to loans with various maturity dates, but the entire amount was eligible for funding to the borrowers as of September 30, 2016 and 2015, respectively, subject to the terms of each loan s respective credit agreement. As of September 30, 2016, we believe that we had sufficient assets and liquidity to adequately cover future obligations under our unfunded commitments based on historical rates of drawings upon unfunded commitments, cash and restricted cash balances that we maintain, availability under our Credit Facility and Adviser Revolver, and ongoing principal repayments on debt investments. In addition, we generally hold some syndicated loans in larger portfolio companies that are salable over a relatively short period to generate cash.

Although we expect to fund the growth of our investment portfolio through the net proceeds from future securities offerings and through our dividend reinvestment plan as well as future borrowings, to the extent permitted by the 1940 Act, we cannot assure you that our efforts to raise capital will be successful. In addition to capital not being available, it also may not be available on favorable terms. To the extent we are not able to raise capital on what we believe are favorable terms, we will focus on optimizing returns by investing capital generated from repayments into new investments we believe are attractive from a risk/reward perspective. Furthermore, to the extent we are not able to raise capital and are at or near our targeted leverage ratios, we may receive smaller allocations, if any, on new investment opportunities under GC Advisors allocation policy and have, in the past, received such smaller allocations

under similar circumstances.

Debt Securitizations

In the 2010 Debt Securitization, completed on July 16, 2010 and subsequently increased on February 15, 2013, the 2010 Issuer issued an aggregate of $350.0 million of 2010 Notes, including $203.0 million of Class A 2010 Notes and $12.0 million of Class B 2010 Notes that were secured by the assets of the 2010 Issuer. On October 20, 2016, the 2010 Issuer amended the 2010 Debt Securitization to, among other things, (a) refinance the issued Class A 2010 Notes by redeeming in full the $203.0 million of Class A 2010 Notes and issuing new

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Class A-Refi 2010 Notes in an aggregate principal amount of $205.0 million, (b) refinance the Class B 2010 Notes by redeeming in full the $12.0 million of Class B 2010 Notes and issuing new Class B-Refi 2010 Notes in an aggregate principal amount of $10.0 million and (c) extend the reinvestment period applicable to the 2010 Issuer to July 20, 2018. We structured the initial transactions and the first amendment of the 2010 Debt Securitization with the assistance of Wells Fargo Securities, LLC, for which Wells Fargo Securities, LLC received structuring and placement fees. J.P. Morgan Securities Inc. received certain fees in connection with two subsequent amendments to the 2010 Debt Securitization. The 2010 Debt Securitization was initially executed through a private placement of notes to institutional investors. As discussed below, in accordance with ASC Topic 860, we consolidate the 2010 Issuer in our financial statements and treat the 2010 Debt Securitization as a secured borrowing. The Class A and Class B 2010 Notes are included in September 30, 2016 and 2015 consolidated statements of financial condition as our debt. Following the October 20, 2016 refinancing, in which Holdings retained the Class B-Refi 2010 Notes, the Class B-Refi 2010 Notes will be eliminated from the consolidated statements of financial condition in consolidation.

On June 5, 2014, we completed the 2014 Debt Securitization. As part of the 2014 Debt Securitization, we issued an aggregate of $402.6 million of notes that are secured by a diversified portfolio of senior secured and second lien loans held by the 2014 Issuer. The 2014 Debt Securitization was executed through a private placement of $191.0 million of Class A-1 2014 Notes which bear interest at three-month LIBOR plus 1.75%, $20.0 million of Class A-2 2014 Notes which bear interest at a rate of three-month LIBOR plus 1.45% through December 4, 2015 and three-month LIBOR plus 1.95% thereafter and $35.0 million of Class B 2014 Notes which bear interest at a rate of three-month LIBOR plus 2.50%. The $37.5 million face amount of Class C 2014 Notes bear interest at a rate of three-month LIBOR plus 3.50%, and the LLC equity interests do not bear interest. In partial consideration for the loans transferred to the 2014 Issuer as part of the 2014 Debt Securitization, we received $119.1 million of LLC equity interests in the 2014 Issuer. We retained all of the Class C 2014 Notes and LLC equity interests totaling $37.5 million and $119.1 million, respectively. As discussed below, in accordance with ASC Topic 860, we consolidate the 2014 Issuer in our financial statements and treat the 2014 Debt Securitization as a secured borrowing. The Class A-1, Class A-2 and Class B 2014 Notes are included in the September 30, 2016 and 2015 consolidated statements of financial condition as our debt.

In accordance with ASC Topic 860, we are required to consolidate the special purpose vehicle used in an asset-backed securitization and treat the transaction as a secured borrowing. GC Advisors is our investment adviser and also the collateral manager for each of the Securitization Issuers, which results in the continued involvement of us in the business of the Securitization Issuers. In addition, the investments of each of the Securitization Issuers constitute a substantial percentage of our total assets. As a result of this continued involvement and the fact that the respective investments of the Securitization Issuers constitute a substantial percentage of our assets, we consolidate the financial statements of the 2010 Issuer and the 2014 Issuer.

An important aspect of a debt securitization transaction is that the purchaser of the notes must become comfortable through their due diligence investigation that the sale and/or contribution of income producing assets into a special purpose entity would be considered a true sale and/or contribution or, in other words, that as a result of such sale and/or contribution, the originator no longer owns the income producing assets. This structure seeks to reduce risk to noteholders by insulating them from the credit and bankruptcy risks faced by the originator. The structure of any debt securitization is in large part intended to prevent, in the event of a bankruptcy, the consolidation in the originator s bankruptcy case of the special purpose entity with the operations of the originator, based on equitable principles, and the noteholders must become comfortable with this analysis. As a result of this structure, debt securitization transactions frequently achieve lower overall borrowing costs than would be achieved if the borrowing had been structured as a traditional secured lending transaction.

In a typical sale transaction, the purchaser exchanges an asset for cash or some other asset, whereas in a contribution transaction, the contributor typically exchanges an asset for securities issued by the purchaser. For example, in the

2010 Debt Securitization, we transferred the portfolio loans that comprise the collateral to Holdings in a transaction that was a partial sale and a partial capital contribution. Holdings then transferred these same portfolio loans to the 2010 Issuer in a transfer that was also a partial sale and a partial capital contribution. To the extent that we received cash proceeds from Holdings in consideration for the portfolio loans transferred to Holdings, such portion of the transfer constituted a sale. To the extent that Holdings

received cash proceeds and certain 2010 Notes in consideration for the portfolio loans transferred by it to the 2010 Issuer, such portion of the transfer also constituted a sale. By contrast, to the extent that we received cash proceeds from Holdings equal to or less than the fair value of the portfolio loans transferred by us to Holdings, the difference between the fair value of such portfolio loans and the cash we received from Holdings was deemed to be a contribution to the capital of Holdings pursuant to the terms of the master loan sale agreement. Likewise, to the extent that the cash proceeds and certain 2010 Notes received by Holdings from the 2010 Issuer was less than the fair value of the portfolio loans initially transferred from Holdings to the 2010 Issuer, such portion of the transfer was deemed to be a contribution to the capital of the 2010 Issuer by Holdings pursuant to the terms of such master loan sale agreement. In these transactions, there were no material differences between selling and/or contributing loans or participations, viewed from the perspective of the 2010 Issuer s ownership interests therein, as all of the ownership interests in such loans and participations were transferred to, and are now owned by, the 2010 Issuer under the terms of the master loan sale agreement, irrespective of whether such loans or participations were sold or contributed from us to Holdings and from Holdings to the 2010 Issuer.

GC Advisors, as collateral manager for the 2010 Issuer and the 2014 Issuer, selected the senior secured and second lien loans (or participations therein) that were transferred to the 2010 Issuer and the 2014 Issuer, respectively. The senior secured and second lien loans (or participations therein) were selected in accordance with the criteria set forth in the documents governing the Debt Securitizations, which are primarily objective requirements determined by the constraints of the market for collateralized debt obligations, and are generally designed to comply with regulations governing commercial lending and similar financing activities in the United States and, in the case of the 2010 Debt Securitization, the requirements of Rule 3a-7 under the 1940 Act.

The Subordinated 2010 Notes are limited recourse, unsecured obligations of the 2010 Issuer payable solely from payments made under the portfolio loans and other assets held by the 2010 Issuer and, in the event of a portfolio loan event of default, from the proceeds of any liquidation of the collateral underlying such portfolio loans. Additionally, for as long as the Class A-Refi 2010 Notes and Class B-Refi 2010 Notes remain outstanding, holders of the Subordinated 2010 Notes will not generally be entitled to exercise remedies under the indenture. As an unsecured class of notes, the interests and rights of holders of the Subordinated 2010 Notes in and to the portfolio loans and other assets owned by the 2010 Issuer are subject to the prior claims of secured creditors of the 2010 Issuer and are potentially subject to or will rank equally with the claims of other unsecured creditors of the 2010 Issuer.

The Class B-Refi 2010 Notes are subordinated in right of payment on each payment date to prior payments on the Class A-Refi 2010 Notes and to certain amounts payable by the 2010 Issuer as administrative expenses. The Subordinated 2010 Notes are subordinated in right of payment on each payment date to payments on the Class A-Refi 2010 Notes and the Class B-Refi 2010 Notes as well as to certain amounts payable by the 2010 Issuer as administrative expenses and to the claims of other unsecured creditors of the 2010 Issuer.

The 2010 Issuer may only make payments on such securities to the extent permitted by the payment priority provisions of the indenture governing the notes, which generally provides that principal payments on the Class B-Refi 2010 Notes and the Subordinated 2010 Notes may not be made on any payment date unless all amounts owing under the Class A-Refi 2010 Notes are paid in full. In addition, if the 2010 Issuer does not meet the asset coverage tests or the interest coverage test set forth in the documents governing the 2010 Debt Securitization, cash would be diverted from the Class B-Refi 2010 Notes and the Subordinated 2010 Notes to first pay the Class A-Refi Notes in amounts sufficient to cause such tests to be satisfied. In addition, no payments may be made on the membership interests in any period until all required payments in respect of the Class A-Refi 2010 Notes, the Class B-Refi 2010 Notes and Subordinated 2010 Notes have been paid in full. Therefore, to the extent that any losses are suffered by noteholders as a result of losses on the portfolio loans and other assets owned by the 2010 Issuer, such losses will be borne in the first instance by the holders of the membership interests, then by the Subordinated 2010 Notes, then by the holders of the

Class B-Refi 2010 Notes and lastly by the holders of the Class A 2010 Notes.

We believe that the Debt Securitizations benefit from internal credit enhancement, meaning that holders of more senior classes of notes issued by the 2010 Issuer and the 2014 Issuer benefit from the terms

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of subordination applicable to the more junior classes of notes issued by the 2010 Issuer and the 2014 Issuer, respectively. Thus, in the case of the 2010 Debt Securitization, the Class A-Refi 2010 Notes enjoy the benefit of credit enhancement effectively provided by the subordination provisions of the Class B-Refi 2010 Notes and the Subordinated 2010 Notes. Likewise, the Class B-Refi 2010 Notes enjoy the benefit of credit enhancement effectively provided by the subordination provisions of the Subordinated 2010 Notes.

The documents governing the Debt Securitizations expressly provide that we and our subsidiaries (other than the 2010 Issuer or the 2014 Issuer, as applicable) are not, and cannot be held, liable for any shortfall in payments or any defaults on any of the classes of notes issued by the 2010 Issuer or the 2014 Issuer in connection with the Debt Securitizations because such obligations are the obligations of the 2010 Issuer or the 2014 Issuer only, and the sole recourse for such obligations is to the collateral owned by the 2010 Issuer or the 2014 Issuer rather than our assets or the assets of Holdings.

Under the terms of the documents related to the Debt Securitizations, recourse to us and to Holdings (in the case of the 2010 Debt Securitization) is limited and generally consistent with the terms of other similarly structured finance transactions. For example, under the master loan sale agreement with respect to the 2010 Debt Securitization, (1) we sold and/or contributed to Holdings all of our ownership interest in certain of our portfolio loans and participations for the purchase price and other consideration set forth in the master loan sale agreement, and (2) Holdings, in turn, sold and/or contributed to the 2010 Issuer all of its ownership interest in such portfolio loans and participations for the purchase price and other consideration set forth in the master loan sale agreement. These transfers were structured by their terms to provide limited recourse to us by the 2010 Issuer relating to certain representations and warranties with respect to certain characteristics including title and quality of the portfolio loans that were transferred to the 2010 Issuer. If we breached these representations and warranties and such breach materially and adversely affected the value of the portfolio loans or the interests of holders of notes issued by the 2010 Issuer, then we could be required, within 30 days of notice or our knowledge of such breach, to (a) cure such breach in all material respects, (b) repurchase the portfolio loan or loans subject to such breach or (c) remove the portfolio loan or loans subject to such breach from the pool of loans and other assets held by the 2010 Issuer and substitute a portfolio loan or loans that meet the requirements of the 2010 Debt Securitization documents. This repurchase and substitution obligation of us constitutes the sole remedy available against us for any breach of a representation or warranty related to the portfolio loans transferred to the 2010 Issuer.

A collateral management agreement is an agreement entered into between an adviser and a debt securitization vehicle or similar issuer and sets forth the terms and conditions pursuant to which the adviser will provide advisory and/or management services with respect to the client s securities portfolio. Under the collateral management agreements between GC Advisors and the 2010 Issuer and the 2014 Issuer, GC Advisors duties include (1) selecting portfolio loans to be acquired and selecting the portfolio loans to be sold or otherwise disposed of by the 2010 Issuer and the 2014 Issuer, (2) reinvesting in other portfolio loans, where appropriate, (3) instructing the trustee with respect to any acquisition, disposition or tender of, or offer with respect to, a portfolio loan or other assets received in the open market or otherwise by the 2010 Issuer and the 2014 Issuer and (4) performing all other tasks, and taking all other actions, that are specified in, or not inconsistent with, the duties of the collateral manager. GC Advisors, in its role as collateral manager, is the party responsible for enforcing payment obligations on portfolio loans of the 2010 Issuer and the 2014 Issuer as well as exercising rights to vote on amendments to and waivers of provisions in the credit agreements of portfolio companies.

The Debt Securitizations provide a number of benefits to us, most notably an ability on our part to finance new portfolio loans acquired by the 2010 Issuer and the 2014 Issuer at an attractive cost.

We have no direct ability to enforce the payment obligations on portfolio loans held by the 2010 Issuer and the 2014 Issuer as part of the Debt Securitizations. The contribution of loans and participations did not constitute a realization event under the Investment Advisory Agreement, and no incentive fee was earned as a result of the Debt Securitizations.

A portion of the proceeds from the Debt Securitizations were used to originate and acquire additional portfolio loans. Such additional portfolio loans are held by us directly or sold and/or contributed into one of our subsidiaries, which enabled us to borrow additional amounts in securitization or other structures using such

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portfolio loans as collateral. We believe that the Debt Securitizations enable us to deploy our capital efficiently and to increase our capacity to provide financing for small to medium-sized businesses in our target market.

The Class B-Refi 2010 Notes may be transferred to: (1) qualified institutional buyers, as that term is defined in Rule 144A under the Securities Act, who are also qualified purchasers as that term is defined in Section 2(a)(51) of the 1940 Act; (2) to a limited number of other institutional accredited investors within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act, who are also qualified purchasers; and (3) outside of the United States to qualified purchasers in compliance with Regulation S under the Securities Act. The Subordinated 2010 Notes may be transferred only to persons or entities that are either (x) qualified institutional buyers or (y) institutional accredited investors and, in either case, are qualified purchasers. By their terms, the Subordinated 2010 Notes may only be owned by U.S. persons. No Subordinated 2010 Note (or interests in such notes) may be acquired or owned by any person that is classified for U.S. federal income tax purposes as a disregarded entity (unless the beneficial owner of such person is a corporation that is not a subchapter S corporation or otherwise taxable as a corporation), partnership, subchapter S corporation or grantor trust unless such person obtains a legal opinion to the effect that such acquisition or ownership will not cause the 2010 Issuer to be treated as a publicly traded partnership taxable as a corporation.

Membership interests in the 2010 Issuer may be transferred only with the written consent of the designated manager of the 2010 Issuer, which is us. Even with such consent, such membership interests may not be transferred unless, simultaneously with the transfer of such membership interests: (1) a proportionate amount of the Subordinated 2010 Notes are transferred so that the ratio of the percentage interest of the Subordinated 2010 Notes so transferred to all Subordinated 2010 Notes and the ratio of the percentage interest of the membership interests so transferred to all membership interests are equal, (2) the transfers of membership interests and the Subordinated 2010 Notes referred to in this paragraph are made to the same person or entity, and (3) the percentage interest of the membership interests and the Subordinated 2010 Notes, respectively, so transferred is no less than ten percent. The membership interests and the Subordinated 2010 Notes must at all times be held in such proportion that the ratio set forth in clause (1) is always met.

As of September 30, 2016 and 2015, the 2010 Issuer held investments in 77 and 78 portfolio companies with a total fair value of $319.3 million and $310.6 million, respectively. The pool of loans in the 2010 Debt Securitization must meet certain requirements, including asset mix and concentration, collateral coverage, term, agency rating, minimum coupon, minimum spread and sector diversity requirements.

As of September 30, 2016 and 2015, the 2014 Issuer held investments in 79 and 71 portfolio companies with a total fair value of $391.9 million and $382.1 million, respectively. The pool of loans in the 2014 Debt Securitization must meet certain requirements, including asset mix and concentration, collateral coverage, term, agency rating, minimum coupon, minimum spread and sector diversity requirements.

