GOLUB CAPITAL BDC, Inc.
Form N-14 8C
December 21, 2018

As filed with the Securities and Exchange Commission on December 21, 2018

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-14

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Pre-Effective Amendment No.

Post-Effective Amendment No.

(Check appropriate box or boxes)

GOLUB CAPITAL BDC, INC.

(Exact Name of Registrant as Specified in Charter)

666 Fifth Avenue

18th Floor

New York, NY 10103

(Address of Principal Executive Offices)

(212) 750-6060

(Area Code and Telephone Number)

David B. Golub

Golub Capital BDC, Inc.

666 Fifth Avenue

18th Floor

New York, NY 10103

(212) 750-6060

(Name and Address of Agent for Service)

Copies to:

Thomas J. Friedmann, Esq.

Eric S. Siegel, Esq.

Dechert LLP

One International Place, 40th Floor

100 Oliver Street

Boston, MA 02110-2605

Telephone: (617) 728-7100

Fax: (617) 426-6567

Approximate Date of Proposed Public Offering: As soon as practicable after this registration statement becomes effective and upon completion of the merger described in the enclosed document.

Calculation of Registration Fee Under the Securities Act of 1933

Title of Securities Being Registered	**Amount Being Registered(1)**	**Proposed Maximum Offering Price per Share of Common Stock**	**Proposed Maximum Aggregate Offering Price(2)**	**Amount of Registration Fee(3)**
Common Stock, par value $0.001 per share	86,500,000.00 shares	N/A	$ 1,500,000,000.00	$ 181,800.00

(1) The number of shares to be registered represents the maximum number of shares of the registrant's common stock estimated to be issuable in connection with the merger agreement described in the enclosed document. Pursuant to Rule 416, this registration statement also covers additional securities that may be issued as a result of stock splits, stock dividends or similar transactions.

(2) Estimated solely for the purpose of calculating the registration fee and computed pursuant to Rule 457(f)(2) under the Securities Act of 1933, as amended, the aggregate offering price of the Common Stock was calculated as

follows: (a) 100,000,000.00, the estimated number of Common Stock of Golub Capital Investment Corporation to be exchanged and cancelled for the Registrant's Common Stock, multiplied by (b) $15.00, the book value per share of the securities.

(3) Based on a rate of $121.20 per $1,000,000 of the proposed maximum aggregate offering price.

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, as amended, 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.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the U.S. Securities and Exchange Commission. We may not sell these securities until the registration statement filed with the U.S. Securities and Exchange Commission is effective. This document is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction where such offer or sale is not permitted.

PRELIMINARY—SUBJECT TO COMPLETION—DATED December 21, 2018

GOLUB CAPITAL BDC, INC.

666 Fifth Avenue, 18th Floor

New York, NY 10103

MERGER PROPOSED—YOUR VOTE IS VERY IMPORTANT

[ ], 2019

Dear Stockholder:

You are cordially invited to attend the Special Meeting of Stockholders (the "GBDC Special Meeting") of Golub Capital BDC, Inc. ("GBDC"), to be held on [ ], 2019 at [ ], Eastern Time, at the offices of Golub Capital LLC, located at 666 Fifth Avenue, New York, New York.

The notice of special meeting and joint proxy statement/prospectus accompanying this letter provide an outline of the business to be conducted at the GBDC Special Meeting. At the GBDC Special Meeting, you will be asked to:

(i) approve an amendment to the certificate of incorporation of GBDC to increase the number of authorized shares of capital stock from 101,000,000 shares to 201,000,000 shares, consisting of 200,000,000 shares of GBDC common stock, par value $0.001 per share ("GBDC Common Stock"), and 1,000,000 shares of preferred stock, par value $0.001 per share (such proposal is referred to herein as the "Certificate of Incorporation Amendment Proposal");

(ii) approve the issuance of shares of GBDC Common Stock, pursuant to the Agreement and Plan of Merger dated as of November 27, 2018 (as amended, the "Merger Agreement") by and among GBDC, Fifth Ave Subsidiary Inc., a wholly owned subsidiary of GBDC ("Merger Sub"), Golub Capital Investment Corporation, a Maryland corporation ("GCIC"), GC Advisors LLC ("GC Advisors"), and, for certain limited purposes, Golub Capital LLC (such proposal is referred to herein as the "Merger Stock Issuance Proposal"), which proposal is contingent upon approval of the Certificate of Incorporation Amendment Proposal; and

(iii) approve the amendment of the investment advisory agreement between GBDC and GC Advisors (as amended, the "New Investment Advisory Agreement") on the terms described in the accompanying proxy statement (such proposal is referred to herein as the "Advisory Agreement Amendment Proposal"), which proposal is contingent upon approval of each of the Certificate of Incorporation Amendment Proposal and the Merger Stock Issuance Proposal.

Closing of the Merger (as defined below) is contingent upon GBDC stockholder approval of all of the above proposals and certain other closing conditions. If the Merger does not close, then the New Investment Advisory Agreement will not go into effect, even if approved by the GBDC stockholders.

GBDC and GCIC are proposing a combination of both companies by a merger and related transactions pursuant to the Merger Agreement in which Merger Sub would merge with and into GCIC with GCIC continuing as the surviving company (the "Initial Merger"). Immediately following the Initial Merger, GCIC, as the surviving company, would merge with and into GBDC with GBDC continuing as the surviving company (the Initial Merger and the subsequent combination referred to collectively herein as the "Merger"). The New Investment Advisory Agreement would take effect upon the closing of the Merger.

Subject to the terms and conditions of the Merger Agreement, if the Merger is completed, each holder of GCIC common stock, par value $0.001 per share ("GCIC Common Stock"), issued and outstanding immediately prior to the effective time of the Merger will have the right to receive, for each share of GCIC Common Stock, 0.865 shares of GBDC Common Stock (the "Exchange Ratio"), provided, that the number of shares of GBDC Common Stock to be received (the "Merger Consideration") shall be subject to adjustment if, between the date of the Merger Agreement and the effective time of the Merger, the respective outstanding shares of GBDC Common Stock or GCIC Common Stock shall have been increased or decreased or changed into or exchanged for a different number or kind of shares or securities, in each case, as a result of any reclassification, recapitalization, stock split, reverse stock split, split-up, combination or exchange of shares, or if a stock dividend or dividend payable in any other securities shall be declared with a record date within such period.

The market value of the Merger Consideration will fluctuate with changes in the market price of GBDC Common Stock. We urge you to obtain current market quotations of GBDC Common Stock. GBDC Common Stock trades on The Nasdaq Global Select Market (the "Nasdaq") under the ticker symbol "GBDC." The following table shows the closing sale price of GBDC Common Stock, as reported on the Nasdaq on November 26, 2018, the last trading day before the execution of the Merger Agreement.

	GBDC Common Stock
Closing Nasdaq Sales Price at November 26, 2018	$ 18.57

Your vote is extremely important. At the GBDC Special Meeting, you will be asked to vote on the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal. Approval of the Certificate of Incorporation Amendment Proposal requires the affirmative vote of at least a majority of the outstanding shares of GBDC Common Stock. The approval of the Merger Stock Issuance Proposal requires the affirmative vote of at least a majority of the votes cast by holders of GBDC Common Stock at a meeting at which a quorum is present. The approval of the Advisory Agreement Amendment Proposal requires the approval of a “majority of the outstanding voting securities” of GBDC. Under the Investment Company Act of 1940, as amended (the “1940 Act”), a “majority of the outstanding voting securities” of GBDC is the lesser of: (1) 67% of the GBDC Common Stock at the GBDC Special Meeting if the holders of more than 50% of the outstanding shares of GBDC Common Stock are present or represented by proxy or (2) more than 50% of the outstanding shares of GBDC Common Stock.

Abstentions and broker non-votes (which occur when a beneficial owner does not instruct its broker, bank or other institution or nominee holding its shares of GBDC Common Stock on its behalf) will not be included in determining the number of votes cast, and, as a result, will have no effect on the outcome of the Merger Stock Issuance Proposal. Abstentions and broker non-votes will not count as affirmative votes cast and will therefore have the same effect as votes against each of the Certificate of Incorporation Amendment Proposal and the Advisory Agreement Amendment Proposal.

After careful consideration, the board of directors of GBDC, including, after separate meetings and discussion, all of the independent directors, unanimously recommends that GBDC stockholders vote “FOR” each of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal.

It is very important that your shares be represented at the GBDC Special Meeting. Even if you plan to attend the meeting in person, we urge you to complete, date and sign the enclosed proxy card and promptly return it in the envelope provided. If you prefer, you can save time by voting through the Internet or by telephone as described in this joint proxy statement/prospectus and on the enclosed proxy card. We encourage you to vote via the Internet, if possible, as it saves us significant time and processing costs. Your vote and participation in the governance of GBDC are very important to us.

This joint proxy statement/prospectus describes the GBDC Special Meeting, the Merger, the documents related to the Merger (including the Merger Agreement), the proposed amendment to the GBDC certificate of incorporation, the New Investment Advisory Agreement and other related matters that GBDC stockholders ought to know before voting on the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal and should be retained for future reference. Please carefully read this entire document, including “Risk Factors” beginning on page 19, for a discussion of the risks relating to the Merger. GBDC files annual, quarterly and current reports, proxy statements and other information about itself with the SEC. GBDC maintains a website at

http://www.golubcapitalbdc.com **and makes all of its annual, quarterly and current reports, proxy statements and other publicly filed information available on or through its website. You may also obtain such information, free of charge, and make shareholder inquiries by contacting GBDC at 666 Fifth Avenue, 18th Floor, New York, New York 10103, Attention: Investor Relations, or by calling collect at (212) 750-6060. The SEC also maintains a website at** ***http://www.sec.gov*** **that contains such information.**

Sincerely yours,

David B. Golub
Chief Executive Officer

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares of GBDC Common Stock to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [ ], 2019 and it is first being mailed or otherwise delivered to GBDC stockholders on or about [ ], 2019.

Golub Capital BDC, Inc.	*Golub Capital Investment Corporation*
666 Fifth Avenue, 18th Floor	666 Fifth Avenue, 18th Floor
New York, NY 10103	New York, NY 10103
(212) 750-6060	(212) 750-6060

GOLUB CAPITAL BDC, INC.
666 Fifth Avenue, 18th Floor
New York, NY 10103
(212) 750-6060

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held On [ ], 2019

Notice is hereby given to the owners of shares of common stock (the “GBDC Stockholders”) of Golub Capital BDC, Inc. (“GBDC”) that:

A Special Meeting of Stockholders (the “GBDC Special Meeting”) of GBDC will be held at the offices of Golub Capital LLC, located at 666 Fifth Avenue, New York, New York, on [ ], 2019 at [ ], Eastern Time, for the following purposes:

1. To approve an amendment to the GBDC certificate of incorporation to increase the number of authorized shares of capital stock from 101,000,000 shares to 201,000,000 shares, consisting of 200,000,000 shares of GBDC common stock, par value $0.001 per share (“GBDC Common Stock”), and 1,000,000 shares of preferred stock, par value $0.001 per share (the “Certificate of Incorporation Amendment Proposal”); and

2. Contingent upon approval of the Certificate of Incorporation Amendment Proposal, to approve the issuance of shares of GBDC Common Stock pursuant to the Agreement and Plan of Merger dated as of November 27, 2018 (as amended, the “Merger Agreement”) by and among GBDC, Fifth Ave Subsidiary Inc., a wholly owned subsidiary of GBDC (“Merger Sub”), Golub Capital Investment Corporation, a Maryland corporation (“GCIC”), GC Advisors LLC (“GC Advisors”), and, for certain limited purposes, Golub Capital LLC (such proposal is referred to herein as the “Merger Stock Issuance Proposal”); and

3. Contingent upon approval of each of the Certificate of Incorporation Amendment Proposal and the Merger Stock Issuance Proposal, to approve the amendment of the investment advisory agreement between GBDC and GC Advisors (as amended, the “New Investment Advisory Agreement”) on the terms described in the accompanying proxy statement (such proposal is referred to herein as the “Advisory Agreement Amendment Proposal”).

Closing of the Merger is contingent upon GBDC stockholder approval of all of the above proposals and certain other closing conditions. If the Merger does not close, then the New Investment Advisory Agreement will not go into effect, even if approved by the GBDC stockholders.

The GBDC board of directors, including, AFTER SEPARATE MEETINGS AND DISCUSSION, ALL of the independent directors, has unanimously approved each of the Merger Agreement and related transactions (the "Merger"), THE CERTIFICATE OF INCORPORATION AMENDMENT PROPOSAL, THE MERGER STOCK ISSUANCE PROPOSAL, and the Advisory Agreement amendment Proposal and unanimously recommends that GBDC stockholders vote "FOR" each of CERTIFICATE OF INCORPORATION AMENDMENT PROPOSAL, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal.

Enclosed is a copy of the joint proxy statement/prospectus and the proxy card. You have the right to receive notice of, and to vote at, the GBDC Special Meeting if you were a GBDC Stockholder of record at the close of business on [ ], 2019. Whether or not you expect to be present in person at the GBDC Special Meeting, please sign the enclosed proxy and return it promptly in the envelope provided, or authorize your proxy via the Internet or telephone. Instructions are shown on the proxy card.

Your vote is extremely important to GBDC. In the event there are not sufficient votes for a quorum or to approve the proposals at the time of the GBDC Special Meeting, the GBDC Special Meeting may be adjourned in order to permit further solicitation of proxies by GBDC.

The amendment to the GBDC certificate of incorporation to be adopted to increase the authorized shares of capital stock of GBDC is described in more detail in this joint proxy statement/prospectus, which you should read carefully and in its entirety before authorizing a proxy to vote. Attached to this joint proxy statement/prospectus is a copy of the Amendment to the GBDC Certificate of Incorporation as Annex A.

The Merger and the Merger Agreement are each described in more detail in this joint proxy statement/prospectus, which you should read carefully and in its entirety before authorizing a proxy to vote. Attached to this joint proxy statement/prospectus is a copy of the Merger Agreement, including the First Amendment to the Merger Agreement, as Annex B.

The Advisory Agreement Amendment Proposal is described in more detail in this joint proxy statement/prospectus, which you should read carefully and in its entirety before authorizing a proxy to vote. Attached to this joint proxy statement/prospectus is a copy of the New Investment Advisory Agreement as Annex C.

By Order of the Board of Directors,

Joshua M. Levinson
Secretary

[ ], 2019

This is an important meeting. To ensure proper representation at the meeting, please promptly authorize a proxy over the Internet or by telephone, or execute and return the accompanying proxy card, which is being solicited by the GBDC board of directors. Instructions are shown on the proxy card. Authorizing a proxy is important to ensure a quorum at the GBDC Special Meeting. Proxies may be revoked at any time before they are exercised by submitting a written notice of revocation or a subsequently executed proxy, or by attending the GBDC Special Meeting and voting in person.

Important notice regarding the availability of proxy materials for the GBDC Special Meeting, GBDC's joint proxy statement/prospectus and the proxy card are available at [www.proxyonline.com].

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the U.S. Securities and Exchange Commission. We may not sell these securities until the registration statement filed with the U.S. Securities and Exchange Commission is effective. This document is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction where such offer or sale is not permitted.

PRELIMINARY—SUBJECT TO COMPLETION—DATED December 21, 2018

GOLUB CAPITAL INVESTMENT CORPORATION
666 Fifth Avenue, 18th Floor
New York, NY 10103

[ ], 2019

Dear Stockholder:

You are cordially invited to attend the Special Meeting of Stockholders (the "GCIC Special Meeting") of Golub Capital Investment Corporation, a Maryland corporation ("GCIC"), to be held on [ ], 2019 at [ ], Eastern Time, at the offices of Golub Capital LLC, located at 666 Fifth Avenue, New York, New York.

The notice of special meeting and joint proxy statement/prospectus accompanying this letter provide an outline of the business to be conducted at the GCIC Special Meeting. At the GCIC Special Meeting, you will be asked to approve the Agreement and Plan of Merger dated as of November 27, 2018 (as amended, the "Merger Agreement") by and among Golub Capital BDC, Inc. ("GBDC"), Fifth Ave Subsidiary Inc., a wholly owned subsidiary of GBDC ("Merger Sub"), GCIC, GC Advisors LLC ("GC Advisors"), and, for certain limited purposes, Golub Capital LLC (such proposal is referred to herein as the "Merger Proposal").

The Merger Agreement provides for a combination of GCIC and GBDC via a merger and related transactions in which Merger Sub would merge with and into GCIC with GCIC continuing as the surviving company (the "Initial Merger"). Immediately following the Initial Merger, in a subsequent combination, the surviving company would merge with and into GBDC with GBDC continuing as the surviving company (the Initial Merger, together with the subsequent merger, the "Merger"). An amended investment advisory agreement between GBDC and GC Advisors (the "New Investment Advisory Agreement") would take effect upon the closing of the Merger. Closing of the Merger is contingent upon GBDC stockholder approval of each of an amendment to GBDC's certificate of incorporation to increase the authorized capital stock of GBDC and the New Investment Advisory Agreement and certain other closing conditions.

Subject to the terms and conditions of the Merger Agreement, if the Initial Merger is completed, each holder of GCIC common stock, par value $0.001 per share ("GCIC Common Stock"), issued and outstanding immediately prior to the effective time of the Initial Merger will have the right to receive, for each share of GCIC Common Stock, 0.865 shares (the "Exchange Ratio") of common stock, par value $0.001 per share, of GBDC ("GBDC Common Stock"), provided, that the number of shares of GBDC Common Stock to be received (the "Merger Consideration") shall be subject to adjustment if, between the date of the Merger Agreement and the effective time of the Initial Merger, the respective outstanding shares of GBDC Common Stock or GCIC Common Stock shall have been increased or decreased or changed into or exchanged for a different number or kind of shares or securities, in each case, as a result of any reclassification, recapitalization, stock split, reverse stock split, split-up, combination or exchange of shares, or if a stock dividend or dividend payable in any other securities shall be declared with a record date within such period.

The value of the Merger Consideration will fluctuate with changes in the market price of GBDC Common Stock. We urge you to obtain current market quotations of GBDC Common Stock. GBDC Common Stock trades on The Nasdaq Global Select Market ("Nasdaq") under the ticker symbol "GBDC." The following table shows the closing sale price of GBDC Common Stock, as reported on the Nasdaq on November 26, 2018, the last trading day before the execution of the Merger Agreement.

	GBDC Common Stock
Closing Nasdaq Sales Price at November 26, 2018	$ 18.57

The holders of at least a majority of GCIC's outstanding shares must be present at the GCIC Special Meeting in order for the Merger Proposal to be voted upon. The approval of the Merger Proposal requires the affirmative vote of the holders of a majority of the outstanding shares of GCIC Common Stock entitled to vote at the GCIC Special Meeting.

Abstentions and broker non-votes will not count as affirmative votes cast and will therefore have the same effect as votes against the Merger Proposal.

GCIC's board of directors, including, after separate meetings and discussion, all of the independent directors, unanimously recommends that GCIC stockholders vote FOR the Merger Proposal. No other business is expected to be presented at the GCIC Special Meeting.

It is very important that your shares be represented at the GCIC Special Meeting. Even if you plan to attend the meeting in person, we urge you to complete, date and sign the enclosed proxy card and promptly return it in the envelope provided. If you prefer, you can save time by voting through the Internet or by telephone as described in this joint proxy statement/prospectus and on the enclosed proxy card. We encourage you to vote via the Internet, if possible, as it saves us significant time and processing costs. Your vote and participation in the governance of GCIC are very important to us.

Sincerely yours,

David B. Golub
President and Chief Executive Officer.

This joint proxy statement/prospectus is dated [ ], 2019 and it is first being mailed or otherwise delivered to GCIC stockholders on or about [ ], 2019.

Golub Capital BDC, Inc.

666 Fifth Avenue, 18th Floor

New York, NY 10103

(212) 750-6060

Golub Capital Investment Corporation

666 Fifth Avenue, 18th Floor

New York, NY 10103

(212) 750-6060

GOLUB CAPITAL INVESTMENT CORPORATION
666 Fifth Avenue, 18th Floor
New York, NY 10103

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON [ ], 2019

Notice is hereby given to the owners of shares of common stock (the “GCIC Stockholders”) of Golub Capital Investment Corporation, a Maryland corporation (“GCIC”), that:

A Special Meeting of Stockholders (the “GCIC Special Meeting”) of GCIC will be held at the offices of Golub Capital LLC, located at 666 Fifth Avenue, New York, New York, on [ ], 2019 at [ ], Eastern Time, for the purpose of approving the Agreement and Plan of Merger dated as of November 27, 2018 (as amended, the “Merger Agreement”) by and among Golub Capital BDC, Inc. (“GBDC”), Fifth Ave Subsidiary Inc., a wholly owned subsidiary of GBDC (“Merger Sub”), GCIC, GC Advisors LLC (“GC Advisors”), and, for certain limited purposes, Golub Capital LLC, pursuant to which Merger Sub will merge with and into GCIC, with GCIC as the surviving company (the “Initial Merger”), followed immediately by the merger of GCIC with and into GBDC, with GBDC surviving the second merger (collectively, the “Merger”). Subject to the terms and conditions of the Merger Agreement, if the Initial Merger is completed, each holder of shares of GCIC common stock, par value $0.001 per share (“GCIC Common Stock”), issued and outstanding immediately prior to the effective time of the Initial Merger will have the right to receive, in respect of each share of GCIC Common Stock, 0.865 shares of GBDC common stock, par value $0.001 per share (“GBDC Common Stock”), provided, that the number of shares of GBDC Common Stock to be received shall be subject to adjustment if, between the date of the Merger Agreement and the effective time of the Initial Merger, the respective outstanding shares of GBDC Common Stock or GCIC Common Stock shall have been increased or decreased or changed into or exchanged for a different number or kind of shares or securities, in each case, as a result of any reclassification, recapitalization, stock split, reverse stock split, split-up, combination or exchange of shares, or if a stock dividend or dividend payable in any other securities shall be declared with a record date within such period.

Enclosed is a copy of the joint proxy statement/prospectus and the proxy card. You have the right to receive notice of, and to vote at, the GCIC Special Meeting if you were a GCIC Stockholder of record at the close of business on [ ], 2019. Whether or not you expect to be present in person at the GCIC Special Meeting, please sign the enclosed proxy and return it promptly in the envelope provided, or authorize your proxy via the Internet or telephone. Instructions are shown on the proxy card.

Your vote is extremely important to us. In the event there are not sufficient votes for a quorum or to approve the proposal at the time of the GCIC Special Meeting, the GCIC Special Meeting may be adjourned in order to permit further solicitation of proxies by GCIC.

THE GCIC BOARD OF DIRECTORS, INCLUDING, AFTER SEPARATE MEETINGS AND DISCUSSION, ALL OF THE INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE MERGER PROPOSAL.

By Order of the Board of Directors,

Joshua M. Levinson
Secretary

[ ], 2019

This is an important meeting. To ensure proper representation at the meeting, please promptly authorize a proxy over the Internet or by telephone, or execute and return the accompanying proxy card, which is being solicited by the GCIC board of directors. Instructions are shown on the proxy card. Authorizing a proxy is important to ensure a quorum at the GCIC Special Meeting. Proxies may be revoked at any time before they are exercised by submitting a written notice of revocation or a subsequently executed proxy, or by attending the GCIC Special Meeting and voting in person

Important notice regarding the availability of proxy materials for the GCIC Special Meeting, GCIC's joint proxy statement/prospectus and the proxy card are available at [www.proxyonline.com].

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ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form N-14 filed with the U.S. Securities and Exchange Commission (the "SEC") by GBDC (File No. 333-[ ]), constitutes a prospectus of GBDC under Section 5 of the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of GBDC Common Stock to be issued to GCIC stockholders as required by the Merger Agreement.

This document also constitutes joint proxy statements of GBDC and GCIC under Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). It also constitutes a notice of meeting with respect to: (1) the GBDC Special Meeting, at which GBDC stockholders will be asked to vote upon the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal; and (2) the GCIC Special Meeting, at which GCIC stockholders will be asked to vote on the Merger Proposal.

You should rely only on the information contained in this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated [ ], 2019. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. Neither the mailing of this joint proxy statement/prospectus to GBDC stockholders or GCIC stockholders nor the issuance of GBDC Common Stock in connection with the Merger will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

Except where the context otherwise indicates, information contained in this joint proxy statement/prospectus regarding GBDC has been provided by GBDC and information contained in this joint proxy statement/prospectus regarding GCIC has been provided by GCIC.

When used in this document, unless otherwise indicated in this document or the context otherwise requires:

- "Administration Agreement" refers to the administration agreement by and between GBDC and the Administrator;

- “Administrator” refers to Golub Capital LLC, a Delaware limited liability company, an affiliate of GC Advisors and the administrator of GBDC and GCIC;

- “Current GBDC Investment Advisory Agreement” refers to the Second Amended and Restated Investment Advisory Agreement, dated August 4, 2014, by and between GBDC and GC Advisors;

- “Determination Date” refers to an agreed upon date no more than 48 hours (excluding Sundays and holidays) prior to the closing of the Initial Merger;

- “Effective Time” refers to the effective time of the Initial Merger;

- “GBDC” refers to Golub Capital BDC, Inc. and, where applicable, its consolidated subsidiaries;

- “GBDC Board” refers to the board of directors of GBDC;

- “GBDC Independent Directors” refers to the independent members of the GBDC Board in their capacity as such;

- “GC Advisors” refers to GC Advisors LLC, the investment adviser to GBDC and GCIC;

- “GCIC” refers to Golub Capital Investment Corporation and, where applicable, its consolidated subsidiaries;

- “GCIC Administration Agreement” refers to the Administration Agreement by and between GCIC and the Administrator;

- “GCIC Board” refers to the board of directors of GCIC;

- “GCIC Independent Directors” refers to the independent members of the GCIC Board in their capacity as such;

- “GCIC Investment Advisory Agreement” refers to the Investment Advisory Agreement, dated as of December 31, 2014, by and between GCIC and GC Advisors;

- “Golub Capital” refers, collectively, to the activities and operations of 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;

- “Initial Merger” refers to the merger of Merger Sub with and into GCIC, with GCIC as the surviving company;

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- “KBW” refers to Keefe, Bruyette & Woods, Inc., the financial advisor to the GBDC Independent Directors (in their collective capacity as such);

- “Merger” refers to the Initial Merger, together with, unless the context otherwise requires, the Subsequent Combination;

- “Merger Agreement” refers to the Agreement and Plan of Merger, dated November 27, 2018, by and among GBDC, Merger Sub, GCIC, GC Advisors, and, for certain limited purposes, the Administrator, as amended by the First Amendment to the Agreement and Plan of Merger, dated December 21, 2018, by and among GBDC, Merger Sub, GCIC, GC Advisors, and the Administrator;

- “Merger Sub” refers to Fifth Ave Subsidiary Inc., a wholly owned subsidiary of GBDC;

- “NAV” refers to net asset value;

- “New Investment Advisory Agreement” refers to the proposed Third Amended and Restated Investment Advisory Agreement by and between GBDC and GC Advisors;

- “Subsequent Combination” refers to the merger of GCIC, as the surviving company of the Initial Merger, with and into GBDC, with GBDC as the surviving company;

- “UBS” refers to UBS Securities LLC, the financial advisor to the GCIC Independent Directors;

- “2010 Debt Securitization” refers to the $350.0 million term debt securitization that GBDC completed on July 16, 2010, amended on October 20, 2016 and redeemed on July 20, 2018, in which Golub Capital BDC 2010-1 LLC, a Delaware limited liability company (“LLC”) and GBDC’s indirect subsidiary (the “2010 Issuer”) issued an aggregate of $350.0 million of notes (the “2010 Notes”), including $205.0 million of Class A-Refi 2010 Notes, which bore interest at a rate of three-month London Interbank Offered Rate (“LIBOR”) plus 1.90%, $10.0 million of Class B-Refi 2010 Notes, which bore interest at a rate of three-month LIBOR plus 2.40%, and $135.0 million face amount of Subordinated 2010 Notes that did not bear interest;