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SBIC Licenses

On August 24, 2010, SBIC IV received approval for a license from the SBA to operate as an SBIC. On December 5, 2012, SBIC V received a license from the SBA to operate as an SBIC. As our wholly-owned subsidiaries, SBIC IV and SBIC V may rely on an exclusion from the definition of investment company under the 1940 Act and do not elect to be regulated as business development companies under the 1940 Act. SBIC IV and SBIC V have an investment objective substantially similar to ours and make similar types of investments in accordance with SBIC regulations. As SBICs, SBIC IV and SBIC V are subject to a variety of regulations and oversight by the SBA concerning the size and nature of the companies in which they may invest as well as the structures of those investments.

Prior to SBIC IV and SBIC V obtaining approval from the SBA, Golub Capital managed two SBICs licensed by the SBA for more than 14 years. The SBIC licenses allow our SBICs to incur leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment and certain approvals by the SBA and customary procedures. These debentures are non-recourse to us, have interest payable semi-annually and a ten-year maturity. The interest rate is fixed at the time of issuance at a market-driven spread over U.S. Treasury Notes with ten-year maturities and is generally lower than rates on comparable bank and other debt. Under the regulations applicable to SBICs, an SBIC may have outstanding debentures guaranteed by the SBA generally in an amount of up to twice its regulatory capital, which generally equates to the amount of its equity capital. SBIC IV and SBIC V are subject to regulation and oversight by the SBA, including requirements with respect to maintaining certain minimum financial ratios and other covenants.

As of September 30 2016, the maximum amount of SBA-guaranteed debentures that may be issued by multiple licensees under common management is $350.0 million, and the maximum amount that may be issued by a single SBIC licensee is $150.0 million. SBIC IV and SBIC V may each borrow up to two times the amount of its regulatory capital, subject to customary regulatory requirements. As of September 30, 2016, SBIC IV and SBIC V had $150.0 million and $127.0 million of outstanding SBA-guaranteed debentures, respectively that mature between March 2021 and September 2026.

On September 13, 2011, we received exemptive relief from the SEC allowing us to modify the asset coverage requirement under the 1940 Act to exclude SBA debentures from this calculation. As such, our ratio of total consolidated assets to outstanding indebtedness may be less than 200%. This provides us with increased investment flexibility, but also increases our risks related to leverage.

Revolving Credit Facility

As of September 30, 2016, the Credit Facility allowed Funding to borrow up to $200.0 million at any one time outstanding.

The period through July 29, 2017 is referred to as the reinvestment period. All amounts outstanding under the Credit Facility are required to be repaid by July 30, 2020. Through the reinvestment period, the Credit Facility bears interest at one-month LIBOR plus 2.25% per annum. After the reinvestment period, the rate will reset to LIBOR plus 2.75% per annum for the remaining term of the Credit Facility. In addition to the stated interest expense on the Credit Facility, we are required to pay a fee of 0.50% per annum on any unused portion of the Credit Facility up to $80.0 million and 2.00% on any unused portion in excess of $80.0 million. The Credit Facility is secured by all of the assets held by Funding, and we have pledged our interests in Funding as collateral to Wells Fargo Bank, N.A., as the collateral agent, under an ancillary agreement to secure our obligations as the transferor and servicer under the Credit Facility. Both we and Funding have made customary representations and warranties and are required to comply with

various covenants, reporting requirements and other customary requirements for similar credit facilities. Borrowing under the Credit Facility is subject to the leverage restrictions contained in the 1940 Act.

As of September 30, 2016 and 2015, we had outstanding debt under the Credit Facility of $126.7 million and $127.3 million, respectively. As of September 30, 2016 and 2015, subject to leverage and borrowing base restrictions, we had approximately $73.3 million and $72.7 million, respectively, of remaining commitments and $30.8 million and $40.1 million, respectively, of availability on the Credit Facility.

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We plan to transfer certain loans and debt securities we have originated or acquired from time to time to Funding through a purchase and sale agreement and may cause Funding to originate or acquire loans in the future, consistent with our investment objectives.

Portfolio Composition, Investment Activity and Yield

As of September 30, 2016 and 2015, we had investments in 183 and 164 portfolio companies, respectively, with a total fair value of $1,556.4 million and $1,430.9 million, respectively, and had investments in subordinated notes and LLC equity interests in SLF with a total fair value of $104.2 million and $98.9 million, respectively. The following table shows the asset mix of our new investment commitments for the years ended September 30, 2016, 2015 and 2014:

	Years ended September 30,					
	2016		2015		2014	
	(In thousands)	Percentage of Commitments	(In thousands)	Percentage of Commitments	(In thousands)	Percentage of Commitments
Senior secured	$124,392	19.0 %	$225,442	24.4 %	$125,564	13.0 %
One stop	505,058	76.9	626,459	67.6	743,174	76.9
Subordinated debt	42	*				
Second lien		0.0			39,413	4.1
Subordinated notes of SLF[(1)]	9,620	1.5	50,974	5.5	34,658	3.6
LLC equity interests of SLF[(1)]	10,820	1.6	13,904	1.5	10,039	1.0
Equity securities	6,528	1.0	9,494	1.0	13,631	1.4
Total new investment commitments	$656,460	100.0 %	$926,273	100.0 %	$966,479	100.0 %

* Represents an amount less than 0.1%.

(1) SLF s proceeds from the subordinated notes and LLC equity interests were utilized by SLF to invest in senior secured loans. As of September 30, 2016, SLF had investments in senior secured loans to 62 different borrowers.

The following table summarizes portfolio composition and investment activity as of and for the years ended September 30, 2016, 2015 and 2014:

	As of and for the years ended September 30,		
	2016	2015	2014
	(In thousands)		
Investments, at fair value	$1,556,384	$1,430,848	$1,312,781
Number of portfolio companies (at period end)[(1)]	183	164	145
Investment in SLF, at fair value[(2)]	$104,228	$98,936	$34,831
New investment fundings	$654,763	$858,147	$878,635
Principal payments and sales of portfolio investments	$538,609	$699,075	$573,201

(1) Excludes our investments in SLF.

(2) The investment in SLF includes the Company s investments in both subordinated notes and LLC equity interests in SLF.

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The following table shows the par, amortized cost and fair value of our portfolio of investments by asset class:

	As of September 30, 2016(1)			As of September 30, 2015(2)		
	Par	Amortized Cost	Fair Value	Par	Amortized Cost	Fair Value
	(In thousands)					
Senior secured:						
Performing	$163,380	$161,536	$162,693	$199,573	$197,189	$197,329
Non-accrual(2)	1,438	1,433	156			
One stop:						
Performing	1,317,595	1,299,211	1,303,297	1,135,805	1,120,576	1,127,735
Non-accrual(2)	3,899	3,845	1,170	17,645	17,078	6,487
Second lien:						
Performing	27,909	27,579	27,909	39,924	39,464	39,774
Non-accrual(2)						
Subordinated debt:						
Performing	1,750	1,750	1,427	1,707	1,707	1,715
Non-accrual(2)						
Subordinated notes of SLF(3)						
Performing	77,301	77,301	77,301	76,563	76,563	76,563
Non-accrual(2)						
LLC equity interests of SLF(3)	N/A	31,339	26,927	N/A	23,222	22,373
Equity	N/A	46,179	59,732	N/A	41,515	57,808
Total	$1,593,272	$1,650,173	$1,660,612	$1,471,217	$1,517,314	$1,529,784

(1) Fourteen and nine of our loans included a feature permitting a portion of the interest due on such loan to be PIK interest as of September 30, 2016 and 2015, respectively.

(2) We refer to a loan as non-accrual when we cease recognizing interest income on the loan because we have stopped pursuing repayment of the loan or, in certain circumstances, it is past due 90 days or more on principal and interest or our management has reasonable doubt that principal or interest will be collected. See Critical Accounting Policies Revenue Recognition.

(3) SLF s proceeds from the subordinated notes and LLC equity interest in SLF were utilized by SLF to invest in senior secured loans.

As of September 30, 2016 and 2015, the fair value of our debt investments, including our investment in SLF subordinated notes, as a percentage of the outstanding par value was 98.8% and 98.5%, respectively.

The following table shows the weighted average rate, spread over LIBOR of floating rate, and fees of investments originated and the weighted average rate of sales and payoffs of portfolio companies during the years ended September 30, 2016, 2015 and 2014:

	For the years ended September 30,		
	2016	2015	2014
Weighted average rate of new investment fundings(1)	7.2 %	6.7 %	7.1 %

Weighted average spread over LIBOR of new floating rate investment fundings[1]	6.2 %	5.7 %	6.0 %
Weighted average rate of new fixed rate investment fundings	10.7%	10.8%	N/A
Weighted average fees of new investment fundings	1.9 %	1.5 %	1.2 %
Weighted average rate of sales and payoffs of portfolio investments[2]	7.0 %	6.8 %	7.9 %
Weighted average income yield[3]	7.6 %	7.8 %	8.3 %

(1) Excludes subordinated note investments in SLF.

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(2) Excludes exits on investments on non-accrual status.

(3) Represents income from interest, including subordinated note investment in SLF, and fees excluding amortization of capitalized fees and discounts divided by the average fair value of earning debt investments.

As of September 30, 2016, 93.3% and 93.6% of our debt portfolio at fair value and at amortized cost, respectively, had interest rate floors that limit the minimum applicable interest rates on such loans. As of September 30, 2015, 94.2% and 94.1% of our debt portfolio at fair value and at amortized cost, respectively, had interest rate floors that limit the minimum applicable interest rates on such loans.

As of September 30, 2016 and 2015, the portfolio median EBITDA for our portfolio companies (excluding SLF) was $26.0 million and $23.0 million, respectively. The portfolio median EBITDA data is based on the most recently reported trailing twelve month EBITDA received from the portfolio company.

Senior Loan Fund LLC

We co-invest with RGA in senior secured loans through SLF, an unconsolidated Delaware LLC. SLF is capitalized as transactions are completed and all portfolio and investment decisions in respect to SLF must be approved by the SLF investment committee consisting of two representatives of each of us and RGA (with unanimous approval required from (i) one representative of each of us and RGA or (ii) both representatives of each of us and RGA). SLF may cease making new investments upon notification of either member but operations will continue until all investments have been sold or paid-off in the normal course of business.

SLF is capitalized with subordinated notes and LLC equity interest subscriptions from its members. As of September 30, 2016, we and RGA owned 87.5% and 12.5%, respectively, of both the outstanding subordinated notes and LLC equity interests.

As of September 30, 2016 and 2015, SLF had the following commitments from its members:

	As of September 30, 2016		As of September 30, 2015	
	Committed	Funded[1]	Committed	Funded[1]
	(Dollars in thousands)			
Subordinated note commitments[2]	$ 160,000	$ 88,344	$ 160,000	$ 87,500
LLC equity commitments[2]	40,000	35,816	40,000	26,540
Total	$ 200,000	$ 124,160	$ 200,000	$ 114,040

(1) Funded subordinated note commitments are presented net of repayments subject to recall and funded LLC equity commitments are presented net of return of capital distributions subject to recall.

(2) Commitments presented are combined for us and RGA.

As of September 30, 2016, the SLF Credit Facility allows SLF II to borrow up to $300.0 million subject to leverage and borrowing base restrictions. The reinvestment period of the SLF Credit Facility ends May 13, 2017, and the stated maturity date is May 13, 2020. As of September 30, 2016 and September 30, 2015, SLF II had outstanding debt under the SLF Credit Facility of $214.1 million and $212.3 million, respectively.

Through the reinvestment period, the SLF Credit Facility bears interest at one-month LIBOR plus a rate between 1.75% and 2.25%, depending on the composition of the collateral asset portfolio, per annum. After the reinvestment period, the rate will reset to one-month LIBOR plus 2.75% per annum for the remaining term of the SLF Credit

Facility.

As of September 30, 2016 and 2015, SLF had total assets at fair value of $332.8 million and $323.4 million, respectively. As of September 30, 2016 and 2015, SLF s portfolio was comprised of first lien senior secured loans to 62 and 62 different borrowers, respectively. As of September 30, 2016 SLF had one portfolio company investment on non-accrual status and the total fair value of non-accrual loans was $6.7 million. As of September 30, 2015, SLF did not have any portfolio company investments on non-accrual status. The portfolio companies in SLF are in industries similar to those in which we may invest directly. Additionally, as of September 30, 2016 and 2015, SLF had commitments to fund various undrawn revolving credit and delayed draw loans to its portfolio companies totaling $24.1 million and $30.8 million, respectively.

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Below is a summary of SLF s portfolio, followed by a listing of the individual loans in SLF s portfolio as of September 30, 2016 and 2015:

	As of September 30,	
	2016	2015
	(Dollars in thousands)	
Senior secured loans[1]	$ 331,473	$ 320,583
Weighted average current interest rate on senior secured loans[2]	6.0 %	5.8 %
Number of borrowers in SLF	62	62
Largest portfolio company investment[1]	$ 13,050	$ 12,734
Total of five largest portfolio company investments[1]	$ 61,118	$ 59,917

(1) At principal amount.

(2) Computed as the (a) annual stated interest rate on accruing senior secured loans, divided by (b) total senior secured loans at principal amount.

SLF Loan Portfolio as of September 30, 2016

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate[1]	Principal/ Par Amount	Fair Value[2]
					(In thousands)	
1A Smart Start LLC[3]	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	5.8 %	$2,116	$2,111
ACTIVE Network, Inc.	Electronics	Senior loan	11/2020	5.5	1,945	1,938
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	6,805	6,601
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	466	452
Advanced Pain Management Holdings, Inc.(4)	Healthcare, Education and Childcare	Senior loan	02/2018	N/A[5]		(35)
Aimbridge Hospitality, LLC[3]	Hotels, Motels, Inns, and Gaming	Senior loan	10/2018	5.8	5,037	5,037
American Seafoods Group LLC	Beverage, Food and Tobacco	Senior loan	08/2021	6.0	4,818	4,806
Argon Medical Devices, Inc.	Healthcare, Education and Childcare	Senior loan	12/2021	5.8	3,895	3,895
Arise Virtual Solutions, Inc.[3]	Telecommunications	Senior loan	12/2018	7.8	10,804	10,264

Arise Virtual Solutions, Inc.(3)(4)	Telecommunications	Senior loan	12/2018	N/A (5)		(28)
Atkins Nutritionals, Inc.(3)	Beverage, Food and Tobacco	Senior loan	01/2019	6.3	5,664	5,664
BMC Software, Inc.	Electronics	Senior loan	09/2020	5.0	1,876	1,813
Boot Barn, Inc.	Retail Stores	Senior loan	06/2021	5.5	10,667	10,667
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	5.8	4,948	4,938

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SLF Loan Portfolio as of September 30, 2016 (continued)

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate[1]	Principal/ Par Amount	Fair Value[2]
					(In thousands)	
C.B. Fleet Company, Incorporated	Personal and Non Durable Consumer Products	Senior loan	12/2021	5.8	$7,613	$7,613
Checkers Drive-In Restaurants, Inc.	Beverage, Food and Tobacco	Senior loan	01/2022	6.5	4,460	4,427
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.3	8,677	8,677
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.3	4,373	4,373
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.5	2,466	2,454
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.5	1,240	1,234
CPI Buyer, LLC (Cole-Parmer)[3]	Healthcare, Education and Childcare	Senior loan	08/2021	5.5	5,805	5,776
Curo Health Services LLC[3]	Healthcare, Education and Childcare	Senior loan	02/2022	6.5	5,910	5,928
DentMall MSO, LLC[6]	Retail Stores	Senior loan	07/2019	6.0	10,147	6,088
DentMall MSO, LLC[6]	Retail Stores	Senior loan	07/2019	6.0	1,000	598
DISA Holdings Acquisition Subsidiary Corp.	Diversified/ Conglomerate Service	Senior loan	12/2020	5.5	4,568	4,431
DISA Holdings Acquisition Subsidiary Corp.	Diversified/ Conglomerate Service	Senior loan	12/2020	5.5	255	224
EAG, INC. (Evans Analytical Group)	Diversified/ Conglomerate Service	Senior loan	07/2017	5.0	2,113	2,113
Encore GC Acquisition, LLC[3]	Healthcare, Education and	Senior loan	01/2020	6.3	4,773	4,773

Encore GC Acquisition, LLC(3)	Childcare Healthcare, Education and Childcare	Senior loan	01/2020	7.8	164	164
Express Oil Change, LLC(3)	Retail Stores	Senior loan	12/2017	6.0	4,841	4,841
Extreme Reach Inc.	Broadcasting and Entertainment	Senior loan	02/2020	7.3	1,976	1,998
Federal-Mogul Corporation	Automobile	Senior loan	04/2021	4.8	3,920	3,799
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	6.3	6,090	6,090
Harvey Tool Company, LLC(3)	Diversified/ Conglomerate Manufacturing	Senior loan	03/2020	6.0	3,108	3,108
Jensen Hughes, Inc.	Diversified/ Conglomerate Service	Senior loan	12/2021	6.3	2,342	2,342
Jensen Hughes, Inc.	Diversified/ Conglomerate Service	Senior loan	12/2021	6.0	104	104

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SLF Loan Portfolio as of September 30, 2016 (continued)

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate(1)	Principal/ Par Amount	Fair Value(2)
					(In thousands)	
Jensen Hughes, Inc.	Diversified/ Conglomerate Service	Senior loan	12/2021	6.2	$65	$65
Joerns Healthcare, LLC(3)	Healthcare, Education and Childcare	Senior loan	05/2020	6.0	9,598	9,118
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.5	6,834	6,834
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.5	1,061	1,061
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.5	596	596
K&N Engineering, Inc.(3)	Automobile	Senior loan	07/2019	6.8	3,781	3,781
K&N Engineering, Inc.(3)	Automobile	Senior loan	07/2019	5.3	179	179
Loar Group Inc.	Aerospace and Defense	Senior loan	01/2022	5.8	2,233	2,233
Mediaocean LLC(3)	Diversified/ Conglomerate Service	Senior loan	08/2022	5.8	3,137	3,137
Northwestern Management Services, LLC(3)	Healthcare, Education and Childcare	Senior loan	10/2019	6.5	4,288	4,224
Northwestern Management Services, LLC(3)	Healthcare, Education and Childcare	Senior loan	10/2019	6.5	470	463
Northwestern Management Services, LLC(3)	Healthcare, Education and Childcare	Senior loan	10/2019	7.5	1	1
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.5	1,998	1,958
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.7	180	166
Pasternack Enterprises, Inc. and Fairview Microwave, Inc(3)	Diversified/ Conglomerate Manufacturing	Senior loan	05/2022	6.0	1,640	1,623
Payless ShoeSource, Inc.	Retail Stores		03/2021	5.0	1,955	1,163

		Senior loan				
Pentec Acquisition Sub, Inc.	Healthcare, Education and Childcare	Senior loan	05/2018	6.3	1,419	1,419
PetVet Care Centers LLC[(3)]	Personal, Food and Miscellaneous Services	Senior loan	12/2020	5.8	5,895	5,895
PetVet Care Centers LLC[(3)]	Personal, Food and Miscellaneous Services	Senior loan	12/2020	5.8	1,219	1,219
PowerPlan Holdings, Inc.[(3)]	Utilities	Senior loan	02/2022	5.8	11,994	11,994
PPT Management, LLC	Healthcare, Education and Childcare	Senior loan	04/2020	6.0	13,026	13,026
PPT Management, LLC	Healthcare, Education and Childcare	Senior loan	04/2020	6.0	10	10

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SLF Loan Portfolio as of September 30, 2016 (continued)

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate[1]	Principal/ Par Amount	Fair Value[2]
					(In thousands)	
Premise Health Holding Corp.[3]	Healthcare, Education and Childcare	Senior loan	06/2020	5.5	$11,891	$11,891
Pyramid Healthcare, Inc.[3]	Healthcare, Education and Childcare	Senior loan	08/2019	6.8	8,354	8,354
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2019	7.8	373	373
R.G. Barry Corporation	Personal, Food and Miscellaneous Services	Senior loan	09/2019	6.0	5,880	5,821
Radiology Partners, Inc.[3]	Healthcare, Education and Childcare	Senior loan	09/2020	6.5	7,072	7,001
Radiology Partners, Inc.[3]	Healthcare, Education and Childcare	Senior loan	09/2020	6.5	801	792
Radiology Partners, Inc.[3]	Healthcare, Education and Childcare	Senior loan	09/2020	6.5	510	505
Radiology Partners, Inc.[3][4]	Healthcare, Education and Childcare	Senior loan	09/2020	N/A[5]		(6)
Radiology Partners, Inc.[3][4]	Healthcare, Education and Childcare	Senior loan	09/2020	N/A[5]		(3)
Reliant Pro ReHab, LLC[3]	Healthcare, Education and Childcare	Senior loan	12/2017	6.0	3,337	3,337
RSC Acquisition, Inc.[3]	Insurance	Senior loan	11/2022	6.3	3,732	3,732
RSC Acquisition, Inc.[3]	Insurance	Senior loan	11/2022	6.3	172	172
RSC Acquisition, Inc.	Insurance	Senior loan	11/2020	6.8	33	33
Rubio s Restaurants, Inc.[3]	Beverage, Food and Tobacco	Senior loan	11/2018	6.0	5,044	5,044

Rug Doctor LLC	Personal and Non Durable Consumer Products	Senior loan	06/2018	6.3	7,780	7,780
Saldon Holdings, Inc.	Diversified/ Conglomerate Service	Senior loan	09/2021	5.5	2,718	2,718
Sarnova HC, LLC	Healthcare, Education and Childcare	Senior loan	01/2022	5.8	3,722	3,722
SEI, Inc.	Electronics	Senior loan	07/2021	5.8	8,711	8,711
Self Esteem Brands, LLC[(3)]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2020	5.0	6,342	6,342
Severin Acquisition, LLC[(3)]	Diversified/ Conglomerate Service	Senior loan	07/2021	5.9	4,882	4,858
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	951	932

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SLF Loan Portfolio as of September 30, 2016 (continued)

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate[1]	Principal/ Par Amount	Fair Value[2]
					(In thousands)	
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	$75	$74
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	75	73
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	75	73
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	75	73
Smashburger Finance LLC[4]	Beverage, Food and Tobacco	Senior loan	05/2018	N/A[5]		(2)
Systems Maintenance Services Holding, Inc.[3]	Electronics	Senior loan	10/2019	5.0	2,396	2,396
Tate s Bake Shop, Inc.[3]	Beverage, Food and Tobacco	Senior loan	08/2019	6.0	2,955	2,955
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	5.3	4,582	4,566
Transaction Data Systems, Inc.[3]	Diversified/ Conglomerate Service	Senior loan	06/2021	6.3	5,260	5,260
Transaction Data Systems, Inc.	Diversified/ Conglomerate Service	Senior loan	06/2020	5.5	9	8
W3 Co.	Oil and Gas	Senior loan	03/2020	5.8	2,924	2,295
Worldwide Express Operations, LLC	Cargo Transport	Senior loan	07/2019	6.0	4,869	4,869
Worldwide Express Operations, LLC	Cargo Transport	Senior loan	07/2019	6.0	100	100
Young Innovations, Inc.[3]	Healthcare, Education and Childcare	Senior loan	01/2019	5.3	3,804	3,818
Young Innovations, Inc.[3]	Healthcare, Education and Childcare	Senior loan	01/2018	6.8	122	118
Zest Holdings, LLC	Healthcare, Education and Childcare	Senior loan	08/2020	5.8	5,282	5,282
					$331,473	$323,510

(1) Represents the weighted average annual current interest rate as of September 30, 2016. All interest rates are payable in cash.

(2) Represents the fair value in accordance with ASC Topic 820. The determination of such fair value is not included in our board of directors valuation process described elsewhere herein.

(3) We also hold a portion of the first lien senior secured loan in this portfolio company.

(4) The negative fair value is the result of the unfunded commitment being valued below par.

(5) The entire commitment was unfunded at September 30, 2016. As such, no interest is being earned on this investment.

(6) Loan was on non-accrual status as of September 30, 2016, meaning that SLF has ceased recognizing interest income on the loan.

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SLF Loan Portfolio as of September 30, 2015

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate[1]	Principal/ Par Amount	Fair Value[2]
					(In thousands)	
1011778 B.C. ULC (New Red Finance/Burger King)	Beverage, Food and Tobacco	Senior loan	12/2021	3.8 %	$2,271	$2,264
5.11, Inc.[3]	Textiles and Leather	Senior loan	02/2020	6.0	3,162	3,172
Acosta, Inc.	Diversified/ Conglomerate Service	Senior loan	09/2021	4.3	2,978	2,938
ACTIVE Network, Inc.	Electronics	Senior loan	11/2020	5.5	1,965	1,951
Aderant North America, Inc.	Diversified/ Conglomerate Service	Senior loan	12/2018	5.3	4,195	4,195
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	6,946	6,807
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	475	460
Advanced Pain Management Holdings, Inc.[4]	Healthcare, Education and Childcare	Senior loan	02/2018	N/A[5]		(23)
Affordable Care Inc.	Personal, Food and Miscellaneous Services	Senior loan	12/2018	5.5	3,976	3,976
Aimbridge Hospitality, LLC	Hotels, Motels, Inns, and Gaming	Senior loan	10/2018	5.8	5,204	5,204
ARG IH Corporation	Beverage, Food and Tobacco	Senior loan	11/2020	4.8	4,370	4,385
Arise Virtual Solutions, Inc.[3][4]	Telecommunications	Senior loan	12/2018	N/A[5]		(23)
Arise Virtual Solutions, Inc.[3]	Telecommunications	Senior loan	12/2018	6.8	11,729	11,494
Atkins Nutritionals, Inc[3]	Beverage, Food and Tobacco	Senior loan	01/2019	6.3	5,872	5,879
Atrium Innovations	Personal and Non Durable Consumer Products	Senior loan	02/2021	4.3	3,520	3,336
BJ s Wholesale Club, Inc.	Retail Stores	Senior loan	09/2019	4.5	2,957	2,934
BMC Software, Inc.	Electronics		09/2020	5.0	1,895	1,729

		Senior loan				
Brickman Group Ltd. LLC	Farming and Agriculture	Senior loan	12/2020	4.0	1,980	1,954
C.B. Fleet Company, Incorporated	Personal and Non Durable Consumer Products	Senior loan	10/2020	5.4	5,630	5,630
C.B. Fleet Company, Incorporated	Personal and Non Durable Consumer Products	Senior loan	10/2020	5.4	696	696
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	5.8	4,417	4,401
Connect Merger Sub, Inc.	Telecommunications	Senior loan	04/2020	4.8	3,935	3,820

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SLF Loan Portfolio as of September 30, 2015

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate[1]	Principal/ Par Amount	Fair Value[2]
					(In thousands)	
CPI Buyer, LLC (Cole-Parmer)[3]	Healthcare, Education and Childcare	Senior loan	08/2021	5.5	$5,955	$5,925
Curo Health Services LLC[3]	Healthcare, Education and Childcare	Senior loan	02/2022	6.5	5,970	5,990
DentMall MSO, LLC	Retail Stores	Senior loan	07/2019	6.0	10,251	10,046
DentMall MSO, LLC	Retail Stores	Senior loan	07/2019	6.0	1,000	946
Dialysis Newco, Inc.	Healthcare, Education and Childcare	Senior loan	04/2021	4.5	2,469	2,470
DISA Holdings Acquisition Subsidiary Corp.	Diversified/ Conglomerate Service	Senior loan	12/2020	5.5	4,614	4,384
DISA Holdings Acquisition Subsidiary Corp.	Diversified/ Conglomerate Service	Senior loan	12/2020	6.8	96	43
EAG, INC. (Evans Analytical Group)	Diversified/ Conglomerate Service	Senior loan	07/2017	5.0	2,245	2,245
Extreme Reach Inc.	Broadcasting and Entertainment	Senior loan	01/2020	6.8	5,612	5,591
Federal-Mogul Corporation	Automobile	Senior loan	04/2021	4.8	3,960	3,769
GSDM Holdings Corp.[3]	Healthcare, Education and Childcare	Senior loan	06/2019	5.3	1,782	1,782
Hygenic Corporation, The[3]	Personal and Non Durable Consumer Products	Senior loan	10/2020	6.0	4,515	4,515
Integrated Supply Network, LLC[3]	Automobile	Senior loan	02/2020	6.3	12,000	12,000
Integrated Supply Network, LLC[3]	Automobile	Senior loan	02/2020	6.9	734	734
Joerns Healthcare, LLC	Healthcare, Education and Childcare	Senior loan	05/2020	6.2	9,696	9,647
Julio & Sons Company			09/2017	6.5	6,906	6,906

	Beverage, Food and Tobacco	Senior loan				
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	09/2017	6.5	254	254
K&N Engineering, Inc.(3)	Automobile	Senior loan	07/2019	5.3	3,865	3,749
K&N Engineering, Inc.(3)	Automobile	Senior loan	07/2019	5.3	183	177
K&N Engineering, Inc.(3)(4)	Automobile	Senior loan	07/2019	N/A(5)		(6)
Mister Car Wash Holdings, Inc.	Automobile	Senior loan	08/2021	5.0	2,970	2,971
National Veterinary Associates, Inc.	Personal, Food and Miscellaneous Services	Senior loan	08/2021	4.8	990	991
Netsmart Technologies, Inc.(3)	Diversified/ Conglomerate Service	Senior loan	02/2019	6.3	10,448	10,448

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SLF Loan Portfolio as of September 30, 2015

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate[1]	Principal/ Par Amount	Fair Value[2]
					(In thousands)	
Netsmart Technologies, Inc.[3]	Diversified/ Conglomerate Service	Senior loan	02/2019	7.5	$231	$231
Northwestern Management Services, LLC	Healthcare, Education and Childcare	Senior loan	10/2017	6.3	3,912	3,912
Northwestern Management Services, LLC	Healthcare, Education and Childcare	Senior loan	10/2017	7.0	147	147
Northwestern Management Services, LLC	Healthcare, Education and Childcare	Senior loan	10/2017	6.3	47	47
Octane Fitness, LLC	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	10/2018	6.5	7,718	7,718
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.8	2,037	2,037
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.9	292	292
Pasternack Enterprises, Inc.	Diversified/ Conglomerate Manufacturing	Senior loan	12/2017	6.3	1,044	1,044
Payless ShoeSource, Inc.	Retail Stores	Senior loan	03/2021	5.0	1,975	1,580
PetVet Care Centers LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	12/2020	5.5	5,955	5,955
PetVet Care Centers LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	12/2020	5.5	646	646
PowerPlan Holdings, Inc.(3)	Utilities	Senior loan	02/2022	6.3	12,000	12,000
Premise Health Holding Corp.[3]	Healthcare, Education and Childcare	Senior loan	06/2020	5.5	11,921	11,921
Premise Health Holding Corp.[3]	Healthcare, Education and Childcare	Senior loan	06/2020	5.5	283	283
R.G. Barry Corporation	Personal, Food and Miscellaneous	Senior loan	09/2019	6.0	6,272	6,209

	Services					
Reliant Pro ReHab, LLC[3]	Healthcare, Education and Childcare	Senior loan	06/2017	6.0	4,225	4,225
Renaissance Pharma (U.S.) Holdings Inc.	Healthcare, Education and Childcare	Senior loan	05/2018	5.0	3,758	3,758
Renaissance Pharma (U.S.) Holdings Inc.	Healthcare, Education and Childcare	Senior loan	05/2018	6.3	71	71
Rubio s Restaurants, Inc[3]	Retail Stores	Senior loan	11/2018	6.0	5,095	5,095
Rug Doctor LLC[3]	Personal and Non Durable Consumer Products	Senior loan	12/2016	6.3	9,769	9,769
Scientific Games International, Inc.	Hotels, Motels, Inns, and Gaming	Senior loan	10/2020	6.0	3,935	3,891

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SLF Loan Portfolio as of September 30, 2015

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate[1]	Principal/ Par Amount	Fair Value[2]
					(In thousands)	
SEI, Inc.	Electronics	Senior loan	07/2021	5.8	$8,799	$8,711
Self Esteem Brands, LLC[3]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2020	5.0	7,930	7,930
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.3	960	960
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.3	75	75
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.3	75	75
Spear Education, LLC	Healthcare, Education and Childcare	Senior loan	08/2019	6.0	5,960	5,960
Spear Education, LLC	Healthcare, Education and Childcare	Senior loan	08/2019	6.0	500	500
Syncsort Incorporated[3]	Electronics	Senior loan	03/2019	5.8	8,860	8,860
Systems Maintenance Services Holding, Inc.[3]	Electronics	Senior loan	10/2019	5.0	2,415	2,415
Take 5 Oil Change, L.L.C.	Automobile	Senior loan	07/2018	6.3	6,647	6,647
Take 5 Oil Change, L.L.C.	Automobile	Senior loan	07/2018	6.3	187	187
Tate s Bake Shop, Inc.	Beverage, Food and Tobacco	Senior loan	08/2019	5.8	2,978	2,978
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	5.3	4,651	4,651
Transaction Data Systems, Inc.	Diversified/ Conglomerate Service	Senior loan	06/2021	5.5	4,545	4,545
W3 Co.	Oil and Gas	Senior loan	03/2020	5.8	2,954	2,516
WII Components, Inc.[3]	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	07/2018	5.3	3,008	3,008
Young Innovations, Inc.[3]			01/2019	5.3	4,018	4,018

Healthcare, Education and Childcare	Senior loan			
			$320,583	$317,623

(1) Represents the weighted average annual current interest rate as of September 30, 2015. All interest rates are payable in cash.

(2) Represents the fair value in accordance with ASC Topic 820. The determination of such fair value is not included in our board of directors valuation process described elsewhere herein.

(3) We also hold a portion of the senior loan in this portfolio company.

(4) The negative fair value is the result of the unfunded commitment being valued below par.

(5) The entire commitment was unfunded at September 30, 2015. As such, no interest is being earned on this investment.

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We have committed to fund $140.0 million of subordinated notes and $35.0 million of LLC equity interest subscriptions to SLF. The amortized cost, net of principal repayments that are subject to recall, and fair value of the subordinated notes in SLF held by us was $77.3 million and $77.3 million, respectively, as of September 30, 2016, and $76.6 million and $76.6 million, respectively, as of September 30, 2015. As of September 30, 2016, the subordinated notes pay a weighted average interest rate of three-month LIBOR plus 8.0%. For the years ended September 30, 2016 and 2015, we earned interest income of $6.9 million and $3.7 million, respectively, on the subordinated notes. As of September 30, 2016 and 2015, $23.2 million and $9.3 million, respectively, of our LLC equity interest subscriptions had been called and contributed, net of return of capital distributions subject to recall. For the years ended September 30, 2016 and 2015, we received $4.1 million and $1.4 million, respectively, in dividend income from the LLC equity interests.

For the years ended September 30, 2016 and 2015, we earned a total return on our weighted average capital invested in SLF of 6.6% and 7.1%, respectively. The total return on weighted average capital invested is calculated by dividing total income earned on our investments in SLF subordinated notes and LLC equity interests by the combined daily average of our investments in (1) the principal of the SLF subordinated notes and (2) the NAV of the SLF LLC equity interests.