- “2014 Debt Securitization” refers to the $402.6 million term debt securitization that GBDC completed on June 5, 2014, as most recently amended on March 23, 2018, in which Golub Capital BDC CLO 2014 LLC, a Delaware LLC and GBDC’s direct subsidiary (the “2014 Issuer”), issued an aggregate of $402.6 million of notes (the “2014 Notes”) including $191.0 million of Class A-1-R 2014 Notes, which bear interest at a rate of three-month LIBOR, plus 0.95%, $20.0 million of Class A-2-R 2014 Notes, which bear interest at a rate of three-month LIBOR plus 0.95%, $35.0 million of Class B-R 2014 Notes, which bear interest at a rate of three-month LIBOR plus 1.40%, $37.5 million of Class C-R 2014 Notes, which bear interest at a rate of three-month LIBOR plus 1.55%, and $119.1 million of membership interests that do not bear interest;

- “2018 Debt Securitization” refers to the $602.4 million term debt securitization that GBDC completed on November 16, 2018, in which Golub Capital BDC CLO III LLC, a Delaware LLC and GBDC’s indirect subsidiary (the “2018 Issuer”), issued an aggregate of $602.4 million of notes (the “2018 Notes”), including $327.0 million of Class A 2018 Notes, which bear interest at a rate of three-month LIBOR, plus 1.48%, $61.2 million of Class B 2018 Notes, which bear interest at a rate of three-month LIBOR plus 2.10%, $20.0 million of Class C-1 2018 Notes, which bear interest at a rate of three-month LIBOR plus 2.80%, $38.8 million of Class C-2 2018 Notes, which bear interest at a rate of three-month LIBOR plus 2.65%, $42.0 million of Class D 2018 Notes, which bear interest at a rate of three-month LIBOR plus 2.95%, and $113.4 million of Subordinated 2018 Notes that do not bear interest;

- “GBDC Credit Facility” refers to the amended and restated senior secured revolving credit facility that Golub Capital BDC Funding LLC, a Delaware LLC and GBDC’s direct subsidiary (“GBDC Funding”), originally entered into on July 21, 2011, as most recently amended on September 21, 2018, 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 $170 million and that bears interest at a rate of one-month LIBOR plus 2.15% per annum through the reinvestment period, which ends September 20, 2019, and through the stated maturity date of September 21, 2023;

- “MS Credit Facility” refers to the amended senior secured credit facility that the 2010 Issuer originally entered into on July 20, 2018 and recently amended on November 1, 2018, with Morgan Stanley Bank, N.A., as lender, Morgan Stanley Senior Secured Funding, Inc. as administrative agent, and U.S. Bank National Association, as collateral agent for the administrative agent and the lenders, that currently allows for borrowing up to $450 million and that bears interest at a rate of one-month LIBOR plus 1.90% per annum through the reinvestment period, which ends on January 18, 2019, and bears interest at a rate of one-month LIBOR plus 2.15% following the reinvestment period through the stated maturity date of March 20, 2019;

- “Revolving Credit Facilities” refers collectively to the GBDC Credit Facility and the MS Credit Facility, and each a “Revolving Credit Facility”;

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- "GCIC 2016 Debt Securitization" refers to the $410.1 million term debt securitization that GCIC completed on August 16, 2016, in which Golub Capital Investment Corporation CLO 2016(M) LLC, a Delaware LLC and GCIC's direct subsidiary (the "GCIC 2016 Issuer") issued notes (the "GCIC 2016 Notes"), consisting of $220.0 million of Aaa/AAA Class A GCIC 2016 Notes, which bear interest at a rate of three-month LIBOR plus 2.15%, $32.5 million of Aa1 Class B GCIC 2016 Notes which bear interest at a rate of three-month LIBOR plus 3.00%, $42.3 million Class C GCIC 2016 Notes, which bear interest at a rate of three-month LIBOR plus 3.10%, and $28.6 million Class D GCIC 2016 Notes, which bear interest at a rate of three-month LIBOR plus 3.25%, and $86.7 million of LLC equity interests that do not bear interest; certain of the GCIC 2016 Notes were redeemed on December 13, 2018 with cash proceeds of the private placement of the GCIC 2018 Notes (as defined below);

- "GCIC Credit Facility" refers to the senior secured revolving credit facility that GCIC Funding LLC, a Delaware LLC and GCIC's direct subsidiary ("GCIC Funding"), originally entered into on October 10, 2014 with Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., as lender, as most recently amended on December 13, 2018, that currently allows for borrowing up to $275.0 million and that bears interest at a rate of one-month LIBOR plus 2.15% per annum through the maturity date, May 25, 2023;

- "GCIC 2018 Debt Securitization" refers to the $908.2 million term debt securitization that GCIC completed on December 13, 2018, in which GCIC CLO II LLC, a Delaware LLC and GCIC's indirect subsidiary (the "GCIC 2018 Issuer") issued notes (the "GCIC 2018 Notes"), consisting of approximately $490.0 million of AAA(sf)/AAAsf Class A-1 GCIC 2018 Notes, which bear interest at the three-month LIBOR plus 1.48%; $38.5 million of AAA(sf) Class A-2 GCIC 2018 Notes, which bear interest at a fixed interest rate of 4.665%; $18.0 million of AA(sf) Class B-1 GCIC 2018 Notes, which bear interest at the three-month LIBOR plus 2.25%; $27.0 million of AA(sf) Class B-2 GCIC 2018 Notes, which bear interest at the three-month LIBOR plus 1.75%; $95.0 million of A(sf) Class C GCIC 2018 Notes, which bear interest at the three-month LIBOR plus 2.30%; $60.0 million of BBB-(sf) Class D GCIC 2018 Notes, which bear interest at the three-month LIBOR plus 2.75% (with the Class A-1, A-2, B-1, B-2 and C GCIC 2018 Notes, referred to collectively as the "Secured GCIC 2018 Notes"); and $179.7 million of Subordinated GCIC 2018 Notes, which do not bear interest; and

- "SMBC Revolver" refers to the $75.0 million revolving credit facility that GCIC entered into on May 17, 2018 with Sumitomo Mitsui Banking Corporation, as administrative agent, sole lead arranger and sole manager.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETINGS AND THE MERGER

The questions and answers below highlight only selected information from this joint proxy statement/prospectus. They do not contain all of the information that may be important to you. You should read carefully this entire document to fully understand the Merger Agreement and the transactions contemplated thereby (including the Merger) and the voting procedures for each of the GBDC Special Meeting and the GCIC Special Meeting.

Questions and Answers about the Special Meetings

Q: Why am I receiving these materials?

A: GBDC is furnishing these materials in connection with the solicitation of proxies by GBDC's board of directors (the "GBDC Board") for use at the special meeting of GBDC stockholders to be held at [ ], Eastern Time, on [ ], 2019 at the offices of Golub Capital LLC, located at 666 Fifth Avenue, New York, New York, and any adjournments or postponements thereof (the "GBDC Special Meeting").

GCIC is furnishing these materials in connection with the solicitation of proxies by GCIC's board of directors (the "GCIC Board") for use at the special meeting of GCIC stockholders to be held at [ ], Eastern Time, on [ ], 2019 at the offices of Golub Capital LLC, located at 666 Fifth Avenue, New York, New York, and any adjournments or postponements thereof (the "GCIC Special Meeting").

This joint proxy statement/prospectus and the accompanying materials are being mailed on or about [ ], 2019 to stockholders of record of GBDC and GCIC described below and are available at [www.proxyonline.com].

Q: What items will be considered and voted on at the GBDC Special Meeting?

A: At the GBDC Special Meeting, GBDC stockholders will be asked to approve (i) an amendment to the GBDC certificate of incorporation to increase the number of authorized shares of capital stock from 101,000,000 shares to 201,000,000 shares, consisting of 200,000,000 shares of GBDC common stock, par value $0.001 per share ("GBDC Common Stock"), and 1,000,000 shares of preferred stock, par value $0.001 per share (such proposal, the "Certificate of Incorporation Amendment Proposal") (ii) the issuance of the shares of GBDC Common Stock pursuant to the Merger Agreement (such proposal, the "Merger Stock Issuance Proposal"), which proposal is contingent upon approval of the Certificate of Incorporation Amendment Proposal, and (iii) approval of a new investment advisory agreement between GBDC and GC Advisors to take effect upon closing of the Merger (such proposal, the "Advisory

Agreement Amendment Proposal"), which proposal is contingent upon approval of each of the Certificate of Incorporation Amendment Proposal and the Merger Stock Issuance Proposal.

Q: What items will be considered and voted on at the GCIC Special Meeting?

A: At the GCIC Special Meeting, GCIC stockholders will be asked to approve the Initial Merger and the Merger Agreement (such proposal, the "Merger Proposal").

Q: How does the GBDC Board recommend voting on the proposals at the GBDC Special Meeting?

A: The GBDC Board, including, after separate meetings and discussion, the GBDC Independent Directors, has unanimously approved the Merger Agreement, including the Merger and the related transactions, and the New Investment Advisory Agreement. The GBDC Board, including each of the GBDC Independent Directors, has unanimously approved the amendment to the GBDC certificate of incorporation to increase the authorized capital stock of GBDC and has declared such amendment to be advisable and directed that the amendment be submitted to the stockholders of GBDC for approval at the GBDC Special Meeting. The GBDC Board, including each of the GBDC Independent Directors, recommends that GBDC stockholders vote "FOR" each of the Certificate of Incorporation Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal.

Q: How does the GCIC Board recommend voting on the Merger Proposal at the GCIC Special Meeting?

A: The GCIC Board, including, after separate meetings and discussion, the GCIC Independent Directors, has unanimously approved the Initial Merger and the Merger Agreement and recommends that GCIC stockholders vote "FOR" the Merger Proposal.

Q: If I am a GBDC stockholder, what is the "Record Date" and what does it mean?

A: The record date for the GBDC Special Meeting is [ ], 2019 (the "GBDC Record Date"). The GBDC Record Date is established by the GBDC Board, and only holders of record of shares of GBDC Common Stock at the close of business on the GBDC Record Date are entitled to receive notice of the GBDC Special Meeting and vote at the GBDC Special Meeting. As of the GBDC Record Date, there were [ ] shares of GBDC Common Stock outstanding.

Q: If I am a GCIC stockholder, what is the "Record Date" and what does it mean?

A: The record date for the GCIC Special Meeting is [ ], 2019 (the "GCIC Record Date"). The GCIC Record Date is established by the GCIC Board, and only holders of record of shares of GCIC common stock, par value $0.001 per share ("GCIC Common Stock") at the close of business on the GCIC Record Date are entitled to receive notice of the GCIC Special Meeting and vote at the GCIC Special Meeting. As of the GCIC Record Date, there were [ ] shares of GCIC Common Stock outstanding.

Q: If I am a GBDC stockholder, how many votes do I have?

A: Each share of GBDC Common Stock held by a holder of record as of the GBDC Record Date has one vote on each matter to be considered at the GBDC Special Meeting.

Q: If I am a GCIC stockholder, how many votes do I have?

A: Each share of GCIC Common Stock held by a holder of record as of the GCIC Record Date has one vote on each matter to be considered at the GCIC Special Meeting.

Q: If I am a GBDC stockholder, how do I vote?

A: A GBDC stockholder may vote in person at the GBDC Special Meeting or by proxy in accordance with the instructions provided below. A GBDC stockholder may also authorize a proxy by telephone or through the Internet using the toll-free telephone numbers or web address printed on your proxy card. Authorizing a proxy by telephone or through the Internet requires you to input the control number located on your proxy card. After inputting the control number, you will be prompted to direct your proxy to vote on each proposal. You will have an opportunity to review your directions and make any necessary changes before submitting your directions and terminating the telephone call or Internet link.

- *By Internet*: [www.proxyonline.com]
- *By telephone*: [(888) 227-9349] to reach a toll-free, automated touchtone voting line, or [(866) 416-0565] Monday through Friday 9:00 a.m. until 10:00 p.m. Eastern Time to reach a toll-free, live operator line.
- *By mail*: You may vote by proxy by following the directions and indicating your instructions on the enclosed proxy card, dating and signing the proxy card, and promptly returning the proxy card in the envelope provided, which requires no postage if mailed in the United States. Please allow sufficient time for your proxy card to be received on or prior to 5:00 p.m., Eastern Time, on [ ], 2019.

- *In person*: You may vote in person at the GBDC Special Meeting by requesting a ballot when you arrive. If your shares of GBDC Common Stock are held through a broker and you attend the GBDC Special Meeting in person, please bring a letter from your broker identifying you as the beneficial owner of the shares and authorizing you to vote your shares at the GBDC Special Meeting.

Important notice regarding the availability of proxy materials for the GBDC Special Meeting. GBDC's joint proxy statement/prospectus and the proxy card are available at [www.proxyonline.com].

Q: If I am a GCIC stockholder, how do I vote?

A: A GCIC stockholder may vote in person at the GCIC Special Meeting or by proxy in accordance with the instructions provided below. A GCIC stockholder may also authorize a proxy by telephone or through the Internet using the toll-free telephone numbers or web address printed on your proxy card. Authorizing a proxy by telephone or through the Internet requires you to input the control number located on your proxy card. After inputting the control number, you will be prompted to direct your proxy to vote on each proposal. You will have an opportunity to review your directions and make any necessary changes before submitting your directions and terminating the telephone call or Internet link.

- *By Internet*: [www.proxyonline.com]

- *By telephone*: [(888) 227-9349] to reach a toll-free, automated touchtone voting line, or [(866) 416-0565] Monday through Friday 9:00 a.m. until 10:00 p.m. Eastern Time to reach a toll-free, live operator line.

- *By mail*: You may authorize a proxy by following the directions and indicating your instructions on the enclosed proxy card, dating and signing the proxy card, and promptly returning the proxy card in the envelope provided, which requires no postage if mailed in the United States. Please allow sufficient time for your proxy card to be received on or prior to 5:00 p.m., Eastern Time, on [ ], 2019.

- *In person*: You may vote in person at the GCIC Special Meeting by requesting a ballot when you arrive. If your shares of GCIC Common Stock are held through a broker and you attend the GCIC Special Meeting in person, please bring a letter from your broker identifying you as the beneficial owner of the shares and authorizing you to vote your shares at the GCIC Special Meeting.

Important notice regarding the availability of proxy materials for the GCIC Special Meeting. GCIC's joint proxy statement/prospectus and the proxy card are available at [www.proxyonline.com].