Below is certain summarized financial information for SLF as of and for the years ended September 30, 2016 and 2015:

	As of September 30,	
	2016	2015
	(In thousands)	
Selected Balance Sheet Information, at fair value		
Investments, at fair value	$ 323,510	$ 317,623
Cash and other assets[1]	7,281	5,772
Receivable from investments sold	1,995	
Total assets[1]	$ 332,786	$ 323,395
Senior credit facility	$ 214,050	$ 212,300
Unamortized debt issuance costs[1]	(949)	(2,464)
Other liabilities	567	489
Total liabilities[1]	213,668	210,325
Subordinated notes and members equity	119,118	113,070
Total liabilities and members equity[1]	$ 332,786	$ 323,395

	Years ended September 30,	
	2016	2015
	(In thousands)	
Selected Statement of Operations Information:		
Interest income	$22,016	$ 10,906
Fee income	84	4
Total investment income	22,100	10,910
Interest expense	15,715	7,701
Administrative service fee	457	249
Other expenses	151	103

Total expenses	16,323	8,053
Net investment income	5,777	2,857
Net realized gains (losses) on investments	(479)	9
Net change in unrealized appreciation (depreciation) on investments, subordinated notes and secured borrowings	(4,685)	(2,206)
Net increase (decrease) in net assets	$ 613	$ 660

(1) On October 1, 2015, SLF adopted ASU 2015-03 which requires that debt issuance costs related to recognized debt liability to be presented on the balance sheet as a direct deduction from the carrying amount of the debt liability rather than as an asset. Adoption of ASU 2015-03 requires the changes to be applied retrospectively.

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SLF has elected to fair value the subordinated notes issued to us and RGA under ASC Topic 825 *Financial Instruments*, or ASC Topic 825. The subordinated notes are valued by calculating the net present value of the future expected cash flow streams using an appropriate risk-adjusted discount rate model. For the year ended September 30, 2016, SLF did not recognize any unrealized depreciation or unrealized appreciation on the subordinated notes. For the year ended September 30, 2015, SLF recognized $0.1 million in unrealized appreciation on the subordinated notes. The following table presents the difference between fair value and the aggregate contractual principal amounts of subordinated notes for which the fair value option has been elected as of September 30, 2016 and 2015:

	As of September 30, 2016 (In thousands)			As of September 30, 2015 (In thousands)		
	Par Value	Carrying Value	Fair Value	Par Value	Carrying Value	Fair Value
Subordinated notes	$ 88,344	$ 88,344	$ 88,344	$ 87,500	$ 87,500	$ 87,500

Contractual Obligations and Off-Balance Sheet Arrangements

A summary of our significant contractual payment obligations as of September 30, 2016 is as follows:

	Payments Due by Period (In millions)				
	Total	Less Than 1 Year	1 3 Years	3 5 Years	More Than 5 Years
2010 Debt Securitization	$ 215.0	$	$	$	$ 215.0
2014 Debt Securitization	246.0				246.0
SBA debentures	277.0			55.3	221.7
Credit Facility	126.7			126.7	
Adviser Revolver					
Unfunded commitments[1]	81.4	81.4			
Total contractual obligations[2]	$ 946.1	$ 81.4	$	$ 182.0	$ 682.7

(1) Unfunded commitments represent all amounts unfunded commitments to fund investments, excluding our investments in SLF, as of September 30, 2016. These amounts may or may not be funded to the borrowing party now or in the future. The unfunded commitments relate to loans with various maturity dates, but we are showing this amount in the less than one year category as this entire amount was eligible for funding to the borrowers as of September 30, 2016, subject to the terms of each loan s respective credit agreement.

(2) Total contractual obligations exclude $0.5 million of secured borrowings.

We may become a party to financial instruments with off-balance sheet risk in the normal course of our business to meet the financial needs of our portfolio companies. These instruments may include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. As of September 30, 2016 and 2015, we had outstanding commitments to fund investments totaling $81.4 million and $121.5 million, respectively. We have commitments of up to $66.4 million and $75.2 million to SLF as of September 30, 2016 and 2015, respectively, that may be contributed primarily for the purpose of funding new investments approved by the SLF investment committee.

We have certain contracts under which we have material future commitments. We have entered into the Investment Advisory Agreement with GC Advisors in accordance with the 1940 Act. Under the Investment Advisory Agreement, GC Advisors provides us with investment advisory and management services. For these services, we pay (1) a

management fee equal to a percentage of the average adjusted value of our gross assets and (2) an incentive fee based on our performance. To the extent that GC Advisors or any of its affiliates provides investment advisory, collateral management or other similar services to a subsidiary of ours, we reduce the base management fee by an amount equal to the product of (1) the total fees paid to GC Advisors by such subsidiary for such services and (2) the percentage of such subsidiary s total equity that is owned, directly or indirectly, by us.

Under the Administration Agreement, the Administrator furnishes us with office facilities and equipment, provides us clerical, bookkeeping and record keeping services at such facilities and provides us with other administrative services necessary to conduct our day-to-day operations. We reimburse the Administrator for the allocable portion (subject to the review and approval of our board of directors) of overhead and other expenses incurred by it in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. The Administrator also provides on our behalf managerial assistance to those portfolio companies to which we are required to offer to provide such assistance.

If any of the contractual obligations discussed above are terminated, our costs under any new agreements that we enter into may increase. In addition, we would likely incur significant time and expense in locating alternative parties to provide the services we receive under our Investment Advisory Agreement and our Administration Agreement. Any new investment advisory agreement would also be subject to approval by our stockholders.

Distributions

We intend to make quarterly distributions to our stockholders as determined by our board of directors. For additional details on distributions, see Income taxes in Note 2 to our consolidated financial statements.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of our distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage requirements applicable to us as a business development company under the 1940 Act. If we do not distribute a certain percentage of our income annually, we will suffer adverse U.S. federal income tax consequences, including the possible loss of our ability to be subject to tax as a RIC. We cannot assure stockholders that they will receive any distributions.

Because federal income tax regulations differ from GAAP, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified within capital accounts in the financial statements to reflect their tax character. For example, permanent differences in classification may result from the treatment of distributions paid from short-term gains as ordinary income dividends for tax purposes. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

To the extent our taxable earnings fall below the total amount of our distributions for any tax year, a portion of those distributions may be deemed a return of capital to our stockholders for U.S. federal income tax purposes. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our income or gains. Stockholders should read any written disclosure accompanying a dividend payment carefully and should not assume that the source of any distribution is our ordinary income or gains.

We have adopted an opt out dividend reinvestment plan for our common stockholders. As a result, if we declare a distribution, our stockholders cash distributions will be automatically reinvested in additional shares of our common stock unless a stockholder specifically opts out of our dividend reinvestment plan. If a stockholder opts out, that stockholder will receive cash distributions. Although distributions paid in the form of additional shares of our common stock will generally be subject to U.S. federal, state and local taxes in the same manner as cash distributions, stockholders participating in our dividend reinvestment plan will not receive any corresponding cash distributions with which to pay any such applicable taxes.

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Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following items as critical accounting policies.

Fair Value Measurements

We value investments for which market quotations are readily available at their market quotations. However, a readily available market value is not expected to exist for many of the investments in our portfolio, and we value these portfolio investments at fair value as determined in good faith by our board of directors under our valuation policy and process.

Valuation methods may include comparisons of the portfolio companies to peer companies that are public, determination of the enterprise value of a portfolio company, discounted cash flow analysis and a market interest rate approach. The factors that are taken into account in fair value pricing investments include: available current market data, including relevant and applicable market trading and transaction comparables; applicable market yields and multiples; security covenants; call protection provisions; information rights; the nature and realizable value of any collateral; the portfolio company s ability to make payments, its earnings and discounted cash flows and the markets in which it does business; comparisons of financial ratios of peer companies that are public; comparable merger and acquisition transactions; and the principal market and enterprise values. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we will consider the pricing indicated by the external event to corroborate the private equity valuation. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from values that may ultimately be received or settled.

Our board of directors is ultimately and solely responsible for determining, in good faith, the fair value of investments that are not publicly traded, whose market prices are not readily available on a quarterly basis or any other situation where portfolio investments require a fair value determination.

With respect to investments for which market quotations are not readily available, our board of directors undertakes a multi-step valuation process each quarter, as described below:

Our quarterly valuation process begins with each portfolio company investment being initially valued by the investment professionals of GC Advisors responsible for credit monitoring.

Preliminary valuation conclusions are then documented and discussed with our senior management and GC Advisors.

The audit committee of our board of directors reviews these preliminary valuations.

At least once annually, the valuation for each portfolio investment is reviewed by an independent valuation firm.

The board of directors discusses valuations and determines the fair value of each investment in our portfolio in good faith.

Determination of fair values involves subjective judgments and estimates. Under current auditing standards, the notes to our consolidated financial statements refer to the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on our consolidated financial statements.

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We follow ASC Topic 820 for measuring fair value. Fair value is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters, or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models are applied. These valuation models involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the assets or liabilities or market and the assets or liabilities complexity. Our fair value analysis includes an analysis of the value of any unfunded loan commitments. Assets and liabilities are categorized for disclosure purposes based upon the level of judgment associated with the inputs used to measure their value. The valuation hierarchical levels are based upon the transparency of the inputs to the valuation of the asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2: Inputs include quoted prices for similar assets or liabilities in active markets and inputs that are observable for the assets or liabilities, either directly or indirectly, for substantially the full term of the assets or liabilities.

Level 3: Inputs include significant unobservable inputs for the assets or liabilities and include situations where there is little, if any, market activity for the assets or liabilities. The inputs into the determination of fair value are based upon the best information available and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset s or a liability s categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and we consider factors specific to the asset or liability. We assess the levels of assets and liabilities at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfers. There were no transfers among Level 1, 2 and 3 of the fair value hierarchy for assets and liabilities during the years ended September 30, 2016, 2015 and 2014. The following section describes the valuation techniques used by us to measure different assets and liabilities at fair value and includes the level within the fair value hierarchy in which the assets and liabilities are categorized.

Valuation of Investments

Level 1 investments are valued using quoted market prices. Level 2 investments are valued using market consensus prices that are corroborated by observable market data and quoted market prices for similar assets and liabilities. Level 3 investments are valued at fair value as determined in good faith by our board of directors, based on input of management, the audit committee and independent valuation firms that have been engaged at the direction of our board of directors to assist in the valuation of each portfolio investment without a readily available market quotation at least once during a trailing twelve-month period under a valuation policy and a consistently applied valuation process. This valuation process is conducted at the end of each fiscal quarter, with approximately 25% (based on the number of portfolio companies) of our valuations of debt and equity investments without readily available market quotations subject to review by an independent valuation firm. As of September 30, 2016 and 2015, with the exception of money market funds included in cash and cash equivalents and restricted cash and cash equivalents (Level 1 investments) and investments measured at fair value using the NAV, all investments were valued using Level 3 inputs of the fair value hierarchy.

When determining fair value of Level 3 debt and equity investments, we may take into account the following factors, where relevant: the enterprise value of a portfolio company, the nature and realizable value of any collateral, the portfolio company s ability to make payments and its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons to publicly traded securities, and changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments may be made and other relevant factors. The primary method for determining enterprise value uses a multiple analysis whereby appropriate multiples are applied to the portfolio company s

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EBITDA. The enterprise value analysis is performed to determine the value of equity investments and to determine if debt investments are credit impaired. If debt investments are credit impaired, we will use the enterprise value analysis or a liquidation basis analysis to determine fair value. For debt investments that are not determined to be credit impaired, we use a market interest rate yield analysis to determine fair value.

In addition, for certain debt investments, we may base our valuation on indicative bid and ask prices provided by an independent third party pricing service. Bid prices reflect the highest price that we and others may be willing to pay. Ask prices represent the lowest price that we and others may be willing to accept. We generally use the midpoint of the bid/ask range as our best estimate of fair value of such investment.

Due to the inherent uncertainty of determining the fair value of Level 3 investments that do not have a readily available market value, the fair value of the investments may differ significantly from the values that would have been used had a market existed for such investments and may differ materially from the values that may ultimately be received or settled. Further, such investments are generally subject to legal and other restrictions or otherwise are less liquid than publicly traded instruments. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we may realize significantly less than the value at which such investment had previously been recorded.

Our investments are subject to market risk. Market risk is the potential for changes in the value due to market changes. Market risk is directly impacted by the volatility and liquidity in the markets in which the investments are traded.

Valuation of Secured Borrowings

We have elected the fair value option under ASC Topic 825 relating to accounting for debt obligations at their fair value for our secured borrowings, which arise due to partial loan sales that do not meet the criteria for sale treatment under ASC Topic 860 Transfers and Servicing, or ASC Topic 860. All secured borrowings as of September 30, 2016 and 2015 were valued using Level 3 inputs under the fair value hierarchy, and our approach to determining fair value of Level 3 secured borrowings is consistent with our approach to determining fair value of the Level 3 investments that are associated with these secured borrowings as previously described.

Valuation of Other Financial Assets and Liabilities

Fair value of our debt is estimated using Level 3 inputs by discounting remaining payments using comparable market rates or market quotes for similar instruments at the measurement date, if available.

Revenue Recognition:

Our revenue recognition policies are as follows:

Investments and Related Investment Income: Interest income is accrued based upon the outstanding principal amount and contractual interest terms of debt investments. Premiums, discounts, and origination fees are amortized or accreted into interest income over the life of the respective debt investment. For investments with contractual PIK interest, which represents contractual interest accrued and added to the principal balance that generally becomes due at maturity, we do not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not likely to be collectible. In addition, we may generate revenue in the form of amendment, structuring or due diligence fees, fees for providing managerial assistance, consulting fees and prepayment premiums on loans and record these fees as

fee income when received. Loan origination fees, original issues discount and market discount or premium are capitalized, and we accrete or amortize such amounts as interest income. We record prepayment premiums on loans as fee income. Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies. Distributions received from LLC and limited partnership, or LP, investments are evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, we will not record distributions from equity investments in LLCs and LPs as dividend income unless there are sufficient accumulated tax-basis earnings and profits in the LLC or LP prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

We account for investment transactions on a trade-date basis. Realized gains or losses on investments are measured by the difference between the net proceeds from the disposition and the cost basis of investment, without regard to unrealized gains or losses previously recognized. We report changes in fair value of investments from the prior period that is measured at fair value as a component of the net change in unrealized appreciation (depreciation) on investments in our consolidated statement of operations.

Non-accrual: Loans may be left on accrual status during the period we are pursuing repayment of the loan. Management reviews all loans that become past due 90 days or more on principal and interest or when there is reasonable doubt that principal or interest will not be collected for possible placement on non-accrual status. We generally reverse accrued interest when a loan is placed on non-accrual. Additionally, any original issue discount and market discount are no longer accreted to interest income as of the date the loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management s judgment. We restore non-accrual loans to accrual status when past due principal and interest is paid and, in our management s judgment, are likely to remain current. The total fair value of our non-accrual loans was $1.3 million and $6.5 million as of September 30, 2016 and 2015, respectively.

Partial loan sales: We follow the guidance in ASC Topic 860, when accounting for loan participations and other partial loan sales. Such guidance requires a participation or other partial loan sale to meet the definition of a participating interest , as defined in the guidance, in order for sale treatment to be allowed. Participations or other partial loan sales that do not meet the definition of a participating interest remain on our statements of assets and liabilities and the proceeds are recorded as a secured borrowing until the definition is met. Secured borrowings are carried at fair value to correspond with the related investments, which are carried at fair value.

Income taxes:

See Consolidated Results of Operations Expenses Excise Tax Expense.

Quantitative and Qualitative Disclosures about Market Risk

We are subject to financial market risks, including changes in interest rates. Many of the loans in our portfolio have floating interest rates, and we expect that our loans in the future may also have floating interest rates. These loans are usually based on a floating LIBOR and typically have interest rate reset provisions that adjust applicable interest rates under such loans to current market rates on a quarterly basis. The loans that are subject to the floating LIBOR rates are also subject to a minimum base rate, or floor, that we charge on our loans if the current market rates are below the respective floors. As of September 30, 2016 and 2015, the weighted average LIBOR floor on the loans subject to floating interest rates was 1.04% and 1.08%, respectively. Prior to their redemption on October 20, 2016, the Class A and B 2010 Notes issued as part of the 2010 Debt Securitization had floating interest rate provisions based on three-month LIBOR that resets quarterly as do the Class A-Refi and Class B-Refi 2010 Notes issued in connection with the refinancing of the 2010 Debt Securitization. In addition, Class A-1, A-2 and B 2014 Notes issued as part of the 2014 Debt Securitization have floating interest rate provisions based on three-month LIBOR that reset quarterly and the Credit Facility has a floating interest rate provision based on one-month LIBOR that resets daily. As of September 30, 2016 and 2015, the weighted average LIBOR floor on the secured borrowings, which reset quarterly, was 1.00% and 1.00%, respectively. We expect that other credit facilities into which we enter in the future may have floating interest rate provisions.

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Assuming that the consolidated statement of financial condition as of September 30, 2016 were to remain constant and that we took no actions to alter interest rate sensitivity as of such date, the following table shows the annualized impact of hypothetical base rate changes in interest rates.

Change in interest rates	Increase (decrease) in interest income	Increase (decrease) in interest expense	Net increase (decrease) in investment income
	(In thousands)		
Down 25 basis points	$ (237)	$ (1,469)	$ 1,232
Up 50 basis points	5,219	2,941	2,278
Up 100 basis points	13,167	5,881	7,286
Up 150 basis points	21,123	8,822	12,301
Up 200 basis points	29,079	11,763	17,316

Although we believe that this analysis is indicative of our sensitivity to interest rate changes as of September 30, 2016, it does not adjust for changes in the credit market, credit quality, the size and composition of the assets in our portfolio and other business developments, including borrowings under the Debt Securitizations, the Credit Facility or other borrowings, that could affect net increase in net assets resulting from operations, or net income. Accordingly, we can offer no assurances that actual results would not differ materially from the analysis above.

We may in the future hedge against interest rate fluctuations by using standard hedging instruments such as interest rate swaps, futures, options and forward contracts to the limited extent permitted under the 1940 Act and applicable commodities laws. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of lower interest rates with respect to the investments in our portfolio with fixed interest rates.

Senior Securities

Information about our senior securities is shown as of the dates indicated in the below table. The report of our independent registered public accounting firm, Ernst & Young LLP, on the senior securities table as of September 30, 2016 is attached as an exhibit to the registration statement of which this prospectus is a part.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities[1]	Asset Coverage per Unit[2]	Involuntary Liquidating Preference per Unit[3]	Average Market Value per Unit[4]
	(In thousands)			
Retired Credit Facility				
September 30, 2008	$ 123,083	$ 1,137		N/A
September 30, 2009	$ 315,306	$ 1,294		N/A
TRS				
September 30, 2011	$ 77,986	$ 8,120		N/A

2010 Debt Securitization			
September 30, 2010	$ 174,000	$ 2,487	N/A
September 30, 2011	$ 174,000	$ 3,620	N/A
September 30, 2012	$ 174,000	$ 4,165	N/A
September 30, 2013	$ 203,000	$ 5,301	N/A
September 30, 2014	$ 215,000	$ 6,641	N/A
September 30, 2015	$ 215,000	$ 7,537	N/A
September 30, 2016	$ 215,000	$ 8,086	N/A
2014 Debt Securitization			
September 30, 2014	$ 246,000	$ 5,788	N/A
September 30, 2015	$ 246,000	$ 6,589	N/A
September 30, 2016	$ 246,000	$ 7,068	N/A

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Class and Year	Total Amount Outstanding Exclusive of Treasury Securities[1] (In thousands)	Asset Coverage per Unit[2]	Involuntary Liquidating Preference per Unit[3]	Average Market Value per Unit[4]
Credit Facility				
September 30, 2011	$ 2,383	$ 263,101		N/A
September 30, 2012	$ 54,800	$ 13,283		N/A
September 30, 2013	$ 29,600	$ 36,418		N/A
September 30, 2014	$ 27,400	$ 52,199		N/A
September 30, 2015	$ 127,250	$ 12,765		N/A
September 30, 2016	$ 126,700	$ 13,766		N/A
Revolver				
September 30, 2014	$ 0	$ N/A		N/A
September 30, 2015	$ 0	$ N/A		N/A
Adviser Revolver				
September 30, 2016	$ 0	$ N/A		N/A
SBA Debentures				
September 30, 2011	$ 61,300	$ 10,313		N/A
September 30, 2012	$ 123,500	$ 5,886		N/A
September 30, 2013	$ 179,500	$ 6,005		N/A
September 30, 2014	$ 208,750	$ 6,847		N/A
September 30, 2015	$ 225,000	$ 7,211		N/A
September 30, 2016	$ 277,000	$ 6,291		N/A
Total Debt[5]				
September 30, 2008	$ 123,083	$ 1,137		N/A
September 30, 2009	$ 315,306	$ 1,294		N/A
September 30, 2010	$ 174,000	$ 2,487		N/A
September 30, 2011	$ 254,369	$ 2,240		N/A
September 30, 2012	$ 228,800	$ 2,632		N/A
September 30, 2013	$ 232,600	$ 3,859		N/A
September 30, 2014	$ 488,400	$ 2,494		N/A
September 30, 2015	$ 588,250	$ 2,375		N/A
September 30, 2016	$ 587,700	$ 2,488		N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of our total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per $1,000 of indebtedness.

(3) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it. The in this column indicates that the SEC expressly does not require this information to be disclosed for certain types of senior securities.

(4) Not applicable because such senior securities are not registered for public trading.

(5)

These amounts exclude the SBA debentures pursuant to exemptive relief we received from the SEC on September 13, 2011.

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PRICE RANGE OF COMMON STOCK

Our common stock began trading on April 15, 2010 and is currently traded on The Nasdaq Global Select Market under the symbol GBDC . The following table lists the high and low closing sale price for our common stock, the closing sale price as a percentage of net asset value, or NAV, and quarterly distributions per share since October 1, 2014.

Period	NAV(1)	Closing Sales Price		Premium of High Sales Price to NAV(2)	Premium (Discount) of Low Sales Price to NAV(2)	Dividends and Distributions Declared
		High	Low			
Fiscal year ending September 30, 2017						
First quarter (through December 21, 2016)	N/A	$18.76	$ 17.55	N/A	N/A	$ 0.57 (3)
Fiscal year ending September 30, 2016						
Fourth quarter	$15.96	$19.75	$ 18.18	23.7 %	13.9 %	$ 0.32
Third quarter	$15.88	$18.08	$ 16.84	13.9 %	6.0 %	$ 0.32
Second quarter	$15.85	$17.38	$ 15.23	9.7 %	(3.9)%	$ 0.32
First quarter	$15.89	$17.47	$ 16.12	9.9 %	1.4 %	$ 0.32
Fiscal year ended September 30, 2015						
Fourth quarter	$15.80	$17.13	$ 15.90	8.4 %	0.6 %	$ 0.32
Third quarter	$15.74	$17.90	$ 16.56	13.7 %	5.2 %	$ 0.32
Second quarter	$15.61	$18.04	$ 17.05	15.6 %	9.2 %	$ 0.32
First quarter	$15.55	$18.15	$ 16.15	16.7 %	3.9 %	$ 0.32

(1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low closing sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(2) Calculated as of the respective high or low closing sales price divided by the quarter-end NAV.

(3) On November 14, 2016, our board of directors declared a quarterly distribution of $0.32 per share and a special distribution of $0.25 per share, both of which are payable on December 29, 2016 to holders of record as of December 12, 2016.

The last reported price for our common stock on December 21, 2016 was $18.41 per share. As of December 20, 2016, we had 295 stockholders of record.

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THE COMPANY

General

We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the 1940 Act. In addition, for U.S. federal income tax purposes, we have elected to be treated as a RIC under Subchapter M of the Code. We were formed in November 2009 to continue and expand the business of our predecessor, Golub Capital Master Funding LLC, which commenced operations in July 2007, to make investments primarily in senior secured, one stop, second lien and subordinated loans of, and warrants and minority equity securities in, U.S. middle-market companies that are, in most cases, sponsored by private equity firms.

Our investment objective is to generate current income and capital appreciation by investing primarily in senior secured and one stop loans of U.S. middle-market companies. We may also selectively invest in second lien and subordinated loans of, and warrants and minority equity securities in U.S. middle-market companies. We intend to achieve our investment objective by (1) accessing the established loan origination channels developed by Golub Capital, a leading lender to middle-market companies with over $18.0 billion in capital under management as of September 30, 2016, (2) selecting investments within our core middle-market company focus, (3) partnering with experienced sponsors, in many cases with whom Golub Capital has invested alongside in the past, (4) implementing the disciplined underwriting standards of Golub Capital and (5) drawing upon the aggregate experience and resources of Golub Capital.

As of September 30, 2016 and 2015, our portfolio at fair value was comprised of the following:

Investment Type	As of September 30, 2016		As of September 30, 2015	
	Investments at Fair Value (In thousands)	Percentage of Total Investments	Investments at Fair Value (In thousands)	Percentage of Total Investments
Senior secured	$ 162,849	9.8 %	$ 197,329	12.9 %
One stop	1,304,467	78.5	1,134,222	74.1
Second lien	27,909	1.7	39,774	2.6
Subordinated debt	1,427	0.1	1,715	0.1
Subordinated notes in SLF[1]	77,301	4.7	76,563	5.0
LLC equity interests in SLF[1]	26,927	1.6	22,373	1.5
Equity	59,732	3.6	57,808	3.8
Total	$ 1,660,612	100.0 %	$ 1,529,784	100.0 %

(1) Proceeds from the subordinated notes and LLC equity interests invested in SLF were utilized by SLF to invest in senior secured loans.

We seek to create a portfolio that includes primarily senior secured and one stop loans by primarily investing approximately $5.0 million to $30.0 million of capital, on average, in the securities of U.S. middle-market companies. We may also selectively invest more than $30.0 million in some of our portfolio companies and generally expect that the size of our individual investments will vary proportionately with the size of our capital base.

Our Adviser

Our investment activities are managed by our investment adviser, GC Advisors. GC Advisors is responsible for sourcing potential investments, conducting research and due diligence on prospective investments and equity sponsors, analyzing investment opportunities, structuring our investments and monitoring our investments and portfolio companies on an ongoing basis. GC Advisors was organized in September 2008 and is a registered investment adviser under the Advisers Act. Under the Investment Advisory Agreement, we pay GC Advisors a base management fee and an incentive fee for its services. See Management Agreements Investment Advisory Agreement Management Fee for a discussion of the base management fee and incentive fee, including the cumulative income incentive fee and the income and capital gains incentive fee, payable by us to GC Advisors. Unlike most closed-end funds whose fees are based on assets net of leverage, our base management fee is based on our average-adjusted gross assets (including

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leverage but adjusted to exclude cash and cash equivalents so that investors do not pay the base management fee on such assets) and, therefore, GC Advisors benefits when we incur debt or use leverage. For purposes of the Investment Advisory Agreement, cash equivalents means U.S. government securities and commercial paper instruments maturing within 270 days of purchase. Additionally, under the incentive fee structure, GC Advisors benefits when capital gains are recognized and, because it determines when a holding is sold, GC Advisors controls the timing of the recognition of capital gains. Our board of directors is charged with protecting our interests by monitoring how GC Advisors addresses these and other conflicts of interest associated with its management services and compensation. While not expected to review or approve each borrowing, our independent directors periodically review GC Advisors services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, our independent directors consider whether our fees and expenses (including those related to leverage) remain appropriate. See Management Agreements Investment Advisory Agreement Board Approval of the Investment Advisory Agreement.

GC Advisors is an affiliate of Golub Capital and pursuant to the Staffing Agreement, Golub Capital LLC makes experienced investment professionals available to GC Advisors and provides access to the senior investment personnel of Golub Capital LLC and its affiliates. The Staffing Agreement provides GC Advisors with access to deal flow generated by Golub Capital LLC and its affiliates in the ordinary course of their businesses and commits the members of GC Advisors investment committee to serve in that capacity. As our investment adviser, GC Advisors is obligated to allocate investment opportunities among us and its other clients fairly and equitably over time in accordance with its allocation policy. See Related Party Transactions and Certain Relationships. However, there can be no assurance that such opportunities will be allocated to us fairly or equitably in the short-term or over time. GC Advisors seeks to capitalize on the significant deal origination, credit underwriting, due diligence, investment structuring, execution, portfolio management and monitoring experience of Golub Capital LLC s investment professionals.

Golub Capital LLC

Golub Capital LLC, an affiliate of GC Advisors, provides the administrative services necessary for us to operate. The Administrator furnishes us with office facilities and equipment and provides us clerical, bookkeeping, recordkeeping and other administrative services at such facilities. Under the Administration Agreement, the Administrator performs, or oversees the performance of, our required administrative services, which include, among other things, being responsible for the financial records we are required to maintain and preparing our reports to our stockholders and reports filed with the SEC. In addition, the Administrator also assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns, printing and disseminating reports to our stockholders and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. The Administrator may retain third parties to assist in providing administrative services to us. To the extent that the Administrator outsources any of its functions, we pay the fees associated with such functions on a direct basis without profit to the Administrator. We reimburse the Administrator for the allocable portion (subject to the review and approval of our board of directors) of the Administrator s overhead and other expenses incurred by it in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions, and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. The Administrator also provides on our behalf significant managerial assistance to those portfolio companies to which we are required to provide such assistance.

About Golub Capital

Golub Capital, founded in 1994, is a leading lender to middle-market companies, with a long track record of investing in senior secured, one stop, second lien and subordinated loans. As of September 30, 2016, Golub Capital managed over $13.1 billion of invested or available capital for senior secured, one stop, second lien and subordinated loan investments in middle-market companies. Since its inception, Golub Capital has closed deals with over 200 middle-market sponsors and repeat transactions with over 130 sponsors.

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Golub Capital s middle-market lending group is managed by a four-member senior management team consisting of Lawrence E. Golub, David B. Golub, Andrew H. Steuerman and Gregory W. Cashman. As of September 30, 2016, Golub Capital s more than 90 investment professionals had an average of over 12 years of investment experience and were supported by more than 185 administrative and back office personnel that focus on operations, finance, legal and compliance, accounting and reporting, marketing, information technology and office management.

Market Trends

We have identified the following trends that may affect our business:

Target Market. We believe that small and middle-market companies in the United States with annual revenues between $10.0 million and $2.5 billion represent a significant growth segment of the U.S. economy and often require substantial capital investments to grow. Middle-market companies have generated a significant number of investment opportunities for investment funds managed or advised by Golub Capital, and we believe that this market segment will continue to produce significant investment opportunities for us.

Specialized Lending Requirements. We believe that several factors render many U.S. financial institutions ill-suited to lend to U.S. middle-market companies. For example, based on the experience of our management team, lending to U.S. middle-market companies (1) is generally more labor intensive than lending to larger companies due to the smaller size of each investment and the fragmented nature of information for such companies, (2) requires due diligence and underwriting practices consistent with the demands and economic limitations of the middle-market and (3) may also require more extensive ongoing monitoring by the lender.

Demand for Debt Capital. We believe there is a large pool of uninvested private equity capital for middle-market companies. We expect private equity firms will seek to leverage their investments by combining equity capital with senior secured loans and subordinated debt from other sources, such as us.

Competition from Bank Lenders. We believe that many commercial and investment banks have, in recent years, de-emphasized their service and product offerings to middle-market businesses in favor of lending to large corporate clients and managing capital markets transactions. In addition, these lenders may be constrained in their ability to underwrite and hold bank loans for middle-market issuers as they seek to meet existing and future regulatory capital requirements. We believe these factors may result in opportunities for alternative funding sources to middle-market companies and therefore more market opportunities for us.

Market Environment. We believe that as part of the path of economic recovery following the credit crisis, there has been increased competition for new middle-market investments due to some new non-bank finance companies that have entered the market and due to improving financial performance of middle-market companies. However, we believe that our scale and strong market position will continue to allow us to find investment opportunities with attractive risk-adjusted returns.

Competitive Strengths

Deep, Experienced Management Team. We are managed by GC Advisors, which, as of September 30, 2016, had access through the Staffing Agreement to the resources and expertise of Golub Capital s more than 280 employees, led by our chairman, Lawrence E. Golub, and our chief executive officer, David B. Golub. As of September 30, 2016, the more than 90 investment professionals of Golub Capital had an average of over 12 years of investment experience and were supported by more than 185 administrative and back office personnel that focus on operations, finance, legal and

compliance, accounting and reporting, marketing, information technology and office management. GC Advisors also manages GCIC, a Maryland corporation that has elected to be treated as a business development company. Golub Capital seeks to hire and retain high-quality investment professionals and reward those personnel based on investor returns.

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In 2015, Golub Capital was awarded Creditflux Manager Awards Best Business Development Company, Global Capital s US Securitization Awards Best Middle Market CLO Manager for 2014 and Private Debt Investor s Lender of the Year, Americas and Unitranche Lender of the Year, Americas. In 2014, Golub Capital was awarded Acquisition International s 2014 Fund Awards Credit Asset Management Firm of the Year USA, ACQ s Global Awards US Credit Asset Manager of the Year, Acquisition International s Broadly Syndicated Loans Specialist of the Year USA, and Acquisition International s Hedge Fund Award USA Credit Asset Manager of the Year. In 2013, Golub Capital was awarded Finance Monthly s Global Awards 2013 Credit Asset Manager of the Year and DealMakers M&A Awards 2013 Middle Market Lender of the Year. These awards do not constitute an endorsement by such organizations of the securities being offered by this prospectus.

Leading U.S. Debt Platform Provides Access to Proprietary Relationship-Based Deal Flow. GC Advisors gives us access to the deal flow of Golub Capital, one of the leading middle-market lenders in the United States. Golub Capital has been ranked a top 3 Traditional Middle Market Bookrunner each year from 2008 through 3Q 2016 by Thomson Reuters LPC for senior secured loans of up to $500.0 million for leveraged buyouts (based on number of deals completed). Since its inception, Golub Capital has closed deals with over 200 middle-market sponsors and repeat transactions with over 130 sponsors. We believe that Golub Capital receives relationship-based early looks and last looks at many investment opportunities in the U.S. middle-market market, allowing it to be highly selective in the transactions it pursues.

Disciplined Investment and Underwriting Process. GC Advisors utilizes the established investment process of Golub Capital for reviewing lending opportunities, structuring transactions and monitoring investments. Using its disciplined approach to lending, GC Advisors seeks to minimize credit losses through effective underwriting, comprehensive due diligence investigations, structuring and the implementation of restrictive debt covenants.

Regimented Credit Monitoring. Following each investment, GC Advisors implements a regimented credit monitoring system. This careful approach, which involves ongoing review and analysis by teams of professionals, has enabled GC Advisors to identify problems early and to assist borrowers before they face difficult liquidity constraints.

Concentrated Middle-Market Focus. Because of our focus on the middle-market, we understand the following general characteristics of middle-market lending:

- middle-market companies are generally less leveraged than large companies and, we believe, offer more attractive investment returns in the form of upfront fees, prepayment penalties and higher interest rates;
- middle-market issuers are more likely to have simple capital structures;
- carefully structured covenant packages enable middle-market lenders to take early action to remediate poor financial performance; and
- middle-market lenders can undertake thorough due diligence investigations prior to investment.

Investment Criteria/Guidelines

We seek to generate strong risk-adjusted net returns by assembling a portfolio of investments across a broad range of industries and private equity investors.