Q: What if a GBDC stockholder does not specify a choice for a matter when authorizing a proxy?

A: All properly executed proxies representing shares of GBDC Common Stock received prior to the GBDC Special Meeting will be voted in accordance with the instructions marked thereon. If a proxy card is signed and returned without any instructions marked, the shares of GBDC Common Stock will be voted “FOR” the Certificate of Incorporation Amendment Proposal, “FOR” the Merger Stock Issuance Proposal and “FOR” the Advisory Agreement Amendment Proposal.

Q: What if a GCIC stockholder does not specify a choice for a matter when authorizing a proxy?

A: All properly executed proxies representing shares of GCIC Common Stock at the GCIC Special Meeting will be voted in accordance with the directions given. If the enclosed proxy card is signed and returned without any directions given, the shares of GCIC Common Stock will be voted "FOR" the Merger Proposal.

Q: If I am a GBDC stockholder, how can I change my vote or revoke a proxy?

A: You may revoke your proxy and change your vote by giving notice at any time before your proxy is exercised. A revocation may be effected by resubmitting voting instructions via the Internet voting site, by telephone, by obtaining and properly completing another proxy card that is dated later than the original proxy card and returning it, by mail, in time to be received before the GBDC Special Meeting, by attending the GBDC Special Meeting and voting in person, or by a notice, provided in writing and signed by you, delivered to GBDC's Secretary on any business day before the date of the GBDC Special Meeting.

Q: If I am a GCIC stockholder, how can I change my vote or revoke a proxy?

A: You may revoke your proxy and change your vote by giving notice at any time before your proxy is exercised. A revocation may be effected by resubmitting voting instructions via the Internet voting site, by telephone, by obtaining and properly completing another proxy card that is dated later than the original proxy card and returning it, by mail, in time to be received before the GCIC Special Meeting, by attending the GCIC Special Meeting and voting in person, or by a notice, provided in writing and signed by you, delivered to GCIC's Secretary on any business day before the date of the GCIC Special Meeting.

Q: If my shares of GBDC Common Stock or GCIC Common Stock, as applicable, are held in a broker-controlled account or in "street name," will my broker vote my shares for me?

A: No. You should follow the instructions provided by your broker on your voting instruction form. It is important to note that your broker will vote your shares only if you provide instructions on how you would like your shares to be voted at the applicable special meeting.

Q: What constitutes a "quorum" for the GBDC Special Meeting?

A: The presence at the GBDC Special Meeting, in person or by proxy, of the holders of a majority of the shares of GBDC Common Stock outstanding on the GBDC Record Date will constitute a quorum. Shares held by a broker or other nominee for which the nominee has not received voting instructions from the record holder and does not have discretionary authority to vote the shares on non-routine proposals (which are considered "broker non-votes" with respect to such proposals) will be treated as shares present for quorum purposes. If there are not enough votes for a quorum, the presiding officer or GBDC stockholders who are represented in person or by proxy may vote to adjourn the GBDC Special Meeting to permit the further solicitation of proxies.

If there appear not to be enough votes for a quorum or to approve the proposals at the GBDC Special Meeting, the GBDC Special Meeting may also be adjourned for such periods as the presiding officer of the GBDC Special Meeting shall direct. The holders of a majority of the votes entitled to be cast by the GBDC stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the GBDC Special Meeting from time to time without notice other than announcement at the GBDC Special Meeting. Joshua M. Levinson and Ross A. Teune are the persons named as proxy and will vote proxies held by one of them for such adjournment, unless marked to be voted against any proposal for which an adjournment is sought, to permit the further solicitation of proxies.

If sufficient votes in favor of any of the proposals to be considered at the GBDC Special Meeting have been received at the time of the GBDC Special Meeting, the applicable proposal or proposals will be acted upon and such action will be final, regardless of any subsequent adjournments to consider other proposals.

Q: What constitutes a "quorum" for the GCIC Special Meeting?

A: The presence at the GCIC Special Meeting, in person or by proxy, of stockholders entitled to cast a majority of votes entitled to be cast at the GCIC Special Meeting will constitute a quorum. If there are not enough votes for a quorum, the chairman of the meeting may adjourn the GCIC Special Meeting to permit the further solicitation of proxies.

If there appears not to be enough votes for a quorum or to approve the proposals at the GCIC Special Meeting, the chairman of the GCIC Special Meeting shall have the power to conclude or adjourn the GCIC Special Meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the GCIC Special Meeting.

Q: What vote is required to approve each of the proposals at the GBDC Special Meeting?

A: The affirmative vote of the holders of a majority of the outstanding shares of GBDC Common Stock entitled to vote at the GBDC Special Meeting is required for approval of the Certificate of Incorporation Amendment Proposal. Abstentions and broker non-votes will have the effect of a vote "against" this proposal.

The affirmative vote of the holders of a majority of the votes cast by GBDC stockholders at the Special Meeting in person or by proxy is required for approval of the Merger Stock Issuance Proposal (meaning that the number of shares voted "for" the proposal must exceed the number of shares voted "against" such proposal). Abstentions and broker non-votes will not be included in determining the number of votes cast and, as a result, will have no effect on this proposal.

The affirmative vote of "a majority of the outstanding voting securities" of GBDC Common Stock is required to approve the Advisory Agreement Amendment Proposal. Under the Investment Company Act of 1940, as amended (the "1940 Act"), a "majority of the outstanding voting securities" of GBDC is the lesser of: (1) 67% of the GBDC Common Stock at the GBDC Special Meeting if the holders of more than 50% of the outstanding shares of GBDC Common Stock are present or represented by proxy or (2) more than 50% of the outstanding shares of GBDC Common Stock. Abstentions and broker non-votes will have the effect of a vote "against" this proposal.

Broker non-votes are described as votes cast by a broker or other nominee on behalf of a beneficial holder who does not provide explicit voting instructions to such broker or nominee and who does not attend the meeting. Each of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal is a non-routine matter for GBDC. As a result, if a GBDC stockholder hold shares in "street name" through a broker, bank or other nominee, the broker, bank or nominee will not be permitted to exercise voting discretion with respect to either the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal or the Advisory Agreement Amendment Proposal. As a result, abstentions and broker non-votes will have no effect on the outcome of the Merger Stock Issuance Proposal. Abstentions and broker non-votes will not count as affirmative votes cast and will therefore have the same effect as votes against each of the Certificate of Incorporation Amendment Proposal and the Advisory Agreement Amendment Proposal.

Q: What vote is required to approve each of the proposals being considered at the GCIC Special Meeting?

A: The affirmative vote of the holders of outstanding shares of GCIC Common Stock entitled to cast a majority of votes entitled to be cast at the GCIC Special Meeting is required to approve the Merger Proposal.

Abstentions and broker non-votes will have the effect of a vote "against" this proposal.

Q: What will happen if all of the proposals being considered at the GBDC Special Meeting and the GCIC Special Meeting are not approved by the required vote?

A: As discussed in more detail in this joint proxy statement/prospectus, closing of the Merger is conditioned on, among other things, (i) approval of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal by GBDC stockholders at the GBDC Special Meeting, (ii) approval of the Merger Proposal by GCIC stockholders at the GCIC Special Meeting, and (iii) the receipt of any required regulatory and other approvals.

If the Certificate of Incorporation Amendment Proposal is approved by the requisite vote of GBDC stockholders, the amendment to the GBDC certificate of incorporation will be filed with the Delaware Secretary of State regardless of the results of the voting on the other proposals at the GBDC Special Meeting. If the Merger Stock Issuance Proposal is not approved by the GBDC stockholders, then the Merger will not close. If the Advisory Agreement Amendment Proposal is not approved by the GBDC stockholders and the closing condition in the Merger Agreement in respect of such approval is not waived by the parties to the Merger Agreement, then the Merger will not close. If the Merger Proposal is not approved by the GCIC stockholders, then the Merger will not close.

If the Merger does not close because either the GBDC stockholders or the GCIC stockholders do not approve the applicable proposals or any of the other conditions to the closing of the Merger are not satisfied or waived, each of GBDC and GCIC will continue to operate pursuant to the current agreements in place for each, including, in the case of GBDC, the Current GBDC Investment Advisory Agreement, and each of GBDC's and GCIC's respective directors and executive officers will continue to serve as its directors and officers, respectively, until their successors are duly elected and qualified or their resignation.

Q: How will the final voting results be announced?

A: Preliminary voting results will be announced at each special meeting. Final voting results will be published by GBDC and GCIC in a current report on Form 8-K within four business days after the date of the GBDC Special Meeting and the GCIC Special Meeting, respectively.

Q: Will GBDC and GCIC incur expenses in soliciting proxies?

A: GBDC and GCIC will equally bear the cost of preparing, printing and mailing this joint proxy statement/prospectus and the applicable accompanying Notice of Special Meeting of Stockholders and proxy card. GBDC and GCIC intend to use the services of GC Advisors to aid in the distribution and collection of proxy votes. GBDC and GCIC expect to pay market rates for such services. No additional compensation will be paid to directors, officers or regular employees for such services.

For more information regarding expenses related to the Merger, see "Questions and Answers about the Merger—Who is responsible for paying the expenses relating to completing the Merger?'"

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Q: What does it mean if I receive more than one proxy card?

A: Some of your shares of GBDC Common Stock or GCIC Common Stock, as applicable, may be registered differently or held in different accounts. You should authorize a proxy to vote the shares in each of your accounts by mail, by telephone or via the Internet. If you mail proxy cards, please sign, date and return each proxy card to guarantee that all of your shares are voted.

Q: Are the proxy materials available electronically?

A: In accordance with regulations promulgated by the SEC, GBDC and GCIC have made the registration statement (of which this joint proxy statement/prospectus forms a part), the applicable Notice of Special Meeting of Stockholders and the applicable proxy card available to stockholders of GBDC and GCIC on the Internet. Stockholders may (i) access and review the proxy materials of GBDC and GCIC, as applicable, (ii) authorize their proxies, as described in "The GBDC Special Meeting—Voting of Proxies" and "The GCIC Special Meeting—Voting of Proxies" and/or (iii) elect to receive future proxy materials by electronic delivery via the Internet address provided below.

The registration statement (of which this joint proxy statement/prospectus forms a part), each Notice of Special Meeting of Stockholders and each proxy card are available at [www.proxyonline.com].

Q: Will my vote make a difference?

A: Yes. Your vote is needed to ensure the proposals can be acted upon. Your vote is very important. Your immediate response will help avoid potential delays and may save significant additional expenses associated with soliciting stockholder votes.

Q: Whom can I contact with any additional questions?

A: If you are a GBDC stockholder or a GCIC stockholder, you can contact GBDC's or GCIC's Investor Relations Departments at the below contact information with any additional questions:

Golub Capital BDC, Inc. or Golub Capital Investment Corporation
Investor Relations
666 Fifth Avenue, 18th Floor
New York, New York 10103
(212) 750-6060

Q: Where can I find more information about GBDC and GCIC?

A: You can find more information about GBDC and GCIC in the documents described under the caption "Where You Can Find More Information."

Q: What do I need to do now?

A: We urge you to read carefully this entire document, including its annexes. You should also review the documents referenced under "Where You Can Find More Information" and consult with your accounting, legal and tax advisors.

Questions and Answers about the Merger

Q: What will happen in the Initial Merger and Subsequent Combination?

A: GCIC will be the surviving company of the Initial Merger and will continue its existence as a corporation under the laws of the State of Maryland until the Subsequent Combination. As of the effective time of the Merger (the "Effective Time"), the separate corporate existence of Merger Sub will cease. Immediately after the Effective Time, pursuant to the Subsequent Combination, the surviving company will merge with and into GBDC, with GBDC as the surviving entity.

Q: What will GCIC stockholders receive in the Merger?

A: Each GCIC stockholder will be entitled to receive, for each share of GCIC Common Stock, 0.865 shares of GBDC Common Stock (the "Exchange Ratio"); provided, that the number of shares of GBDC Common Stock to be received by GCIC stockholders (the "Merger Consideration") will be subject to adjustment solely to the extent described below.

Q: Is the Exchange Ratio subject to any adjustment?

A: Yes. The Exchange Ratio will be adjusted only if, between the date of the Merger Agreement and the effective time of the Merger, the respective outstanding shares of GBDC Common Stock or GCIC Common Stock has been increased or decreased or changed into or exchanged for a different number or kind of shares or securities, in each case, as a result of any reclassification, recapitalization, stock split, reverse stock split, split-up, combination or exchange of shares, or if a stock dividend or dividend payable in any other securities has been declared with a record date within such period.

Q: Who is responsible for paying the expenses relating to completing the Merger?

A: In general, all fees and expenses incurred in connection with the Merger will be paid by the person incurring such fees and expenses, whether or not the Merger is consummated. However, GBDC and GCIC will equally bear the costs and expenses of printing and mailing this joint proxy statement/prospectus, all filing and other fees paid to the SEC in connection with the Merger, all filings and other fees in connection with any filing under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and the fees and expenses of legal services to GCIC, GBDC and Merger Sub in connection with the Merger Agreement and the transactions contemplated thereby. See "Description of the Merger Agreement—Expenses and Fees." It is anticipated that GBDC will bear expenses of approximately $2.5 million in connection with the Merger (none of which was expensed by GBDC during the year ended September 30, 2018), and GCIC will bear expenses of approximately $2.5 million in connection with the Merger (of which approximately $0.1 million was expensed by GCIC during the year ended September 30, 2018).

Q: Will I receive dividends after the Merger?

A: Subject to applicable legal restrictions and the sole discretion of the GBDC Board, GBDC intends to declare and pay regular cash distributions to its stockholders on a quarterly basis. The GBDC Board intends to increase GBDC's quarterly dividend to $0.33 per share after closing of the Merger; provided that the GBDC Board reserves the right to revisit this intention if market conditions or GBDC's prospects meaningfully change. For a history of the dividends and distributions paid by GBDC since September 30, 2016, see "Market Price, Dividend and Distribution Information—GBDC." The amount and timing of past dividends and distributions are not a guarantee of any future dividends or distributions, or the amount thereof, the payment, timing and amount of which will be determined by the GBDC Board and depend on GBDC's cash requirements, its financial condition and earnings, contractual restrictions, legal and regulatory considerations and other factors. See "Golub Capital BDC, Inc. Dividend Reinvestment Plan" for additional information regarding GBDC's dividend reinvestment plan.