We primarily target U.S. middle-market companies controlled by private equity investors that require capital for growth, acquisitions, recapitalizations, refinancings and leveraged buyouts. We may also make opportunistic loans to independently owned and publicly held middle-market companies. We seek to partner with strong management teams executing long-term growth strategies. Target businesses will typically exhibit some or all of the following characteristics:

- annual EBITDA of $10.0 million to $75.0 million;
- sustainable leading positions in their respective markets;
- scalable revenues and operating cash flow;

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- experienced management teams with successful track records;
- stable, predictable cash flows with low technology and market risks;
- a substantial equity cushion in the form of capital ranking junior to our investment;
- low capital expenditures requirements;
- a North American base of operations;
- strong customer relationships;
- products, services or distribution channels having distinctive competitive advantages;
- defensible niche strategy or other barriers to entry; and
- demonstrated growth strategies.

While we believe that the criteria listed above are important in identifying and investing in prospective portfolio companies, not all of these criteria will be met by each prospective portfolio company.

Investment Process Overview

We view our investment process as consisting of four distinct phases described below:

Origination. GC Advisors sources investment opportunities through access to a network of over 10,000 individual contacts developed in the financial services and related industries by Golub Capital and managed through a proprietary customer relationship database. Among these contacts is an extensive network of private equity firms and relationships with leading middle-market senior lenders. The senior deal professionals of Golub Capital supplement these leads through personal visits and marketing campaigns. It is their responsibility to identify specific opportunities, to refine opportunities through candid exploration of the underlying facts and circumstances and to apply creative and flexible thinking to solve clients financing needs. Golub Capital s origination personnel are located in offices in Chicago, New York and San Francisco. Each originator maintains long-standing customer relationships and is responsible for covering a specified target market. We believe those originators strength and breadth of relationships across a wide range of markets generate numerous financing opportunities, which we believe enables GC Advisors to be highly selective in recommending investments to us.

Underwriting. We utilize the systematic, consistent approach to underwriting developed by Golub Capital, with a particular focus on determining the value of a business in a downside scenario. The key criteria that we consider include (1) strong and resilient underlying business fundamentals, (2) a substantial equity cushion in the form of capital ranking junior in right of payment to our investment and (3) a conclusion that overall downside risk is manageable. While the size of our equity cushion will vary over time and across industries, the equity cushion generally sought by GC Advisors today is between 35% and 45% of total portfolio capitalization. We generally focus on the criteria developed by Golub Capital for evaluating prospective portfolio companies, and we put more emphasis on credit considerations (such as (1) loan-to-value ratio (which is the amount of our loan divided by the enterprise value of the company in which we are investing), (2) the ability of the company to maintain a liquidity cushion through economic cycles and in downside scenarios, (3) the ability of the company to service its fixed charge obligations under a variety of scenarios and (4) its anticipated strategic value in a downturn) than on profit potential and loan pricing. Our due diligence process for middle-market credits will typically entail:

- a thorough review of historical and pro forma financial information,
- on-site visits;
- interviews with management and employees;
- a review of loan documents and material contracts;

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- third-party quality of earnings accounting due diligence;
- when appropriate, background checks on key managers and research relating to the company s business, industry, markets, customers, suppliers, products and services and competitors; and
- the commission of third-party market studies when appropriate.

The following chart illustrates the stages of Golub Capital s evaluation and underwriting process:

ILLUSTRATIVE DEAL EVALUATION PROCESS

Execution. In executing transactions for us, GC Advisors utilizes the due diligence process developed by Golub Capital. Through a consistent approach to underwriting and careful attention to the details of execution, it seeks to close deals as fast or faster than competitive financing providers while maintaining discipline with respect to credit, pricing and structure to ensure the ultimate success of the financing. Upon completion of due diligence, the investment team working on an investment delivers a memorandum to GC Advisors investment committee. Once an investment has been approved by the investment committee, it moves through a series of steps towards negotiation of final documentation. Upon completion of final documentation, a loan is funded upon the execution of an investment committee memorandum by members of GC Advisors investment committee.

Monitoring. We view active portfolio monitoring as a vital part of our investment process. We consider board observation rights, where appropriate, regular dialogue with company management and sponsors and detailed, internally generated monitoring reports to be critical to our performance. Golub Capital has developed a monitoring template that is designed to reasonably ensure compliance with these standards. This template is used by GC Advisors as a tool to assess investment performance relative to our investment plan.

As part of the monitoring process, GC Advisors regularly assesses the risk profile of each of our investments and rates each of them based on an internal system developed by Golub Capital and its affiliates. This system is not generally accepted in our industry or used by our competitors. It is based on the following categories, which we refer to as GC Advisors internal performance rating:

Internal Performance Ratings

Rating	Definition
5	Involves the least amount of risk in our portfolio. The borrower is performing above expectations, and the trends and risk factors are generally favorable.
4	Involves an acceptable level of risk that is similar to the risk at the time of origination. The borrower is generally performing as expected, and the risk factors are neutral to favorable.
3	Involves a borrower performing below expectations and indicates that the loan s risk has increased somewhat since origination. The borrower may be out of compliance with debt covenants; however, loan payments are generally not past due.
2	Involves a borrower performing materially below expectations and indicates that the loan s risk has increased materially since origination. In addition to the borrower being generally out of compliance with debt covenants, loan payments may be past due (but generally not more than 180 days past due).
1	Involves a borrower performing substantially below expectations and indicates that the loan s risk has substantially increased since origination. Most or all of the debt covenants are out of compliance and payments are substantially delinquent. Loans rated 1 are not anticipated to be repaid in full and we will reduce the fair market value of the loan to the amount we anticipate will be recovered.

Our internal performance ratings do not constitute any rating of investments by a nationally recognized statistical rating organization or represent or reflect any third-party assessment of any of our investments.

For any investment rated 1, 2 or 3, GC Advisors will increase its monitoring intensity and prepare regular updates for the investment committee, summarizing current operating results and material impending events and suggesting recommended actions.

GC Advisors monitors and, when appropriate, changes the internal performance ratings assigned to each investment in our portfolio. In connection with our valuation process, GC Advisors and our board of directors review these internal performance ratings on a quarterly basis.

The following table shows the distribution of our investments on the 1 to 5 internal performance rating scale at fair value as of September 30, 2016 and 2015:

	September 30, 2016		September 30, 2015	
Internal Performance Rating	Investments at Fair Value (In thousands)	Percentage of Total Investments	Investments at Fair Value (In thousands)	Percentage of Total Investments
5	$ 93,768	5.7 %	$ 134,142	8.8 %
4	1,380,274	83.1	1,298,558	84.9

3	176,464	10.6		87,687	5.7	
2	9,950	0.6		9,397	0.6	
1	156	0.0	*			
Total	$ 1,660,612	100.0	%	$ 1,529,784	100.0	%

* Represents an amount less than 0.1%.

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Investment Committee

GC Advisors investment committee, which is comprised of officers of GC Advisors, evaluates and approves all of our investments, subject to the oversight of our board of directors. The investment committee process is intended to bring the diverse experience and perspectives of the committee s members to the analysis and consideration of each investment. The investment committee currently consists of Lawrence E. Golub, David B. Golub, Andrew H. Steuerman and Gregory W. Cashman. The investment committee serves to provide investment consistency and adherence to our core investment philosophy and policies. The investment committee also determines appropriate investment sizing and suggests ongoing monitoring requirements.

In addition to reviewing investments, investment committee meetings serve as a forum to discuss credit views and outlooks. Potential transactions and deal flow are reviewed on a regular basis. Members of the investment team are encouraged to share information and credit views with the investment committee early in their analysis. We believe this process improves the quality of the analysis and assists the deal team members to work more efficiently.

Each transaction is presented to the investment committee in a formal written report. All of our new investments must be approved by a consensus of the investment committee. Each member of the investment committee performs a similar role for other investment funds, accounts or other investment vehicles, collectively referred to as accounts, sponsored or managed by Golub Capital and its affiliates.

Investment Structure

Once we have determined that a prospective portfolio company is suitable for investment, we work with the management of that company and its other capital providers to structure an investment. We negotiate among these parties to agree on how our investment is expected to perform relative to the other capital in the portfolio company s capital structure.

We structure our investments, which typically have maturities of three to seven years as described below. Our loans typically provide for moderate loan amortization in the early years of the loan, with the majority of the amortization deferred until loan maturity, and there is a risk of loss if the borrower is unable to pay the lump sum or refinance the amount at maturity.

Senior Secured Loans. When we structure investments in senior secured loans, we obtain security interests in the assets of the portfolio company that serve as collateral in support of the repayment of such loans. This collateral may take the form of first-priority liens on the assets of the portfolio company borrower.

One Stop Loans. We structure our one stop loans as senior secured loans. We obtain security interests in the assets of the portfolio company that serve as collateral in support of the repayment of these loans. This collateral may take the form of first-priority liens on the assets of the portfolio company. In many cases, we together with our affiliates are the sole lenders of one stop loans, which can afford us additional influence over the borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.

One stop loans include loans to technology companies undergoing strong growth due to new services, increased adoption and/or entry into new markets. We refer to loans to these companies as late stage lending loans. Other targeted characteristics of late stage lending businesses include strong customer revenue retention rates, a diversified customer base and backing from growth equity or venture capital firms. In some cases, the borrower s high revenue growth is supported by a high level of discretionary spending. As part of the underwriting of such loans and consistent

with industry practice, we may adjust our characterization of the earnings of such borrowers for a reduction or elimination of such discretionary expenses, if appropriate.

Second Lien Loans. We structure these investments as junior, secured loans. We obtain security interests in the assets of the portfolio company that serve as collateral in support of the repayment of such loans. This collateral may take the form of second priority liens on the assets of a portfolio company.

Subordinated Loans. We structure these investments as unsecured, subordinated loans that provide for relatively high, fixed interest rates that provide us with significant current interest income. These loans typically have interest-only payments (often representing a combination of cash pay and PIK interest) in the early years. Subordinated loan investments are generally more volatile than secured loans and may involve a

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greater risk of loss of principal. In addition, the PIK feature of many subordinated loans, which effectively operates as negative amortization of loan principal, increases credit risk exposure over the life of the loan.

Subordinated loan investments are generally more volatile than secured loans and may involve a greater risk of loss of principal. In addition, the PIK feature of many subordinated loans, which effectively operates as negative amortization of loan principal, increases credit risk exposure over the life of the loan.

Warrants and Minority Equity Securities. In some cases, we may receive nominally priced warrants or options to buy a minority equity interest in the portfolio company in connection with a loan, which can allow us to achieve additional investment return from this equity interest. We may structure such warrants to include provisions protecting our rights as a minority-interest holder, as well as a put, or right to sell such securities back to the issuer, upon the occurrence of specified events.

Senior Loan Fund. We have invested in SLF, which as of September 30, 2016, consisted of a portfolio of loans to 62 different borrowers in industries similar to the companies in our portfolio. SLF invests in debt securities that are secured by a first lien on some or all of the issuer s assets, including traditional senior debt and any related revolving or similar credit facility, in generally the same manner as our senior secured loans.

We tailor the terms of each investment to the facts and circumstances of the transaction and the prospective portfolio company, negotiating a structure that protects our rights and manages our risk while creating incentives for the portfolio company to achieve its business plan and improve its operating results. We seek to limit the downside potential of our investments by:

selecting investments that we believe have a very low probability of loss;
requiring a total return on our investments that we believe will compensate us appropriately for credit risk; and
negotiating covenants in connection with our investments that afford our portfolio companies as much flexibility in managing their businesses as possible, consistent with the preservation of our capital. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control provisions and board rights.
We expect to hold most of our investments to maturity or repayment, but we may sell some of our investments earlier if a liquidity event occurs, such as a sale, recapitalization or worsening of the credit quality of the portfolio company.

Investments

We seek to create a portfolio that includes primarily senior secured and one stop loans by investing approximately $5.0 million to $30.0 million of capital, on average, in the securities of middle-market companies. Set forth below is a list of our ten largest portfolio company investments as of September 30, 2016, as well as the top ten industries in which we were invested as of September 30, 2016, in each case excluding SLF, calculated as a percentage of our total investments as of such date.

Portfolio Company	Fair Value of Investments (In thousands)	Percentage of Total Investments	
Atkins Nutritionals, Inc	$ 41,138	2.5	%
Market Track, LLC	36,115	2.2	
DCA Investment Holding, LLC	34,998	2.1	

Vetcor Professional Practices LLC	32,243	1.9
First Watch Restaurants, Inc.	31,424	1.9
Accellos, Inc.	31,051	1.9
Certara L.P.	30,329	1.8
Integration Appliance, Inc.	30,152	1.8
Chase Industries, Inc.	28,186	1.7
NTS Technical Systems	26,746	1.6
	$ 322,382	19.4 %

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Industry	Fair Value of Investments (In thousands)	Percentage of Total Investments
Healthcare, Education and Childcare	$ 327,287	19.7 %
Diversified/Conglomerate Service	274,198	16.5
Electronics	146,319	8.8
Beverage, Food and Tobacco	145,658	8.8
Retail Stores	137,940	8.3
Diversified/Conglomerate Manufacturing	84,306	5.1
Personal, Food and Miscellaneous Services	66,198	4.0
Aerospace and Defense	59,120	3.6
Leisure, Amusement, Motion Pictures, Entertainment	51,397	3.1
Printing and Publishing	46,814	2.8
	$ 1,339,237	80.7 %

Managerial Assistance

As a business development company, we offer, and must provide upon request, managerial assistance to our portfolio companies. This assistance would involve an arrangement to provide significant guidance and counsel concerning the management, operations or business objectives and policies of the portfolio company. The Administrator or an affiliate of the Administrator provides such managerial assistance on our behalf to portfolio companies that request this assistance. We may receive fees for these services and reimburse the Administrator or an affiliate of the Administrator, as applicable, for its allocated costs in providing such assistance, subject to the review and approval by our board of directors, including our independent directors.

Competition

Our primary competitors in providing financing to middle-market companies include public and private funds, other business development companies, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a business development company or to the source-of-income, asset diversification and distribution requirements we must satisfy to maintain our qualification as a RIC.

We use the expertise of the investment professionals of Golub Capital and its affiliates to which we have access to assess investment risks and determine appropriate pricing for our investments in portfolio companies. In addition, the relationships of the senior members of Golub Capital and its affiliates enable us to learn about, and compete effectively for, financing opportunities with attractive middle-market companies in the industries in which we invest. See Risk Factors Risks Relating to our Business and Structure We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses.

Administration

We do not have any direct employees, and our day-to-day investment operations are managed by GC Advisors. We have a chief executive officer, chief financial officer, chief compliance officer, managing director and director of corporate strategy, and to the extent necessary, our board of directors may elect to hire additional personnel going forward. Our officers are officers and/or employees of Golub Capital LLC, an affiliate of GC Advisors, and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs is paid by us pursuant to the Administration Agreement with the Administrator. See Management Agreements Administration Agreement.

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Properties

We do not own any real estate or other physical properties materially important to our operation. Our headquarters are located at 150 South Wacker Drive, Suite 800, Chicago, IL 60606 and are provided by the Administrator pursuant to the Administration Agreement. We believe that our office facilities are suitable and adequate to our business.

Legal Proceedings

We, GC Advisors, the Administrator and our wholly-owned subsidiaries are not currently subject to any material legal proceedings.

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PORTFOLIO COMPANIES

The following table sets forth certain information as of September 30, 2016 for each portfolio company in which we had an investment. The general terms of each type of investment, including information on our security interests in the assets of the portfolio companies and the expected interest rates on such investments, are described in The Company Investment Structure. Other than our equity investments and our investment in SLF, our only formal relationships with our portfolio companies are the managerial assistance that we may provide upon request and the board observer or participation rights we may receive in connection with our investment. As indicated by footnote to the following table, we are deemed to control , as defined in the 1940 Act, SLF because we own more than 25% of SLF s outstanding voting securities. Other than our investment in SLF, we do not control , as defined in the 1940 Act, any of our portfolio companies. As of September 30, 2016, we were an affiliated person , as defined in the 1940 Act, of one portfolio company. In general, under the 1940 Act, we would control a portfolio company if we owned, directly or indirectly, more than 25.0% of its voting securities and would be an affiliate of a portfolio company if we owned, directly or indirectly, five percent or more of its voting securities. The loans in our current portfolio were either originated or purchased in the secondary market by Golub Capital and its affiliates. As of September 30, 2016, there were 77 portfolio companies with a total fair value of $319.3 million securing the notes issued as part of the 2010 Debt Securitization and 79 portfolio companies with a total fair value of $391.8 million securing the notes issued as part of the 2014 Debt Securitization. The pool of loans in the Debt Securitizations must meet certain requirements, including asset mix and concentration, collateral coverage, term, agency rating, minimum coupon, minimum spread and sector diversity requirements.

Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate[1]	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held[2]
Abita Brewing Co., L.L.C. 21084 Highway 36 Covington, LA 70433	Beverage, Food and Tobacco	One stop	6.75% (L + 5.75%)	04/2021	7,194	
		One stop	N/A[4] (L + 5.75%)	04/2021	(11)[3]	
ABP Corporation 19 FID Kennedy Avenue Boston, MA 02210	Beverage, Food and Tobacco	Senior loan*	6.00% (L + 4.75%)	09/2018	4,461	
		Senior loan	7.25% (P + 3.50%)	09/2018	225	
Accellos, Inc. 90 South Cascade Avenue Colorado Springs, CO 80903	Diversified/ Conglomerate Service	One stop*#	6.75% (L + 5.75%)	07/2020	31,051	
		One stop	N/A[4] (L + 5.75%)	07/2020		
Actiance, Inc. 1400 Seaport Blvd, Building B, 3rd FL Redwood City, CA 94063	Diversified/ Conglomerate Service	One stop*	10.00% (L + 9.00%)	04/2018	2,900	

		One stop	N/A[4] (L + 9.00%)	04/2018		
		Warrant	N/A	N/A	99	0.2 %
Active Day, Inc. 6 Neshaminy Interplex Suite 401 Trevose, PA 19053	Healthcare, Education and Childcare	One stop	7.00% (L + 6.00%)	12/2021	13,538	
		One stop	N/A[4] (L + 6.00%)	12/2021		
		One stop	N/A[4] (L + 6.00%)	12/2021		
		LLC interest	N/A	N/A	706	0.5 %
ADCS Clinics Intermediate Holdings, LLC 151 Southhall Lane, Suite 300 Maitland, FL 32751	Healthcare, Education and Childcare	One stop	6.75% (L + 5.75%)	05/2022	21,496	
		One stop	6.75% (L + 5.75%)	05/2022	109	
		One stop	6.75% (L + 5.75%)	05/2022	32	
		One stop	8.25% (P + 4.75%)	05/2022	27	

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Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate[1]	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held[2]
		One stop	N/A[4] (L + 5.75%)	05/2022		
		Preferred stock	N/A	N/A	579	0.4 %
		Common stock	N/A	N/A	6	0.4 %
Advanced Pain Management Holdings, Inc. 4131 W Loomis Rd., Suite 300 Greenfield, WI 53221	Healthcare, Education and Childcare	Preferred stock	N/A	N/A	382	1.2 %
		Preferred stock	N/A	N/A	199	1.2 %
		Common stock	N/A	N/A		1.2 %
Agilitas USA, Inc. 2001 Mallory Lane, Suite 201 Franklin, TN 37067	Healthcare, Education and Childcare	Senior loan	5.00% (L + 4.00%)	10/2020	2,040	
Agility Recovery Solutions Inc. 2101 Rexford Road, Suite 350E Charlotte, NC 28211	Diversified/ Conglomerate Service	One stop*	7.50% (L + 6.50%)	03/2020	14,092	
		One stop	N/A[4] (L + 6.50%)	03/2020		
		Preferred stock	N/A	N/A	610	0.4 %
Aimbridge Hospitality, LLC 2500 N Dallas Pkwy Plano, TX 75093	Hotels, Motels, Inns, and Gaming	Senior loan	5.75% (L + 4.50%)	10/2018	815	
American Driveline Systems, Inc. 201 Gibraltar Road Harsham, PA 19044	Automobile	Senior loan*	6.75% (L + 5.75%)	03/2020	1,798	
		Senior loan	6.75% (L + 5.75%)	03/2020	233	
		Senior loan	8.25% (P + 4.75%)	03/2020	46	
Appriss Holdings, Inc. 10401 Linn Station	Electronics	Senior loan*#	6.25% (L + 5.25%)	11/2020	15,451	

Road Louisville, KY 40223						
		Senior loan	6.25% (L + 5.25%)	11/2020	800	
Arcos, LLC 445 Hutchinson Ave, Suite 600 Columbus OH 43235	Utilities	One stop	7.50% (L + 6.50%)	02/2021	4,014	
		One stop	N/A(4) (L + 6.50%)	02/2021		
Aris Teleradiology Company, LLC 5655 Hudson Drive, Ste 210 Hudson, OH 44236	Healthcare, Education and Childcare	Senior loan*	5.75% (L + 4.75%)	03/2021	941	
		Senior loan	N/A(4) (L + 4.75%)	03/2021		
Arise Virtual Solutions, Inc. 3450 Lakeside Drive Miramar, FL 33027	Telecommunications	One stop	7.75% (L + 6.50%)	12/2018	1,313	
		One stop	N/A(4) (L + 6.50%)	12/2018	(4)(3)	
Atkins Nutritionals, Inc 1050 17th Street, Suite 1000 Denver, CO 80265	Beverage, Food and Tobacco	One stop*	9.75% (L + 8.50%)	04/2019	21,636	
		One stop*#	6.25% (L + 5.00%)	01/2019	16,872	
		LLC interest	N/A	N/A	2,630	0.5 %
Avalign Technologies, Inc. 272 E. Deerpath, Suite 208 Lake Forest, IL 60045	Healthcare, Education and Childcare	Senior loan	5.50% (L + 4.50%)	07/2021	1,136	

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Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held(2)
Barcelona Restaurants, LLC 22 Elizabeth Street Norwalk, CT 06854	Retail Stores	LP interest	N/A	N/A	5,507	3.9 %
Batteries Plus Holding Corporation 1325 Walnut Ridge Dr. Hartland, WI 53029	Retail Stores	One stop	7.75% (L + 6.75%)	07/2022	13,791	
		One stop	N/A(4) (L + 6.75%)	07/2022	(1)(3)	
		LLC units	N/A	N/A	529	0.2 %
Benetech, Inc. 2245 Sequoia Dr., Suite 300 Aurora, IL 60506	Mining, Steel, Iron and Non-Precious Metals	One stop*	10.25% (L + 9.00%)	10/2017	3,894	
		One stop	11.25% (P + 7.75%)	10/2017	20	
Benihana, Inc. 8685 NW 53rd Terrace #201 Miami, FL 33166	Beverage, Food and Tobacco	One stop*	7.25% (L + 6.00%)	01/2019	14,973	
		One stop	7.92% (P + 4.75%)	07/2018	1,585	
		LLC units	N/A	N/A	501	0.6 %
BIORECLAMATIONIVT, LLC 123 Frost Street, Ste 115 Westbury, NY 11590	Healthcare, Education and Childcare	One stop*#	7.25% (L + 6.25%)	01/2021	14,392	
		One stop	N/A(4) (L + 6.25%)	01/2021		
		LLC interest	N/A	N/A	399	0.2 %
Bomgar Corporation 578 Highland Colony Parkway, Paragon Centre, Suite 300 Ridgeland, MS 39157	Diversified/ Conglomerate Service	One stop	8.50% (L + 7.50%)	06/2022	4,888	
		One stop	N/A(4) (L + 7.50%)	06/2022		
		Common stock	N/A	N/A	108	0.1 %
		Common stock	N/A	N/A	1	0.1 %
				12/2021	636	

Brandmuscle, Inc. 233 S. Wacker Drive, Suite 4400 Chicago, IL 60606	Printing and Publishing	Senior loan#	6.00% (L + 5.00%)			
		LLC interest	N/A	N/A	273	0.3 %
Brooks Equipment Company, LLC 10926 David Taylor Drive, Suite 300 Charlotte, NC 28262	Buildings and Real Estate	One stop*	6.00% (L + 5.00%)	08/2020	22,970	
		One stop	N/A(4) (L + 5.00%)	08/2020		
		Common stock	N/A	N/A	1,248	0.2 %
C. J. Foods, Inc. 21 Main Street Bern, KS 66408	Beverage, Food and Tobacco	One stop*	6.00% (L + 5.00%)	05/2019	3,141	
		One stop	6.00% (L + 5.00%)	05/2019	663	
		One stop	N/A(4) (L + 5.00%)	05/2019		
		Preferred stock	N/A	N/A	309	0.2 %
C.B. Fleet Company, Incorporated 4615 Murray Place Lynchburg, Virginia 24502	Personal and Non Durable Consumer Products (Mfg. Only)	LLC units	N/A	N/A	270	0.1 %
California Cryobank, LLC 11915 La Grange Ave Los Angeles, CA 90025	Healthcare, Education and Childcare	One stop	6.50% (L + 5.50%)	08/2019	1,550	

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Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate[1]	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held[2]
		One stop	6.50% (L + 5.50%)	08/2019	234	
		One stop	N/A[4] (L + 5.50%)	08/2019		
		LLC units[5]	N/A	N/A	31	
		LLC units[5]	N/A	N/A		
Captive Resources Midco, LLC 201 East Commerce Drive Schaumburg, IL 60173	Insurance	One stop*#	6.75% (L + 5.75%)	06/2020	26,127	
		One stop	N/A[4] (L + 5.75%)	06/2020		
		One stop	N/A[4] (L + 5.75%)	06/2020		
		LLC units	N/A	N/A	186	0.6 %
Certara L.P. 10 N. Tucker Blvd., Suite 350 St. Louis, MO 63101	Healthcare, Education and Childcare	One stop*#	7.25% (L + 6.25%)	12/2018	29,063	
		One stop	N/A[4] (L + 6.25%)	12/2018		
		LP interest	N/A	N/A	1,266	0.4 %
CH Hold Corp. (Caliber Collision) 401 E. Cororate Drive, Suite 150 Lewisville, TX 75057	Automobile	Senior loan*#	6.25% (L + 5.25%)	11/2019	5,144	
Chase Industries, Inc. 10021 Commerce Park Dr. Cincinnati, OH 45246	Diversified/ Conglomerate Manufacturing	One stop*#	6.81% (L + 5.75%)	09/2020	21,704	
		One stop#	7.13% (L + 5.75%)	09/2020	4,816	
		One stop	N/A[4] (L + 5.75%)	09/2020		
		LLC units	N/A	N/A	1,666	1.4 %
CIBT Holdings, Inc 1650 Tyson Blvd, Suite 1350 McLean, VA 22102	Diversified/ Conglomerate Service	Senior loan	6.25% (L + 5.25%)	06/2022	1,973	
		Senior loan	N/A[4] (L + 5.25%)	06/2022		
		One stop#		09/2022	9,925	

Clearwater Analytics, LLC 777 W. Maine St. Suite 900 Boise, ID 83702	Diversified/ Conglomerate Service		8.50% (L + 7.50%)				
		One stop	N/A[4] (L + 7.50%)	09/2022	(1	)[3]	
CLP Healthcare Services, Inc. Creekside Crossing IV, 12 Cadillac Dr., Ste 360 Brentwood, TN 37027	Healthcare, Education and Childcare	Senior loan	6.25% (L + 5.25%)	12/2020	3,964		
		One stop	6.50% (L + 5.50%)	10/2021	16		
Community Veterinary Partners, LLC 100 N. 20th Street, Suite 302 Phiadelphia, PA 19103	Personal, Food and Miscellaneous Services	Common stock	N/A	N/A	144		0.2 %
Competitor Group, Inc., 9477 Waples Street, Suite 150 San Diego, CA 92121	Leisure, Amusement, Motion Pictures, Entertainment	One stop*#(6)(8)	10.50% (L + 9.25%)	11/2018	8,540		
		One stop(6)(8)	10.50% (L + 9.25%)	11/2018	1,013		
		One stop(6)(8)	5.00% cash/5.50% PIK (L + 9.25%)	11/2018	6		
		Preferred stock*#(6)(8)	N/A	N/A	59		7.0 %
		Common stock*#(6)(8)	N/A	N/A			7.0 %
		LLC interest(6)(8)	N/A	N/A			7.0%

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Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate[(1)]	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held[(2)]
Compusearch Software Holdings, Inc. 21251 Ridgetop Circle, Suite 100 Dulles, VA 20166	Electronics	Senior loan	5.25% (L + 4.25%)	05/2021	1,308	
CPI Buyer, LLC (Cole-Parmer) 625 East Bunker Court Vernon Hills, IL 60654	Healthcare, Education and Childcare	Senior loan*	5.50% (L + 4.50%)	08/2021	7,702	
Curo Health Services LLC 3100 McKinnon St Dallas, TX 75201	Healthcare, Education and Childcare	Senior loan#	6.50% (L + 5.50%)	02/2022	1,976	
CVS Holdings I, LP 1950 Old Gallows Road, Suite 520 Vienna, VA 22182	Retail Stores	One stop*#	7.25% (L + 6.25%)	08/2021	21,948	
		One stop*	7.25% (L + 6.25%)	08/2021	316	
		One stop	N/A[(4)] (L + 6.25%)	08/2020	(3)[(3)]	
		One stop	N/A[(4)] (L + 6.25%)	08/2021	(6)[(3)]	
Cycle Gear, Inc. 4705 Industrial Way Benicia, CA 94510	Retail Stores	One stop	7.50% (L + 6.50%)	01/2020	10,533	
		One stop	N/A[(4)] (L + 6.50%)	01/2020		
		One stop	N/A[(4)] (L + 6.50%)	01/2020		
		LLC interest	N/A	N/A	397	0.2 %
Daxko Acquisition Corporation 2100 Third Ave. North, Suite 600 Birmingham, AL 35203	Diversified/ Conglomerate Service	One stop#	7.50% (L + 6.50%)	09/2022	8,472	
		One stop	N/A[(4)] (L + 6.50%)	09/2022		
DCA Investment Holding, LLC 6240 Lake Osprey Dr Sarasota, FL 34240	Healthcare, Education and Childcare	One stop*#	6.25% (L + 5.25%)	07/2021	18,968	
				07/2021	13,604	

		One stop*#	6.25% (L + 5.25%)			
		One stop	7.75% (P + 4.25%)	07/2021	1,340	
		LLC units	N/A	N/A	940	0.3 %
		LLC units	N/A	N/A	146	0.3 %
Deca Dental Management LLC 14285 Midway Road, Suite 160 Addison, Texas 75001	Healthcare, Education and Childcare	One stop*	7.25% (L + 6.25%)	07/2020	4,146	
		One stop	7.25% (L + 6.25%)	07/2020	504	
		One stop	7.25% (L + 6.25%)	07/2020	50	
		LLC units	N/A	N/A	392	0.4 %
Delta Educational Systems 144 Business Park Drive, Suite 201 Virginia Beach, VA 23462	Healthcare, Education and Childcare	Senior loan*(7)	8.25% (P + 4.75%)	12/2016	216	
		Senior loan(7)	N/A(4) (L + 6.00%)	12/2016	(60)(3)	
Dent Wizard International Corporation 4710 Earth City Expressway Bridgeton, MO 63044	Automobile	Senior loan*	5.75% (L + 4.75%)	04/2020	2,469	

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Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held(2)
Dental Holdings Corporation 775 Wayzata Boulevard, Suite 890 Minneapolis, MN 55416-1232	Healthcare, Education and Childcare	One stop	6.50% (L + 5.50%)	02/2020	7,599	
		One stop	6.50% (L + 5.50%)	02/2020	1,155	
		One stop	7.75% (P + 4.25%)	02/2020	213	
		LLC units	N/A	N/A	925	1.0 %
DentMall MSO, LLC 333 SE 2nd Ave, Suite 2520 Miami, FL 33131	Retail Stores	LLC units	N/A	N/A		0.2 %
		LLC units	N/A	N/A		0.2 %
Diligent Corporation 1385 Broadway, 19th Floor New York, NY 10018	Electronics	One stop*	7.75% (L + 6.75%)	04/2022	4,888	
		One stop	N/A(4) (L + 6.75%)	04/2022		
		Preferred stock(5)	N/A	N/A	83	
DISA Holdings Acquisition Subsidiary Corp. 12600 Northborough Dr. Suite 300 Houston, TX 77067	Diversified/ Conglomerate Service	Common stock	N/A	N/A	43	0.1 %
Drilling Info, Inc. PO Box 5545 Austin, TX 78763	Oil and Gas	One stop#	6.50% (L + 5.50%)	06/2020	1,792	
		One stop	6.50% (L + 5.50%)	06/2020	513	
		One stop	N/A(4) (L + 5.50%)	06/2020		
DTLR, Inc. 7455 N North Ridge Rd Hanover, MD 21076	Retail Stores	One stop*	7.50% (L + 6.50%)	10/2020	11,394	
ECI Acquisition Holdings, Inc. 4400 Alliance Gateway	Electronics	One stop*#	7.25% (L + 6.25%)	03/2019	21,668	

Freeway, Suite 154 Fort Worth, TX 76177							
		One stop*	7.25% (L + 6.25%)	03/2019	1,403		
		One stop	N/A(4) (L + 6.25%)	03/2019			
		Common stock	N/A	N/A	1,130	0.4	%
EGD Security Systems, LLC 121 Executive Center Drive, Suite 230 Columbia, SC 29210	Diversified/ Conglomerate Service	One stop	7.25% (L + 6.25%)	06/2022	11,114		
		One stop	7.25% (L + 6.25%)	06/2022	98		
		One stop	N/A(4) (L + 6.25%)	06/2022			
Elite Sportswear, L.P. 2136 N. 13th Street Reading, PA 19604	Retail Stores	Senior loan	6.00% (L + 5.00%)	03/2020	2,814		
		Senior loan	6.25% (L + 5.25%)	03/2020	1,458		
		Senior loan	6.25% (L + 5.25%)	03/2020	221		
		Senior loan	7.25% (P + 3.75%)	03/2020	116		
		LLC interest	N/A	N/A	111	0.2	%
Encore GC Acquisition, LLC 30230 Orchard Lake Road, Suite 140 Farmington Hills, MI 48334	Healthcare, Education and Childcare	LLC units	N/A	N/A	200	1.1	%
		LLC units	N/A	N/A	36	1.1%	

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Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held(2)
eSolutions, Inc. 8215 W 108th Terrace Overland Park, KS 66210	Healthcare, Education and Childcare	One stop	7.50% (L + 6.50%)	03/2022	12,866	
		One stop	N/A(4) (L + 6.50%)	03/2022		
Express Oil Change, LLC 190 West Valley Avenue Birmingham, AL 35209	Retail Stores	Senior loan	6.01% (L + 5.00%)	12/2017	1,210	
		Senior loan	6.00% (L + 5.00%)	12/2017	473	
		LLC interest	N/A	N/A	272	0.1 %
Feeders Supply Company, LLC 315 Baxter Ave. Louisville, KY 40204	Retail Stores	One stop	6.75% (L + 5.75%)	04/2021	4,298	
		Subordinated debt	12.50% cash/7.00% PIK N/A	04/2021	43	
		One stop	N/A(4) (L + 5.75%)	04/2021		
		Preferred stock	N/A	N/A	155	0.5 %
		Common stock	N/A	N/A		0.5 %
Firebirds International, LLC 13850 Ballantyne Corp. Place, Suite 450 Charlotte, NC 28277	Beverage, Food and Tobacco	One stop*	7.00% (L + 5.75%)	05/2018	1,074	
		One stop*	7.00% (L + 5.75%)	05/2018	302	
		One stop	7.00% (L + 5.75%)	05/2018	55	
		One stop	N/A(4) (L + 5.75%)	05/2018		
First Watch Restaurants, Inc. 9027 Town Center Parkway	Beverage, Food and Tobacco	One stop*#	7.15% (L + 6.00%)	12/2020	25,596	