Following the Effective Time, the record holders of shares of GCIC Common Stock will be entitled to receive dividends or other distributions declared by the GBDC Board with a record date after the Effective Time theretofore payable with respect to the whole shares of GBDC Common Stock represented by such shares of GCIC Common Stock. For a history of the dividends and distributions paid by GCIC since September 30, 2016, see "Market Price, Dividend and Distribution Information—GCIC."

Q: Is the Merger subject to any third-party consents?

A: Under the Merger Agreement, GBDC and GCIC have agreed to cooperate with each other and use their reasonable best efforts to take, or cause to be taken, in good faith, all actions, and to do, or cause to be done, all things necessary, including to obtain as promptly as practicable all permits, consents, approvals, confirmations and authorizations of all third parties, in each case, that are necessary or advisable, to consummate the transactions contemplated by the Merger Agreement, including the Merger, in the most expeditious manner practicable. As of the date of this joint proxy statement/prospectus, GBDC and GCIC believe that, subject to the satisfaction of certain conditions, they have obtained all necessary third-party consents other than stockholder approval and certain lender and derivative counterparty consents. There can be no assurance that any permits, consents, approvals, confirmations or authorizations will be obtained or that such permits, consents, approvals, confirmations or authorizations will not impose conditions or requirements that, individually or in the aggregate, would or could reasonably be expected to have a material adverse effect on the financial condition, results of operations, assets or business of the combined company following the Merger.

Q: How does GBDC's investment objective and strategy differ from GCIC's?

A: The investment objectives and strategies of GBDC and GCIC are identical. The investment objective of each of GBDC and GCIC is to generate current income and capital appreciation by investing primarily in one stop (a loan that combines characteristics of traditional first lien senior secured loans and second lien or subordinated loans and that are often referred to by other middle-market lenders as unitranche loans) and other senior secured loans of middle-market companies that are, in most cases, sponsored by private equity firms. GBDC may also selectively invest in second lien and subordinated loans of, and warrants and minority equity securities in, U.S. middle-market companies. GBDC and GCIC each use the term "middle-market" to generally refer to companies having earnings before interest, taxes, depreciation and amortization ("EBITDA") of less than $100.0 million annually.

As a result of these commonalities, GC Advisors does not anticipate any significant portfolio repositioning in connection with the Merger.

Q: How do the distribution procedures, purchase procedures, redemption procedures and exchange rights of GBDC differ from those of GCIC?

A: GBDC and GCIC have substantially identical distribution, purchase and redemption procedures. Neither GBDC nor GCIC offers exchange rights with respect to its common stock, and neither GBDC nor GCIC has the right to redeem its common stock. Shares of GBDC Common Stock trade on the Nasdaq under the symbol "GBDC." Shares of GCIC Common Stock are not listed on a national stock exchange. From time to time, GBDC may offer shares of its securities in public offerings registered under the Securities Act, and each of GBDC and GCIC may offer its respective securities in private placements in reliance on an exemption from the registration requirements of the Securities Act. Both GBDC and GCIC have adopted "opt out" dividend reinvestment plans, which provide for the reinvestment of the applicable entity's distributions on behalf of its stockholders unless a stockholder elects to receive such distributions in cash. GBDC anticipates that the combined company will maintain the distribution, purchase and redemption procedures of GBDC following the closing of the Merger.

Q: How will the combined company be managed following the Subsequent Combination?

A: GBDC and GCIC have the same directors and officers. The directors of GBDC immediately prior to the Subsequent Combination will remain the directors of GBDC and will hold office until their respective successors are duly elected and qualify, or their earlier death, resignation or removal. The officers of GBDC immediately prior to the Subsequent Combination will remain the officers of GBDC and will hold office until their respective successors are duly appointed and qualify, or their earlier death, resignation or removal. Following the Subsequent Combination, GC Advisors will continue to be the investment adviser of GBDC and the New Investment Advisory Agreement will be effective at the Effective Time if the Advisory Agreement Amendment Proposal is approved by GBDC stockholders.

Q: Are GBDC stockholders able to exercise appraisal rights?

A: No. GBDC stockholders will not be entitled to exercise appraisal rights with respect to any matter to be voted upon at the GBDC Special Meeting. Any GBDC stockholder may abstain from voting or vote against any of such matters.

Q: Are GCIC stockholders able to exercise appraisal rights?

A: No. GCIC stockholders will not be entitled to exercise rights of objecting stockholders with respect to any matter to be voted upon at the GCIC Special Meeting. Any GCIC stockholder may abstain from voting or vote against any of such matters.

Q: When do you expect to complete the Merger and Subsequent Combination?

A: While there can be no assurance as to the exact timing, or that the Merger will be completed at all, GBDC and GCIC are working to complete the Merger in the first half of calendar year 2019. It is currently expected that the Merger will be completed promptly following receipt of the required stockholder approvals at the GBDC Special Meeting and the GCIC Special Meeting and satisfaction of the other closing conditions set forth in the Merger Agreement. The Subsequent Combination will occur immediately after the Merger is completed.

Q: Is the Merger expected to be taxable to GBDC stockholders?

A: No. The Merger and Subsequent Combination are not expected to be a taxable event for GBDC stockholders.

Q: Is the Merger expected to be taxable to GCIC stockholders?

A: No. The Initial Merger and Subsequent Combination are intended to qualify as a "reorganization," within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). It is a condition to GBDC's and GCIC's respective obligations to complete the Merger that each of them receives a legal opinion to that effect. GCIC stockholders are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of GCIC Common Stock for shares of GBDC Common Stock pursuant to the Initial Merger, except with respect to cash received in lieu of fractional shares of GBDC Common Stock. GCIC stockholders should read the section captioned "Certain Material U.S. Federal Income Tax Consequences of the Merger" for a more complete discussion of the U.S. federal income tax consequences of the Merger. Tax matters can be complicated and the tax consequences of the Merger to a GCIC stockholder will depend on the particular tax situation of such stockholder. **GCIC stockholders should consult with their own tax advisors to determine the tax consequences of the Merger to them.**

Q: What happens if the Merger is not consummated?

A: If the Initial Merger is not approved by the requisite vote of GCIC's stockholders, or any of the amendment to GBDC's certificate of incorporation, the issuance of shares of GBDC Common Stock in connection with the Merger or the New Investment Advisory Agreement is not approved by the requisite vote of GBDC's stockholders, or if the Merger is not completed for any other reason, GCIC's stockholders will not receive any payment for their shares of GCIC Common Stock in connection with the Merger. Instead, GCIC will remain an independent company. In addition, under circumstances specified in the Merger Agreement, GCIC may be required to pay GBDC, or GBDC may be required to pay GCIC, a termination fee of $29 million. See "Description of the Merger Agreement—Termination of the Merger Agreement."

Q: Did the GBDC Board receive an opinion from the financial advisor to the GBDC Independent Directors regarding the Exchange Ratio?

A: Yes. For more information, see the section entitled "The Merger—Opinion of the Financial Advisor to the GBDC Independent Directors."

Q: Did the GCIC Board receive an opinion from the financial advisor to the GCIC Independent Directors regarding the Exchange Ratio?

A: Yes. On November 27, 2018, at a meeting of the GCIC Board, including a meeting of the GCIC Independent Directors separately as a group, held to evaluate the proposed Merger, UBS delivered to each of the GCIC Independent Directors as a group and the GCIC Board an oral opinion, confirmed by delivery of a written opinion, dated November 27, 2018, to the effect that, as of that date and based on and subject to various assumptions made, matters considered and limitations described in its opinion, the Exchange Ratio provided for in the Initial Merger was fair, from a financial point of view, to the holders of GCIC Common Stock (other than any shares held by GBDC and its consolidated subsidiaries).

The full text of UBS' opinion describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS. UBS' opinion is attached as Annex D to this joint proxy statement/prospectus and is incorporated herein by reference. **GCIC stockholders are encouraged to read UBS' opinion carefully in its entirety. UBS' opinion was provided for the benefit of the GCIC Independent Directors and the GCIC Board (in their capacity as such) in connection with and for the purpose of their evaluation of the Exchange Ratio in the Initial Merger, and does not address any other aspect of the Initial Merger or any other transaction contemplated by the Merger Agreement. UBS' opinion does not address the relative merits of the Initial Merger or any related transaction as compared to other business strategies or transactions that might be available to GCIC or GCIC's underlying business decision to effect the Initial Merger or any related transactions. UBS' opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to the Initial Merger or any related transaction.**

For more information, see the section entitled "The Merger—Opinion of the Financial Advisor to the GCIC Independent Directors."

SUMMARY OF THE MERGER

This summary highlights selected information contained elsewhere in this joint proxy statement/prospectus and may not contain all of the information that is important to you. You should carefully read this entire joint proxy statement/prospectus, including the other documents to which this joint proxy statement/prospectus refers for a more complete understanding of the Merger. In particular, you should read the annexes attached to this joint proxy statement/prospectus, including the Merger Agreement, which is attached as Annex B hereto, as it is the legal document that governs the Merger. See "Where You Can Find More Information." For a discussion of the risk factors you should carefully consider, see the section entitled "Risk Factors" beginning on page 19.

The Parties to the Merger

Golub Capital BDC, Inc.

666 Fifth Avenue, 18th Floor

New York, NY 0103

(212) 750-6060

GBDC is an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company ("BDC") under the 1940 Act. In addition, for U.S. federal income tax purposes, GBDC has elected to be treated as a regulated investment company ("RIC"), under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). GBDC was formed in November 2009 to continue and expand the business of its predecessor, Golub Capital Master Funding LLC, which commenced operations in July 2007. GBDC makes investments primarily in one stop (a loan that combines characteristics of traditional first lien senior secured loans and second lien or subordinated loans) and other senior secured loans of middle-market companies that are, in most cases, sponsored by private equity firms. GC Advisors structures GBDC's one stop loans as senior secured loans, and GBDC obtains security interests in the assets of the portfolio companies 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, GBDC together with its affiliates are the sole lenders of one stop loans, which can afford GBDC additional influence over the borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.

GBDC's investment objective is to generate current income and capital appreciation by investing primarily in one stop and other senior secured loans of U.S. middle-market companies. GBDC may also selectively invest in 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. GBDC intends to achieve its investment objective by (1) accessing the established loan origination channels developed by Golub Capital, a leading lender to middle-market companies with over $25.0 billion in capital under management as of September 30, 2018, (2) selecting investments within its 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.

GBDC seeks to create a portfolio that includes primarily one stop and other senior secured 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. GBDC may also selectively invest more than $30.0 million in some of its portfolio companies and generally expects that the size of its individual investments will vary proportionately with the size of its capital base.

GBDC generally invests 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 GBDC's 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 GBDC's risk of losing part or all of its investment.

Golub Capital Investment Corporation

666 Fifth Avenue, 18th Floor

New York, NY 10103

(212) 750-6060

GCIC is an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a BDC under the 1940 Act and has elected to be treated for U.S. federal income tax purposes as a RIC under the Code.

GCIC was formed in September 2014 to make investments and generate current income and capital appreciation by investing primarily in one stop (a loan that combines characteristics of traditional first lien senior secured loans and second lien or subordinated loans) and other senior secured loans of U.S. middle-market companies that are, in most cases, sponsored by private equity firms. GCIC commenced operations on December 31, 2014. GCIC structures its one stop loans as senior secured loans, and GCIC obtains security interests in the assets of the portfolio companies 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, GCIC, together with its affiliates, are the sole lenders of one stop loans, which can afford it additional influence over the borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.

GCIC's investment objective is to generate current income and capital appreciation by investing primarily in one stop and other senior secured loans of U.S. middle-market companies. GCIC may also selectively invest in second lien and subordinated loans of, and warrants and minority equity securities in U.S. middle-market companies. GCIC intends to achieve its investment objective by (1) accessing the established loan origination channels developed by Golub Capital, a leading lender to middle-market companies with over $25.0 billion in capital under management as of September 30, 2018, (2) selecting investments within its 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.

GCIC seeks to create a portfolio that includes primarily one stop and senior secured 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. GCIC may also selectively invest more than $30.0 million in some of its portfolio companies and generally expects that the size of its individual investments will vary proportionately with the size of its capital base.

GCIC generally invests 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 GCIC's 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 GCIC's risk of losing part or all of its investment.

Fifth Ave Subsidiary Inc.

666 Fifth Avenue, 18^{th} Floor

New York, NY 10103

(212) 750-6060

Merger Sub is a Maryland corporation and a newly formed, wholly owned subsidiary of GBDC. Merger Sub was formed in connection with and for the sole purpose of the Merger.

GC Advisors LLC

666 Fifth Avenue, 18^{th} Floor

New York, NY 10103

(212) 750-6060

GC Advisors is a Delaware limited liability company located at 666 Fifth Avenue, 18th Floor, New York, NY 10103. GC Advisors is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). GC Advisors is an affiliate of Golub Capital. The beneficial interests in GC Advisors are majority owned, indirectly, by two affiliated trusts. The trustees of those trusts are Stephen A. Kepniss and David L. Finegold. GC Advisors manages the day-to-day operations of and provides investment advisory services to each of GBDC and GCIC.

GC Advisors is an affiliate of Golub Capital and pursuant to a staffing agreement (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 the investment adviser to each of GBDC and GCIC, GC Advisors is obligated to allocate investment opportunities among GBDC, GCIC and its other clients fairly and equitably over time in accordance with its allocation policy. See “Certain Relationships and Related Party Transactions of Golub Capital BDC, Inc.” and “Certain Relationships and Related Party Transactions of Golub Capital Investment Corporation.” However, there can be no assurance that such opportunities will be allocated to GBDC or GCIC 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.

An affiliate of GC Advisors, Golub Capital LLC (the “Administrator”), provides the administrative services necessary for each of GBDC and GCIC to operate. See “Golub Capital BDC, Inc. Management Agreements—Administration Agreement” and “Golub Capital Investment Corporation Management Agreements—GCIC Administration Agreement” for a discussion of the fees and expenses (subject to the review and approval of their GBDC’s and GCIC’s respective independent directors) each of GBDC and GCIC is 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, 2018, Golub Capital had over $25.0 billion of capital under management. Since its inception, Golub Capital has closed deals with over 260 middle-market sponsors and repeat transactions with over 170 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, 2018, Golub Capital's more than 100 investment professionals had an average of over 12 years of investment experience and were supported by more than 250 administrative and back office personnel that focus on operations, finance, legal and compliance, accounting and reporting, marketing, information technology and office management.

Merger Structure

Pursuant to the terms of the Merger Agreement, at the Effective Time, Merger Sub will be merged with and into GCIC. GCIC will be the surviving company in the Initial Merger and will continue its existence as a corporation under the laws of the State of Maryland. As of the Effective Time, the separate corporate existence of Merger Sub will cease. Immediately after the occurrence of the Effective Time, in the Subsequent Combination, the surviving company will merge with and into GBDC in accordance with the Delaware General Corporation Law (the "DGCL") and the Maryland General Corporation Law ("MGCL"), with GBDC as the surviving entity.

Based on the number of shares of GBDC Common Stock and GCIC Common Stock issued and outstanding as of November 27, 2018, at the closing of the Merger (the "Closing Date"), GBDC stockholders would own approximately 50.9% of the outstanding GBDC Common Stock, and former GCIC stockholders would own approximately 49.1% of the outstanding GBDC Common Stock. Following the Merger, GBDC will continue its operations as conducted before the Merger with GC Advisors acting as its investment adviser pursuant to the New Investment Advisory Agreement.

The Merger Agreement is attached as *Annex B* to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus. GBDC and GCIC encourage their respective stockholders to read the Merger Agreement carefully and in its entirety, as it is the principal legal document governing the Merger.

Merger Consideration

If the Initial Merger is consummated, each GCIC stockholder will be entitled to receive 0.865 shares of GBDC Common Stock for each share of GCIC Common Stock, subject to adjustment only if, between the date of the Merger Agreement and the Effective Time, the respective outstanding shares of GBDC Common Stock or GCIC Common Stock have been increased or decreased or changed into or exchanged for a different number or kind of shares or securities, in each case, as a result of any reclassification, recapitalization, stock split, reverse stock split, split-up, combination or exchange of shares, or if a stock dividend or dividend payable in any other securities has been declared with a record date within such period. Closing of the Initial Merger is contingent upon GBDC stockholder approval of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal and certain other closing conditions. Holders of GCIC Common Stock will receive cash in lieu of fractional shares.

After the Determination Date and until the Initial Merger is completed, the market value of the shares of GBDC Common Stock to be issued in the Initial Merger will continue to fluctuate but the number of shares to be issued to GCIC stockholders will remain fixed.

Market Price of Securities

Shares of GBDC Common Stock trade on the Nasdaq under the symbol "GBDC." Shares of GCIC Common Stock are not listed on a national stock exchange.

The following table presents the closing sales prices as of the last trading day before the execution of the Merger Agreement and the most recently determined NAV per share of GBDC Common Stock and the most recently determined NAV per share of GCIC Common Stock.

	GBDC Common Stock	**GCIC Common Stock**
NAV per Share at September 30, 2018	$ 16.10	$ 15.00
Closing Nasdaq Sales Price at November 26, 2018	$ 18.57	N/A

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Risks Relating to the Proposed Merger

The Merger and the other transactions contemplated by the Merger Agreement are subject to, among others, the following risks. GBDC and GCIC stockholders should carefully consider these risks before deciding how to vote on the proposals to be voted on at their respective special meetings.

- Because the market price of GBDC Common Stock will fluctuate, GCIC stockholders cannot be sure of the market value of the Merger Consideration they will receive until the Closing Date.
- Sales of shares of GBDC Common Stock after the completion of the Merger may cause the market price of GBDC Common Stock to decline.
- GCIC stockholders and GBDC stockholders will experience a reduction in percentage ownership and voting power in the combined company as a result of the Merger.
- GBDC may be unable to realize the benefits anticipated by the Merger, including estimated cost savings, or it may take longer than anticipated to achieve such benefits.
- The Merger may trigger certain “change of control” provisions and other restrictions in contracts of GBDC, GCIC or their respective affiliates, and the failure to obtain any required consents or waivers could adversely impact the combined company.
- The opinions delivered to the GBDC Independent Directors and the GCIC Independent Directors from their respective financial advisors prior to signing the Merger Agreement will not reflect changes in circumstances since the date of such opinions.
- If the Merger does not close, neither GBDC nor GCIC will benefit from the expenses incurred in its pursuit.
- The termination of the Merger Agreement could negatively impact GCIC and GBDC.
- Under certain circumstances, GCIC and GBDC are obligated to pay each other a termination fee upon termination of the Merger Agreement.

- The Merger Agreement limits the ability of GCIC and GBDC to pursue alternatives to the Merger.

- The Initial Merger is subject to closing conditions, including stockholder approvals, that, if not satisfied or waived, will result in the Merger not being completed, which may result in material adverse consequences to GCIC's and GBDC's business and operations.

- GBDC and GCIC will be subject to operational uncertainties and contractual restrictions while the Merger is pending.

- GBDC and GCIC may, to the extent legally allowed, waive one or more conditions to the Initial Merger without resoliciting stockholder approval.

- The shares of GBDC Common Stock to be received by GCIC stockholders as a result of the Merger will have different rights associated with them than shares of GCIC Common Stock currently held by them.

- The market price of GBDC Common Stock after the Merger may be affected by factors different from those affecting GBDC Common Stock currently.

See the section captioned "Risk Factors—Risks Relating to the Merger" below for a more detailed discussion of these factors.

Tax Consequences of the Merger

The Merger is intended to qualify as a "reorganization," within the meaning of Section 368(a) of the Code, and it is a condition to GBDC's and GCIC's respective obligations to complete the Merger that each of them receives a legal opinion to that effect. Accordingly, the Merger is not expected to be a taxable event for GCIC stockholders for U.S. federal income tax purposes as to the shares of GBDC Common Stock they receive in the Merger, except for any gain or loss that may result from the receipt of cash in lieu of fractional shares of GBDC Common Stock.

GCIC stockholders should read the section captioned “Certain Material U.S. Federal Income Tax Consequences of the Merger” for a more complete discussion of the U.S. federal income tax consequences of the Merger. Tax matters can be complicated and the tax consequences of the Merger to GCIC stockholders will depend on their particular tax situation. Holders of GCIC Common Stock should consult with their own tax advisors to understand the tax consequences of the Merger to them.

The Merger is not expected to be a taxable event for GBDC stockholders.

Special Meeting of GBDC Stockholders

GBDC plans to hold the GBDC Special Meeting on [ ], 2019, at [ ], Eastern Time, at 666 Fifth Avenue, New York, New York. At the GBDC Special Meeting, holders of GBDC Common Stock will be asked to approve (i) the Certificate of Incorporation Amendment Proposal, (ii) the Merger Stock Issuance Proposal and (iii) the Advisory Agreement Amendment Proposal.

A GBDC stockholder can vote at the GBDC Special Meeting if such stockholder owned shares of GBDC Common Stock at the close of business on the GBDC Record Date. As of that date, there were approximately [ ] shares of GBDC Common Stock outstanding and entitled to vote, approximately [ ] of which, or [ ]%, were owned beneficially or of record by directors and executive officers of GBDC.

Special Meeting of GCIC Stockholders

GCIC plans to hold the GCIC Special Meeting on [ ], 2019, at [ ], Eastern Time, at 666 Fifth Avenue, New York, New York. At the GCIC Special Meeting, holders of GCIC Common Stock will be asked to approve the Merger Proposal.

A GCIC stockholder can vote at the GCIC Special Meeting if such stockholder owned shares of GCIC Common Stock at the close of business on the GCIC Record Date. As of that date, there were approximately [ ] shares of GCIC Common Stock outstanding and entitled to vote. Approximately [ ] of such total outstanding shares, or [ ]%, were owned beneficially or of record by directors and executive officers of GCIC.

GBDC Board Recommendation

The GBDC Board, including, after separate meetings and discussion, all of the GBDC Independent Directors, has unanimously approved the Merger Agreement, including the Merger and the related transactions, as well as the proposed amendment to the Merger Agreement, and the New Investment Advisory Agreement. The GBDC Board, including, after separate meetings and discussion, all of the GBDC Independent Directors, has unanimously approved the amendment to the GBDC certificate of incorporation to increase the authorized capital stock of GBDC, declared such amendment to be advisable and directed that the amendment be submitted to the stockholders of GBDC for approval at the GBDC Special Meeting. The GBDC Board, including all of the GBDC Independent Directors, recommends that GBDC stockholders vote “FOR” each of the Certificate of Incorporation Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal.

GCIC Board Recommendation

The GCIC Board, including, after separate meetings and discussion, the GCIC Independent Directors, has unanimously approved the Initial Merger and the Merger Agreement and recommend that GCIC stockholders vote “FOR” the Merger Proposal.

Vote Required—GBDC

Each share of GBDC Common Stock held by a holder of record as of the GBDC Record Date has one vote on each matter considered at the GBDC Special Meeting.

The Certificate of Incorporation Amendment Proposal

The affirmative vote of the holders of a majority of the outstanding shares of GBDC Common Stock entitled to vote at the GBDC Special Meeting is required for approval of the Certificate of Incorporation Amendment Proposal. Abstentions and broker non-votes will have the effect of a vote “against” the Certificate of Incorporation Amendment Proposal.

The Merger Stock Issuance Proposal

The approval of the Merger Stock Issuance Proposal requires the affirmative vote of at least a majority of the votes cast by holders of GBDC Common Stock at a meeting at which a quorum is present. Abstentions and broker non-votes will have no effect on the outcome of the Merger Stock Issuance Proposal.

The Advisory Agreement Amendment Proposal

The approval of the Advisory Agreement Amendment Proposal requires the approval of a "majority of the outstanding voting securities" of GBDC. Under the 1940 Act, a "majority of the outstanding voting securities" of GBDC is the lesser of: (1) 67% of the GBDC Common Stock at the GBDC Special Meeting if the holders of more than 50% of the outstanding shares of GBDC Common Stock are present or represented by proxy or (2) more than 50% of the outstanding shares of GBDC Common Stock. Abstentions and broker non-votes will not count as affirmative votes cast and will therefore have the same effect as votes "against" the Advisory Agreement Amendment Proposal.

Vote Required—GCIC

Each share of GCIC Common Stock held by a holder of record as of the GCIC Record Date has one vote on the Merger Proposal considered at the GCIC Special Meeting.

The Merger Proposal

The approval of the Merger Proposal requires the affirmative vote of the holders of the outstanding shares of GCIC Common Stock entitled to cast a majority of votes entitled to be cast at the GCIC Special Meeting. Abstentions and broker non-votes will not count as affirmative votes cast and will therefore have the same effect as votes "against" the Merger Proposal.

Completion of the Merger

As more fully described in this joint proxy statement/prospectus and in the Merger Agreement, the completion of the Initial Merger depends on a number of conditions being satisfied or, where legally permissible, waived. For information on the conditions that must be satisfied or waived for the Merger to occur, see "Description of the Merger—Conditions to the Closing of the Merger." While there can be no assurances as to the exact timing, or that the Merger will be completed at all, GBDC and GCIC are working to complete the Merger in the first half of calendar year 2019. It is currently expected that the Merger will be completed promptly following receipt of the required stockholder approvals at the GBDC Special Meeting and the GCIC Special Meeting and satisfaction of the other closing conditions set forth in the Merger Agreement. The Subsequent Combination will occur immediately after the

Initial Merger is completed.

Termination of the Merger and Termination Fee

The Merger Agreement contains certain termination rights for GBDC and GCIC, each of which is discussed below in "Description of the Merger—Termination of the Merger Agreement." The Merger Agreement provides that, in connection with the termination of the Merger Agreement under specified circumstances and subject to applicable law, GCIC may be required to pay a GBDC, or GBDC may be required to pay GCIC, a termination fee of $29 million. See "Description of the Merger Agreement—Termination of the Merger Agreement" for a discussion of the circumstances that could result in the payment of the termination fees. GBDC or GCIC, as applicable, will be the entities entitled to receive any termination fees under the Merger Agreement. The GCIC Board and GBDC Board have approved the amount of the termination fees.

Reasons for the Merger

GBDC

The GBDC Board consulted with GBDC's management, GC Advisors, as well as its legal and other advisors and considered numerous factors, including the unanimous recommendation of GBDC Independent Directors, and determined that the Merger is in GBDC's best interests and the best interests of GBDC's stockholders, and that GBDC stockholders will not suffer any dilution for purposes of Rule 17a-8 of the 1940 Act as a result of the Merger.

Certain material factors considered by the GBDC Board and the GBDC Independent Directors as a group that favored the conclusion of the GBDC Board and the GBDC Independent Directors that the Merger is in GBDC's best interests and the best interests of GBDC's stockholders included, among others:

- the expected accretion to GBDC's NAV per share at closing of the Merger;
- the expected value creation from GBDC NAV per share accretion;
- the expected increased scale and liquidity of the combined company;
- the acquisition of a known, diversified portfolio of assets;

- the expected greater access to long-term, low-cost, flexible debt capital;
- the potential for operational synergies;
- the investment strategies and risks of GBDC and GCIC;

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- the tax consequences of the Merger; and

- the opinion of KBW, financial advisor to the GBDC Independent Directors (in their collective capacity as such).

The foregoing list does not include all the factors that the GBDC Board considered in approving the proposed Merger and the Merger Agreement and in recommending that GBDC stockholders approve the amendment to the GBDC certificate of incorporation and the issuance of shares of GBDC Common Stock each necessary to effectuate the Merger. For a further discussion of the material factors considered by the GBDC Board, see “The Merger—Reasons for the Merger.”

GCIC

The GCIC Board consulted with GCIC’s management, GC Advisors, as well as its legal and other advisors and considered numerous factors, including the unanimous recommendation of the GCIC Independent Directors, and determined that the Initial Merger is in GCIC’s best interests and the best interests of GCIC’s stockholders, and that GCIC stockholders will not suffer any dilution for purposes of Rule 17a-8 of the 1940 Act as a result of the Merger.