Bradenton, FL 34202						
		One stop	8.05% (P + 5.00%)	12/2020	1,603	
		One stop	7.00% (L + 6.00%)	12/2020	1,258	
		One stop	7.00% (L + 6.00%)	12/2020	1,255	
		One stop	N/A(4) (L + 6.00%)	12/2020		
		Common stock	N/A	N/A	1,712	1.1 %
Flexan, LLC 6626 W. Dakin Street Chicago, IL 60634	Chemicals, Plastics and Rubber	Preferred stock	N/A	N/A	75	0.1 %
		Common stock	N/A	N/A		0.1 %
Focus Brands Inc. 200 Glenridge Point Parkway, Suite 200, Atlanta, GA 30342	Personal, Food and Miscellaneous Services	Second lien*	10.25% (L + 9.00%)	08/2018	9,000	
Fort Dearborn Company 1530 Morse Ave Elk Grove, IL 60007	Containers, Packaging and Glass	Senior loan*	5.75% (L + 4.75%)	10/2018	2,980	
		Senior loan*	5.25% (L + 4.25%)	10/2017	509	
G & H Wire Company, Inc 2165 Earlywood Drive Franklin, IN 46131	Healthcare, Education and Childcare	One stop*	6.75% (L + 5.75%)	12/2017	13,157	
		One stop	8.00% (P + 4.50%)	12/2017	357	
		LP interest	N/A	N/A	107	0.2 %
Gamma Technologies, LLC 601 Oakmont Lane, Suite 220 Westmont, IL 60559	Electronics	One stop#	6.00% (L + 5.00%)	06/2021	18,001	
		One stop	N/A(4) (L + 5.00%)	06/2021		
		LLC units	N/A	N/A	188	0.1%

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Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate[1]	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held[2]
Georgica Pine Clothiers, LLC 236 Greenpoint Ave #4 Brooklyn, NY 11222	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	6.50% (L + 5.50%)	11/2021	5,736	
		One stop	6.50% (L + 5.50%)	11/2021	500	
		One stop	N/A[4] (L + 5.50%)	11/2021		
		LLC interest	N/A	N/A	116	0.1%
Global Healthcare Exchange, LLC 1315 W Century Dr. Louisville, CO 80027	Healthcare, Education and Childcare	Common stock	N/A	N/A	350	0.2%
		Common stock	N/A	N/A	289	0.2%
HealthcareSource HR, Inc. 100 Sylvan Road, Suite 100 Woburn, MA 01801	Diversified/Conglomerate Service	One stop	7.75% (L + 6.75%)	05/2020	17,724	
		One stop	N/A[4] (L + 6.75%)	05/2020		
		LLC interest	N/A	N/A	323	0.2%
HedgeServ Holding L.P. 1271 Avenue of the Americas, 38th Floor New York, NY 10020	Banking	One stop*#	7.00% cash/2.00% PIK (L + 8.00%)	02/2019	17,529	
		One stop	N/A[4] (L + 6.00%)	02/2019		
Higginbotham Insurance Agency, Inc. 4536 Wendover St. Wichita Falls, TX 76309-4731	Insurance	Senior loan*	6.25% (L + 5.25%)	11/2021	1,303	
Hopdoddy Holdings, LLC 14850 N. Scottsdale Road, Suite 265 Scottsdale, AZ 85254	Beverage, Food and Tobacco	One stop	9.00% (L + 8.00%)	08/2020	660	

		One stop	N/A(4) (L + 8.00%)	08/2020		
		One stop	N/A(4) (L + 8.00%)	08/2020		
		LLC interest	N/A	N/A	50	0.5%
		LLC interest	N/A	N/A	14	0.5%
Host Analytics, Inc. 101 Redwood Shores Pkwy, Suite 101 Redwood City, CA 94065	Diversified/ Conglomerate Service	One stop	8.50% cash/2.25% PIK N/A	02/2020	3,005	
		One stop	8.50% cash/2.25% PIK N/A	08/2021	2,533	
		One stop	N/A(4) N/A	02/2020	(6)(3)	
		Warrant	N/A	N/A	155	0.6%
Hosting.com Inc 900 S. Broadway, Suite 400 Denver, CO 80209	Telecommunications	Senior loan*	5.75% (L + 4.50%)	12/2017	720	
		Senior loan	5.75% (L + 4.50%)	12/2017	82	
Ignite Restaurant Group, Inc (Joe s Crab Shack) 9900 West Park Drive Suite 300 Houston, TX 77063	Personal, Food and Miscellaneous Services	One stop	8.00% (L + 7.00%)	02/2019	4,236	
III US Holdings, LLC 5850 Shellmound Way Emeryville, CA 94608	Diversified/ Conglomerate Service	One stop#	7.00% (L + 6.00%)	09/2022	5,400	
		One stop	N/A(4) (L + 6.00%)	09/2022	(1)(3)	
ILC Dover, LP One Moonwalker Road Frederica, DE 19946	Aerospace and Defense	One stop*#	8.00% cash/2.00% PIK (L + 9.00%)	03/2020	15,070	

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Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate[1]	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held[2]
		One stop	8.00% cash/2.00% PIK (L + 9.00%)	03/2019	667	
IntegraMed America, Inc. 2 Manhattanville Road Purchase, NY 10577	Healthcare, Education and Childcare	LLC interest	N/A	N/A	404	0.5 %
		LLC interest	N/A	N/A	51	0.5 %
Integration Appliance, Inc. 200 Portage Ave. Palo Alto, CA 94306	Diversified/ Conglomerate Service	One stop*	9.50% (L + 8.25%)	09/2020	16,123	
		One stop	9.50% (L + 8.25%)	09/2020	7,914	
		One stop	9.50% (L + 8.25%)	09/2020	5,396	
		One stop*	9.50% (L + 8.25%)	09/2020	719	
		One stop	N/A[4] (L + 8.25%)	09/2018		
Internet Pipeline, Inc. 222 Valley Creek Boulevard, Suite 300 Exton, PA 19341	Insurance	One stop	8.25% (L + 7.25%)	08/2022	4,910	
		One stop	N/A[4] (L + 7.25%)	08/2021		
		Preferred stock	N/A	N/A	113	0.1 %
		Common stock	N/A	N/A	35	0.1 %
Inventus Power, Inc 4 Westbrook Corporate Center, Suite 900 Westchester, IL 60154	Diversified/ Conglomerate Manufacturing	One stop*	6.50% (L + 5.50%)	04/2020	7,736	
		One stop	N/A[4] (L + 5.50%)	04/2020	(42)[3]	
		Preferred stock	N/A	N/A	137	0.1 %
		Common stock	N/A	N/A		0.1 %
ITEL Laboratories, Inc.	Buildings and Real Estate	Senior loan*	5.75% (L + 4.50%)	06/2018	634	

6745 Phillips Industrial Blvd Jacksonville, FL 32256						
		Senior loan	N/A[4] (L + 4.50%)	06/2018		
IT SUGAR LLC 3155 SW 10th Street Suite A Deerfield Beach, FL 33442	Beverage, Food and Tobacco	Subordinated debt	5.00% N/A	10/2017	1,384	
Jensen Hughes, Inc. 3610 Commerce Drive Suite 817 Baltimore, MD 21227	Diversified/ Conglomerate Service	Senior loan#	6.00% (L + 5.00%)	12/2021	156	
Joerns Healthcare, LLC 2430 Whitehall Park Drive, Suite 100 Charlotte, NC 28273	Healthcare, Education and Childcare	One stop*	6.00% (L + 5.00%)	05/2020	3,647	
Julio & Sons Company 1101 N Brower, Suite 160 Irving, TX 75061	Beverage, Food and Tobacco	LLC interest	N/A	N/A	801	0.8 %
K&N Engineering, Inc. 1455 Citrus Street Riverside, CA 92507	Automobile	Senior loan	6.75% (P + 3.25%)	07/2019	2,821	
		Senior loan	5.25% (L + 4.25%)	07/2019	133	
		Senior loan	N/A[4] (L + 4.25%)	07/2019		
		Common stock	N/A	N/A	213	0.1 %
		Preferred stock A	N/A	N/A	27	0.1 %
		Preferred stock B	N/A	N/A	27	0.1%

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Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held(2)
Katena Holdings, Inc. 4 Stewart Court Denville, NJ 07834	Healthcare, Education and Childcare	One stop	7.25% (L + 6.25%)	06/2021	8,699	
		One stop	8.75% (P + 5.25%)	06/2021	850	
		One stop	8.75% (P + 5.25%)	06/2021	13	
		LLC units	N/A	N/A	459	0.6 %
LMP TR Holdings, LLC 1516 Demonbreun Street Nashville, TN 37203	Leisure, Amusement, Motion Pictures, Entertainment	LLC units	N/A	N/A	782	4.6 %
Lombart Brothers, Inc. 5358 Robin Hood Rd. Norfolk, VA 23513	Healthcare, Education and Childcare	One stop	7.75% (L + 6.75%)	04/2022	3,508	
		One stop	7.75% (L + 6.75%)	04/2022	8	
		Common stock	N/A	N/A	106	0.4 %
Marathon Data Operating Co., LLC 4810 Belmar Blvd. Wall Township, NJ 07753	Diversified/ Conglomerate Service	LLC units	N/A	N/A	385	0.9 %
		LLC units	N/A	N/A		0.9 %
Market Track, LLC 125 High Rock Ave., 1st Floor Saratoga Springs, NY 12866	Printing and Publishing	One stop*#	8.00% (L + 7.00%)	10/2019	28,603	
		One stop*	8.00% (L + 7.00%)	10/2019	2,175	
		One stop#	8.00% (L + 7.00%)	10/2019	2,141	
		One stop	8.00% (L + 7.00%)	10/2019	1,353	
		One stop	8.00% (L + 7.00%)	10/2019	1,284	
		Common stock	N/A	N/A	344	0.3 %
		Preferred stock	N/A	N/A	215	0.3 %
		One stop		08/2021	9,791	

Marketo, Inc. 901 Mariners Island Blvd., Suite 500 San Mateo, CA 94404	Printing and Publishing		10.50% (L + 9.50%)			
		One stop	N/A(4) (L + 9.50%)	08/2021	(1)(3)	
Marshall Retail Group LLC, The 5385 Wynn Road Las Vegas, NV 89118	Retail Stores	One stop#	7.00% (L + 6.00%)	08/2020	11,474	
		One stop	7.00% (L + 6.00%)	08/2019	278	
		LLC units	N/A	N/A	46	0.1 %
Massage Envy, LLC 14350 N 87th St, Suite 200 Scottsdale, AZ 85260	Personal and Non Durable Consumer Products (Mfg. Only)	One stop*	8.50% (L + 7.25%)	09/2018	15,151	
		One stop	N/A(4) (L + 7.25%)	09/2018		
		LLC interest	N/A	N/A	1,149	0.4 %
Maverick Healthcare Group, LLC 2546 W Birchwood Ave, Suite 101 Mesa, AZ 85202	Healthcare, Education and Childcare	Senior loan*	7.25% cash/2.00% PIK (L + 7.50%)	04/2017	1,921	
Mills Fleet Farm Group LLC 512 Laurel Street, PO Box 5055 Brainerd, MN 56401	Retail Stores	One stop*	6.50% (L + 5.50%)	02/2022	4,776	
MyWebGrocer, Inc. 20 Winooski Falls Way Winosski, VT 05404	Grocery	One stop*	10.00% (L + 8.75%)	05/2017	14,271	

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Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held(2)
		LLC units	N/A	N/A	2,038	0.8 %
		Preferred stock	N/A	N/A	267	0.8 %
Netsmart Technologies, Inc. 4950 College Blvd Overland Park, KS 66211	Diversified/ Conglomerate Service	Senior loan#	5.75% (L + 4.75%)	04/2023	1,783	
		Senior loan	N/A(4) (L + 4.75%)	01/1900		
NFD Operating, LLC 2727 Allen Parkway, Suite 1500 Houston, TX 77019	Leisure, Amusement, Motion Pictures, Entertainment	One stop*	8.25% (L + 7.00%)	06/2021	2,349	
		One stop	N/A(4) (L + 7.00%)	06/2021		
		One stop	N/A(4) (L + 7.00%)	06/2021		
		One stop	6.50% (L + 5.25%)	10/2019	71	
		One stop	7.50% (P + 4.00%)	10/2019	16	
		One stop	N/A(4) (L + 5.25%)	10/2019	(3)(3)	
Northwestern Management Services, LLC 427 South East 2nd Street Belle Glade, FL 33430	Healthcare, Education and Childcare	LLC units	N/A	N/A	335	0.5 %
		LLC units	N/A	N/A	215	0.5 %
NTS Technical Systems 24007 Ventura Blvd, Suite 200 Calabasas, CA 91302	Aerospace and Defense	One stop*#	7.25% (L + 6.25%)	06/2021	25,557	
		One stop	N/A(4) (L + 6.25%)	06/2021	(57)(3)	
		One stop	N/A(4) (L + 6.25%)	06/2021	(71)(3)	
		Common stock	N/A	N/A	1,317	0.3 %
OEConnection LLC 4205 Highlander	Automobile	Senior loan*	6.00% (L + 5.00%)	06/2022	4,883	

Parkway Richfield, OH 44286							
		Senior loan	N/A(4) (L + 5.00%)	06/2021			
Oliver Street Dermatology Holdings, LLC 150 N Radnor Chester Road, Ste E220 Radnor PA 19087	Healthcare, Education and Childcare	One stop	7.50% (L + 6.50%)	05/2022	8,605		
		One stop	7.50% (L + 6.50%)	05/2022	58		
		One stop	N/A(4) (L + 6.50%)	05/2022			
		LLC units	N/A	N/A	234	0.2	%
Onicon Incorporated 1500 N. Belcher Road Clearwater, FL 33764	Diversified/ Conglomerate Manufacturing	One stop*#	7.00% (L + 6.00%)	04/2020	13,221		
		One stop	N/A(4) (L + 6.00%)	04/2020	(15)(3)		
Orthotics Holdings, Inc 2905 Veterans Memorial Hwy Ronkonkoma, NY 11779	Personal and Non Durable Consumer Products (Mfg. Only)	One stop*#	6.00% (L + 5.00%)	02/2020	7,956		
		One stop*#(8)	6.00% (L + 5.00%)	02/2020	1,304		
		One stop	6.00% (L + 5.00%)	02/2020	77		
		One stop(8)	N/A(4) (L + 5.00%)	02/2020	(7)(3)		
		One stop	N/A(4) (L + 5.00%)	02/2020	(70)(3)		
Pace Analytical Services, LLC 1800 Elm Street SE Minneapolis, MN 55414	Ecological	One stop	7.25% (L + 6.25%)	09/2022	15,345		
		One stop	N/A(4) (L + 6.25%)	09/2022	(1)(3)		
		One stop	N/A(4) (L + 6.25%)	09/2022	(3)(3)		
		LLC units	N/A	N/A	277	0.2%	

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Name and Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)	Maturity	Fair Value (Dollars in Thousands)	Percentage of Class Held(2)
Paper Source, Inc. 410 Milwaukee Ave Chicago, IL 60654	Retail Stores	One stop*#	7.25% (L + 6.25%)	09/2018	12,757	
		One stop	7.25% (L + 6.25%)	09/2018	1,694	
		One stop	8.50% (P + 5.00%)	09/2018	339	
		Common stock	N/A	N/A	1,423	0.7 %
Park Place Technologies LLC 5910 Landerbrook Drive Cleveland, OH 44124	Electronics	One stop*#	6.25% (L + 5.25%)	06/2022	12,466	
		One stop	6.25% (L + 5.25%)	06/2022	100	
Pasternack Enterprises, Inc. and Fairview Microwave, Inc 17802 Fitch Drive Irvine, CA 92614	Diversified/ Conglomerate Manufacturing	Senior loan#	6.00% (L + 5.00%)	05/2022	2,435	
Pentec Acquisition Sub, Inc. 4 Creek Parkway Boothwyn, PA 19061	Healthcare, Education and Childcare	Preferred stock	N/A	N/A	238	0.1 %
Pet Holdings ULC 130 Royal Crest Court Markham, Ontario, L3R 0A1	Retail Stores	One stop*(8)	6.50% (L + 5.50%)	07/2022	14,627	
		One stop (8)	8.00% (P + 4.50%)	07/2022	36	
		One stop (8)	N/A(4) (L + 5.50%)	07/2022	(1)(3)	
		LP interest (8)	N/A	N/A	351	0.2 %
PetroChoice Holdings, Inc. 1300 Virginia Drive, Suite 405 Fort Washington, PA 19034	Diversified/ Conglomerate Manufacturing	Senior loan	6.00% (L + 5.00%)	08/2022	1,768	
PetVet Care Centers LLC One Gorham Island	Personal, Food and Miscellaneous	Senior loan	5.75% (L + 4.75%)	12/2020	5,837	

Westport, CT 06880	Services				
		Senior loan	5.75% (L + 4.75%)	12/2020	1,219
		Senior loan	N/A[4] (L + 4.75%)	12/2019	
Pinnacle Treatment Centers, Inc. 1317 Route 73, Suite 200 Mt. Laurel, NJ 08054					