Certain material factors considered by the GCIC Board and the GCIC Independent Directors as a group that favored the conclusion of the GCIC Board and the GCIC Independent Directors that the Initial Merger is in GCIC’s best interests and the best interests of GCIC’s stockholders included, among others:

- the premium of the consideration to GCIC’s NAV per share as of September 30, 2018;

- the potential incremental value of the consideration from GBDC’s NAV per share accretion;

- the expected increased scale and liquidity of the combined company;

- the merger with a known, diversified portfolio of assets;

- the expected greater access to long-term, low-cost, flexible debt capital;

- the potential for operational synergies;

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the more favorable incentive fee structure under the New Investment Advisory Agreement to be applicable to the combined company after the Merger;

- the investment strategies and risks of GBDC and GCIC;
- the continuity of GC Advisors and the management team;
- the tax consequences of the Merger; and
- the opinion of UBS, financial advisor to the GCIC Independent Directors.

The foregoing list does not include all the factors that the GCIC Board considered in approving the Merger and the Merger Agreement and in recommending that GCIC stockholders approve the Merger and the Merger Agreement.

For a further discussion of the material factors considered by the GCIC Board, see "The Merger—Reasons for the Merger."

GCIC and GBDC Stockholders Do Not Have Appraisal Rights

Neither GCIC stockholders nor GBDC stockholders will be entitled to exercise appraisal rights in connection with the Merger under the laws of the State of Maryland or the State of Delaware.

RISK FACTORS

In addition to the other information included in this document, stockholders should carefully consider the matters described below in determining whether to approve (i) in the case of GCIC stockholders, the Merger Proposal and (ii) in the case of GBDC stockholders, the Merger Stock Issuance Proposal. The risks associated with an investment in GBDC and GCIC are substantially identical because GBDC and GCIC have the same investment adviser and co-invest in transactions together and with affiliates of GC Advisors and have the same investment objectives and strategies. The risks set out below are not the only risks GBDC and GCIC and, following the Merger, the combined company, face. Additional risks and uncertainties not currently known to GBDC or GCIC or that they currently deem to be immaterial also may materially adversely affect their or, following the Merger, the combined company's, business, financial condition or operating results. If any of the following events occur, GBDC or GCIC or, following the Merger, the combined company's, business, financial condition or results of operations could be materially adversely affected.

Risks Relating to the Merger

Because the market price of GBDC Common Stock will fluctuate, GCIC common stockholders cannot be sure of the market value of the Merger Consideration they will receive until the Closing Date.

The market value of the Merger Consideration may vary from the closing price of GBDC Common Stock on the date the Merger was announced, on the date that this joint proxy statement/prospectus was mailed to stockholders, on the date of the GCIC Special Meeting or the date of the GBDC Special Meeting and on the date the Merger is completed and thereafter. Any change in the market price of GBDC Common Stock prior to completion of the Merger will affect the market value of the Merger Consideration that GCIC stockholders will receive upon completion of the Merger. In addition, if the market price of GBDC Common Stock were to decrease such that the product of the Exchange Ratio and the greater of (i) the closing market price and (ii) the NAV per share of the GBDC Common Stock is less than the NAV per share of GCIC Common Stock the conditions to closing of the Initial Merger would not be satisfied, and the Merger would not close, even if all of the proposals considered at the GBDC Special Meeting and the GCIC Special Meeting were approved by the stockholders of GBDC and GCIC, respectively.

Accordingly, at the time of the GCIC Special Meeting, GCIC stockholders will not know or be able to calculate the market price of the Merger Consideration they would receive upon completion of the Merger. Neither GCIC nor GBDC is permitted to terminate the Merger Agreement or resolicit the vote of their respective stockholders solely because of changes in the market price of shares of GBDC Common Stock after the GCIC Special Meeting.

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

- significant volatility in the market price and trading volume of securities of business development companies or other companies in GBDC's 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 GBDC's 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 GBDC's portfolio investments;
- changes in accounting guidelines governing valuation of GBDC's 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 GBDC;
- general economic trends and other external factors; and
- loss of a major funding source.

See "Special Note Regarding Forward-Looking Statements" for other factors that could cause the market price of GBDC Common Stock to change.

Closing sales prices of GBDC Common Stock as reported on Nasdaq for the year ended September 30, 2018, ranged from a low of $17.62 to a high of $19.41 and for the period from October 1, 2018 through December 18, 2018 from a low of $16.91 to a high of $19.01. However, historical trading prices are not necessarily indicative of future performance. You should obtain current market quotations for shares of GBDC Common Stock prior to the special meetings.

Sales of shares of GBDC Common Stock after the completion of the Merger may cause the market price of GBDC Common Stock to decline.

Based on the number of outstanding shares of GCIC Common Stock as of November 27, 2018, GBDC would issue approximately 58,044,096 shares of GBDC Common Stock pursuant to the Merger Agreement. Former GCIC stockholders may decide not to hold the shares of GBDC Common Stock that they will receive pursuant to the Merger Agreement. Certain GCIC stockholders, such as funds with limitations on their permitted holdings of stock in individual issuers, may be required to sell the shares of GBDC Common Stock that they receive pursuant to the Merger Agreement. In addition, GBDC stockholders may decide not to hold their shares of GBDC Common Stock after completion of the Merger. In each case, such sales of GBDC Common Stock could have the effect of depressing the market price for GBDC Common Stock and may take place promptly following the completion of the Merger.

GCIC stockholders and GBDC stockholders will experience a reduction in percentage ownership and voting power in the combined company as a result of the Merger.

GCIC stockholders will experience a substantial reduction in their respective percentage ownership interests and effective voting power in respect of the combined company relative to their respective percentage ownership interests in GCIC prior to the Merger. Consequently, GCIC stockholders should expect to exercise less influence over the management and policies of the combined company following the Merger than they currently exercise over the management and policies of GCIC. GBDC stockholders will experience a substantial reduction in their respective percentage ownership interests and effective voting power in respect of the combined company relative to their respective ownership interests in GBDC prior to the Merger. Consequently, GBDC stockholders should expect to exercise less influence over the management and policies of the combined company following the Merger than they currently exercise over the management and policies of GBDC.

If the Merger were consummated as of November 27, 2018, based on the pro forma number of shares of GBDC Common Stock to be issued and outstanding as of such date, GBDC stockholders would own approximately 50.9% of the outstanding GBDC Common Stock, and GCIC stockholders would own approximately 49.1% of the outstanding GBDC Common Stock. Prior to completion of the Merger, subject to certain restrictions in the Merger Agreement, GBDC and GCIC may each issue additional shares of common stock, which would further reduce the percentage ownership of the combined company held by current GBDC stockholders or to be held by GCIC stockholders, as applicable. After completion of the Merger, GBDC may issue additional shares of GBDC Common Stock, including, subject to certain restrictions under the 1940 Act, including stockholder approval of such issuance, at prices below GBDC Common Stock's then-current net asset value per share. The issuance or sale by GBDC of shares of GBDC Common Stock at a discount to net asset value poses a risk of dilution to GBDC and former GCIC stockholders.

GBDC may be unable to realize the benefits anticipated by the Merger, including estimated cost savings, or it may take longer than anticipated to achieve such benefits.

The realization of certain benefits anticipated as a result of the Merger will depend in part on the integration of GCIC's investment portfolio with GBDC's and the integration of GCIC's business with GBDC's business. There can be no assurance that GCIC's investment portfolio or business can be operated profitably or integrated successfully into GBDC's operations in a timely fashion or at all. The dedication of management resources to such integration may detract attention from the day-to-day business of the combined company, and there can be no assurance that there will not be substantial costs associated with the transition process or that there will not be other material adverse effects as a result of these integration efforts. Such effects, including incurring unexpected costs or delays in connection with such integration and failure of GCIC's investment portfolio to perform as expected, could have a material adverse effect on the financial results of the combined company.

GBDC also expects to achieve certain cost savings from the Merger when the two companies have fully integrated their portfolios. It is possible that the estimates of the potential cost savings could ultimately be incorrect. The cost savings estimates also assume GBDC will be able to combine the operations of GBDC and GCIC in a manner that permits those cost savings to be fully realized. If the estimates turn out to be incorrect or if GBDC is not able to combine GCIC's investment portfolio or business with the operations of GBDC successfully, the anticipated cost savings may not be fully realized or realized at all or may take longer to realize than expected.

The Merger may trigger certain "change of control" provisions and other restrictions in contracts of GBDC, GCIC or their affiliates and the failure to obtain any required consents or waivers could adversely impact the combined company.

Certain agreements of GBDC and GCIC or their affiliates, which may include agreements governing indebtedness of GBDC or GCIC, will or may require the consent or waiver of one or more counterparties in connection with the Merger. The failure to obtain any such consent or waiver may permit such counterparties to terminate, or otherwise increase their rights or GBDC's or GCIC's obligations under, any such agreement because the Merger or other transactions contemplated by the Merger Agreement may violate an anti-assignment, change of control or other similar provision relating to any of such transactions. If this occurs, GBDC may have to seek to replace that agreement with a new agreement or seek an amendment to such agreement. GBDC and GCIC cannot assure you that GBDC will be able to replace or amend any such agreement on comparable terms or at all. If these types of provisions are triggered in agreements governing indebtedness of GBDC or GCIC, the lender or holder of the debt instrument could accelerate repayment under such indebtedness and negatively affect GBDC's business, financial condition, results of operations and cash flows. See "Risks Relating to GBDC—Risks Related to GBDC's Business and Structure— GBDC intends to finance its investments with borrowed money, which will accelerate and increase the potential for gain or loss on amounts invested and may increase the risk of investing in GBDC."

If any such agreement is material, the failure to obtain consents, amendments or waivers under, or to replace on similar terms or at all, any of these agreements could adversely affect the financial performance or results of operations of the combined company following the Merger, including preventing GBDC from operating a material part of GCIC's business.

In addition, the consummation of the Merger may violate, conflict with, result in a breach of provisions of, or the loss of any benefit under, constitute a default (or an event that, with or without notice or lapse of time or both, would constitute a default) under, or result in the termination, cancellation, acceleration or other change of any right or obligation (including any payment obligation) under, certain agreements of GBDC or GCIC. Any such violation, conflict, breach, loss, default or other effect could, either individually or in the aggregate, have a material adverse effect on the financial condition, results of operations, assets or business of the combined company following completion of the Merger.

The opinions delivered to the GBDC Board and the GCIC Board by the financial advisors to the GBDC Independent Directors and the GCIC Independent Directors, respectively, prior to signing the Merger Agreement do not reflect changes in circumstances after the date of the opinions.

The opinions of the financial advisors to the GBDC Independent Directors and the GCIC Independent Directors, respectively, were delivered to the parties' respective boards on, and dated, November 27, 2018. Changes in the operations and prospects of GCIC or GBDC, general market and economic conditions and other factors that may be beyond the control of GCIC or GBDC may significantly alter the value of GCIC or the price of shares of GBDC Common Stock by the time the Merger is completed. The opinions do not speak as of the time the Merger will be completed or as of any date other than the date of such opinions. For a description of the opinion that the GCIC Board and the GCIC Independent Directors received from the financial advisor to the GCIC Independent Directors, see "The Merger— Opinion of the Financial Advisor to the GCIC Independent Directors." For a description of the opinion that the GBDC Board and the GBDC Independent Directors received from the financial advisor to the GBDC Independent Directors, see "The Merger—Opinion of the Financial Advisor to the GBDC Independent Directors."

If the Merger does not close, neither GBDC nor GCIC will benefit from the expenses incurred in its pursuit.

The Merger may not be completed. If the Merger is not completed, GBDC and GCIC will have incurred substantial expenses for which no ultimate benefit will have been received. Both companies have incurred out-of-pocket expenses in connection with the Merger for investment banking, legal and accounting fees and financial printing and other related charges, much of which will be incurred even if the Merger is not completed.

The termination of the Merger Agreement could negatively impact GCIC and GBDC.

If the Merger Agreement is terminated, there may be various consequences, including:

- GCIC's and GBDC's businesses may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the Merger, without realizing any of the anticipated benefits of completing the Merger;

- the market price of GBDC Common Stock might decline to the extent that the market price prior to termination reflects a market assumption that the Merger will be completed;

- in the case of GCIC, it may not be able to find a party willing to pay an equivalent or more attractive price than the price GBDC agreed to pay in the Merger; and

- the payment of any termination fee, if required under the circumstances, could adversely affect the financial condition and liquidity of GCIC or GBDC.

Under certain circumstances, GCIC and GBDC are obligated to pay each other a termination fee upon termination of the Merger Agreement.

No assurance can be given that the Merger will be completed. The Merger Agreement provides for the payment, subject to applicable law, by GCIC or GBDC, as applicable, of a termination fee of $29 million to GBDC or GCIC, as applicable, if the Merger Agreement is terminated by GCIC or GBDC, as applicable, under certain circumstances, including if

(i) (a) the GCIC Board or the GBDC Board, as applicable, has changed its recommendation in favor of the proposals for its respective stockholders set forth in this joint proxy statement/prospectus, and/or has approved an alternative takeover proposal;

(b) GCIC or GBDC, as applicable, fails to recommend that its stockholders vote in favor of the proposals for its respective stockholders set forth in this joint proxy statement/prospectus;

(c) a takeover proposal by a third-party is announced and the GBDC Board or GCIC Board, as applicable, fails to reaffirm its recommendation that its stockholders vote in favor of the proposals for its respective stockholders set forth in this joint proxy statement/prospectus; or

(d) a tender or exchange offer for GBDC Common Stock or GCIC Common Stock, as applicable, is initiated by a third-party and the GBDC Board or GCIC Board, as applicable, does not recommend rejection of such tender or exchange offer;

(ii) GCIC or GBDC, as applicable, materially breaches any of its obligations relating to the solicitation and administration of takeover proposals from third parties; or

(iii) (1) the Merger is not completed by November 27, 2019, the GBDC stockholders or GCIC stockholders, as applicable, do not approve the applicable proposals set forth in this joint proxy statement/prospectus, at their respective special meetings, or GCIC or GBDC, as applicable, willfully or intentionally breaches its representations, warranties, covenants or agreements in the Merger Agreement,

(2) an alternative takeover proposal of GCIC or GBDC, as applicable, is disclosed after the date of the Merger Agreement; and

(3) GCIC or GBDC, as applicable, enters into an agreement with respect to such takeover proposal within twelve (12) months after the Merger Agreement is terminated and such takeover is subsequently completed, subject to applicable law.

See "Description of the Merger Agreement—Termination of the Merger Agreement" for a discussion of the circumstances that could result in the payment of a termination fee. GBDC or GCIC, as applicable, will be the entities entitled to receive any termination fees under the Merger Agreement. Each of the GBDC Board and GCIC Board have approved the amount of the termination fee which may be paid.

The Merger Agreement limits the ability of GBDC and GCIC to pursue alternatives to the Merger.

The Merger Agreement contains provisions that limit each of GBDC's and GCIC's ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of GBDC or GCIC, as applicable. These provisions, which are typical for transactions of this type, and include a $29 million termination fee payable under certain circumstances, might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of GBDC or GCIC from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share market price than that proposed in the Merger or might result in a potential competing acquiror proposing to pay a lower per share price to acquire GBDC or GCIC than it might otherwise have proposed to pay.

The Merger is subject to closing conditions, including stockholder approvals, that, if not satisfied or waived, will result in the Merger not being completed, which may result in material adverse consequences to GCIC's and GBDC's business and operations.

The Merger is subject to closing conditions, including certain approvals of GCIC's and GBDC's respective stockholders that, if not satisfied, will prevent the Merger from being completed. The closing condition that GCIC's stockholders approve the Merger Proposal may not be waived under applicable law and must be satisfied for the Merger to be completed. GCIC currently expects that all directors and executive officers of GCIC will vote their shares of GCIC Common Stock in favor of the proposals presented at the GCIC Special Meeting. If GCIC's stockholders do not approve the Merger Proposal and the Merger is not completed, the resulting failure of the Merger could have a material adverse impact on GCIC's business and operations. The closing condition that GBDC's stockholders approve the Certificate of Incorporation Amendment Proposal and the Merger Stock Issuance Proposal may not be waived under applicable law and must be satisfied for the Merger to be completed. In addition, closing of the Merger is conditioned upon approval of the Advisory Agreement Amendment Proposal by GBDC Stockholders. GBDC currently expects that all directors and executive officers of GBDC will vote their shares of GBDC Common Stock in favor of the proposals presented at the GBDC Special Meeting. If GBDC's stockholders do not approve each of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal and the Merger is not completed, the resulting failure of the Merger could have a material adverse impact on GBDC's business and operations. In addition to the required approvals of GCIC's and GBDC's stockholders, the Merger is subject to a number of other conditions beyond GCIC's and GBDC's control that may prevent, delay or otherwise materially adversely affect its completion. Neither GCIC nor GBDC can predict whether and when these other conditions will be satisfied.

GBDC and GCIC will be subject to operational uncertainties and contractual restrictions while the Merger is pending.

Uncertainty about the effect of the Merger may have an adverse effect on GBDC and GCIC and, consequently, on the combined company following completion of the Merger. These uncertainties may cause those that deal with GBDC and GCIC to seek to change their existing business relationships with GBDC and GCIC, respectively. In addition, the Merger Agreement restricts GBDC and GCIC from taking actions that they might otherwise consider to be in their best interests. These restrictions may prevent GBDC and GCIC from pursuing certain business opportunities that may arise prior to the completion of the Merger. Please see the section entitled "Description of the Merger Agreement—Conduct of Business Pending Completion of the Merger" for a description of the restrictive covenants to which GCIC is subject.

GBDC and GCIC may waive one or more conditions to the Merger without resoliciting stockholder approval.

Certain conditions to GBDC's and GCIC's obligations to complete the Merger may be waived, in whole or in part, to the extent legally allowed, either unilaterally or by agreement of GBDC and GCIC. In the event that any such waiver does not require resolicitation of stockholders, the parties to the Merger Agreement will have the discretion to complete the Merger without seeking further stockholder approval. The conditions requiring the approval of each of the Certificate of Incorporation Amendment Proposal and the Merger Stock Issuance Proposal by GBDC's stockholders and the Merger Proposal by GCIC's stockholders, however, cannot be waived.

The shares of GBDC Common Stock to be received by GCIC stockholders as a result of the Merger will have different rights associated with them than shares of GCIC Common Stock currently held by them.

The rights associated with GCIC Common Stock are different from the rights associated with GBDC Common Stock. See "Comparison of GBDC and GCIC Stockholder Rights."

The market price of GBDC Common Stock after the Merger may be affected by factors different from those affecting GBDC Common Stock currently.

The businesses of GBDC and GCIC differ in some respects and, accordingly, the results of operations of the combined company and the market price of GBDC Common Stock after the Merger may be affected by factors different from those currently affecting the independent results of operations of each of GBDC and GCIC. These factors include a larger stockholder base and a different capital structure.

Accordingly, the historical trading prices and financial results of GBDC may not be indicative of these matters for the combined company following the Merger. For a discussion of the business of GBDC and of certain factors to consider in connection with its business, see "Business of Golub Capital BDC, Inc." For a discussion of the business of GCIC and of certain factors to consider in connection with its business, see "Business of Golub Capital Investment Corporation." As described elsewhere in the joint proxy statement/prospectus, the risks associated with an investment in GBDC and GCIC are substantially identical.

Risks Relating to GBDC

Risks Relating to GBDC's Business and Structure

GBDC is subject to risks associated with the current interest rate environment and to the extent GBDC uses debt to finance its investments, changes in interest rates will affect GBDC's 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, GBDC will likely experience rising interest rates, rather than falling rates, and has experienced increases to LIBOR in 2018.

To the extent GBDC borrows money or issues debt securities or preferred stock to make investments, GBDC's net investment income depends, in part, upon the difference between the rate at which GBDC borrows funds or pays interest or dividends on such debt securities or preferred stock and the rate at which GBDC invests these funds. In addition, many of GBDC's debt investments and borrowings have floating interest rates that reset on a periodic basis, and many of GBDC's investments are subject to interest rate floors. As a result, a change in market interest rates could have a material adverse effect on GBDC's 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, GBDC's cost of funds increases because the interest rates on the majority of amounts GBDC has borrowed are floating, which could reduce GBDC's 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. GBDC may use interest rate risk management techniques in an effort to limit its 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 GBDC's 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 GBDC's business, financial condition and results of operations.

You should also be aware that a rise in the general level of interest rates typically leads to higher interest rates applicable to GBDC's 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 GBDC Common Stock less attractive if GBDC is not able to increase its distribution rate, which could reduce the value of GBDC Common Stock.

In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021. There is currently no definitive information regarding the future utilization of LIBOR or of any particular replacement rate. As such, the potential effect of any such event on GBDC's cost of capital and net investment income cannot yet be determined. In addition, any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market value for or value of any LIBOR-linked securities, loans, and other financial obligations or extensions of credit held by or due to GBDC and could have a material adverse effect on GBDC's business, financial condition and results of operations.

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 GBDC's business.

The U.S. and global capital markets have in the past and may in the future experience periods of extreme volatility and disruption during economic downturns and recessions. Increases to budget deficits or direct and contingent sovereign debt, may create concerns about the ability of certain nations to service their sovereign debt obligations, and risks resulting from any such debt crisis in Europe, the United States or elsewhere could have a detrimental impact on the global economy, sovereign and non-sovereign debt in certain countries and the financial condition of financial institutions generally. Austerity measures that certain countries may agree to as part of any debt crisis or disruptions to major financial trading markets may adversely affect world economic conditions and have an adverse impact on GBDC's business and that of its portfolio companies. 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. Market and economic disruptions, which may be caused by political trends and government actions in the United States or elsewhere, have in the past and may in the future affect, the U.S. capital markets, which could adversely affect GBDC's business and that of its portfolio companies and the broader financial and credit markets and reduce the availability of debt and equity capital for the market as a whole and to financial firms, in particular. At various times, such disruptions have 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. Such conditions may occur for a prolonged period of time again and may 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 GBDC's funding costs, limit GBDC's access to the capital markets or result in a decision by lenders not to extend credit to GBDC. GBDC 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 GBDC to reduce the volume of loans it originates and/or funds, adversely affect the value of GBDC's portfolio investments or otherwise have a material adverse effect on GBDC's business, financial condition, results of operations and cash flows.

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

GBDC does not have any internal management capacity or employees. GBDC depends on the diligence, skill and network of business contacts of the senior investment professionals of GC Advisors to achieve its investment objective. GC Advisors' investment committee, which consists of two members of the GBDC Board and two additional employees of Golub Capital LLC, provides oversight over GBDC's investment activities. GBDC also cannot assure you that GBDC will replicate the historical results achieved for other Golub Capital funds by members of the investment committee. GBDC cautions you that its investment returns could be substantially lower than the returns achieved by them in prior periods. GBDC expects that GC Advisors will evaluate, negotiate, structure, close and monitor GBDC's investments in accordance with the terms of the Current GBDC Investment Advisory Agreement. GBDC can offer no assurance, however, that the senior investment professionals of GC Advisors will continue to provide investment advice to GBDC. 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, GBDC may not be able to identify appropriate replacements or grow its 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 GBDC's ability to achieve its investment objective and operate as it anticipates. This could have a material adverse effect on GBDC's 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 GBDC’s investments. GBDC is 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, GBDC cannot assure you that GC Advisors will enforce the Staffing Agreement, that such agreement will not be terminated by either party or that GBDC will continue to have access to the investment professionals of Golub Capital LLC and its affiliates or their information and deal flow.

GBDC’s 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 GBDC’s business.

GBDC depends upon Golub Capital LLC’s relationships with sponsors, and GBDC intends to rely to a significant extent upon these relationships to provide it 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, GBDC cannot grow its investment portfolio. In addition, individuals with whom the principals of Golub Capital LLC have relationships are not obligated to provide GBDC with investment opportunities, and, therefore, GBDC can offer no assurance that these relationships will generate investment opportunities for it.

GBDC’s financial condition, results of operations and cash flows depend on its ability to manage its business effectively.

GBDC’s ability to achieve its investment objective depends on its ability to manage its business and to grow. This depends, in turn, on GC Advisors’ ability to identify, invest in and monitor companies that meet GBDC’s investment criteria. The achievement of GBDC’s investment objectives on a cost-effective basis depends upon GC Advisors’ execution of GBDC’s investment process, its ability to provide competent, attentive and efficient services to GBDC and, to a lesser extent, on GBDC’s access to financing on acceptable terms. GC Advisors has substantial responsibilities under the Current GBDC 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 GBDC’s portfolio companies. These activities may distract them or slow GBDC’s rate of investment. Any failure to manage GBDC’s business and its future growth effectively could have a material adverse effect on GBDC’s business, financial condition, results of operations and cash flows.

There are significant potential conflicts of interest that could affect GBDC’s investment returns.

As a result of GBDC’s 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 GBDC’s 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 GBDC does or of accounts sponsored or managed by GC Advisors or its affiliates. Currently, GBDC's officers and directors also serve as officers and directors of GCIC and Golub Capital BDC 3, Inc. ("GBDC 3"), each a closed-end, non-diversified management investment company that has 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 GBDC or its 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 and GBDC 3. GBDC's investment objective may overlap with the investment objectives of such affiliated accounts. For example, GC Advisors currently manages GCIC, GBDC 3 and several private funds, some of which may seek additional capital from time to time, that are pursuing an investment strategy similar to GBDC's, and GBDC 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 GBDC and other accounts advised by or affiliated with GC Advisors. Certain of these accounts may provide for higher management or incentive fees, 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 GBDC acquires, or originates, 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, GBDC can offer no assurance that such opportunities will be allocated to GBDC fairly or equitably in the short-term or over time, and there can be no assurance that GBDC will be able to participate in all investment opportunities that are suitable to it.

GC Advisors' investment committee, GC Advisors or its affiliates may, from time to time, possess material non-public information, limiting GBDC's 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 GBDC invests, the securities of which are purchased or sold on GBDC's behalf. In the event that material nonpublic information is obtained with respect to such companies, or GBDC becomes subject to trading restrictions under the internal trading policies of those companies or as a result of applicable law or regulations, GBDC 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 GBDC.

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

In the course of GBDC's investing activities, GBDC pays management and incentive fees to GC Advisors. The management fee is based on GBDC's average adjusted gross assets and the incentive fee is computed and paid on income, both of which include leverage. As a result, investors in GBDC 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 GBDC's average adjusted gross assets, GC Advisors benefits when GBDC incurs debt or use leverage. Under certain circumstances, the use of leverage may increase the likelihood of default, which would negatively impact GBDC's securityholders.

Additionally, the incentive fee payable by GBDC to GC Advisors may create an incentive for GC Advisors to cause GBDC to realize capital gains or losses that may not be in the best interests of GBDC or its stockholders. Under the incentive fee structure, GC Advisors benefits when GBDC recognizes capital gains and, because GC Advisors determines when an investment is sold, GC Advisors controls the timing of the recognition of such capital gains. The GBDC Board is charged with protecting its 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 GBDC's 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 payment-in-kind ("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 GBDC's 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 give rise to 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, GBDC accrues the interest over the life of the investment but does not receive the cash income from the investment until the end of the term. GBDC's net investment income used to calculate the income portion of its 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 GBDC on such securities. This risk could be increased because GC Advisors is not obligated to reimburse GBDC for any fees received even if GBDC subsequently incurs losses or never receives in cash the deferred income that was previously accrued.

The valuation process for certain of GBDC's portfolio holdings creates a conflict of interest.

The majority of GBDC's portfolio investments are expected to be made in the form of securities that are not publicly traded. As a result, the GBDC Board determines the fair value of these securities in good faith. In connection with that determination, investment professionals from GC Advisors may provide the GBDC Board 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 GBDC's 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 GBDC's average adjusted gross assets and GBDC's incentive fees are based, in part, on unrealized gains and losses.

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

GBDC has entered into a license agreement with Golub Capital LLC under which Golub Capital LLC has granted GBDC a non-exclusive, royalty-free license to use the name "Golub Capital." In addition, GBDC pays to the Administrator GBDC's allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement, such as rent and GBDC's allocable portion of the cost of its chief financial officer and chief compliance officer and their respective staffs. These arrangements create conflicts of interest that the GBDC Board must monitor.

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

The Current GBDC 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 GBDC 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 Current GBDC 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, GBDC may choose not to enforce, or to enforce less vigorously, its rights and remedies under these agreements and its unsecured revolving credit facility with GC Advisors (the "Adviser Revolver") because of GBDC's desire to maintain its ongoing relationship with GC Advisors, the Administrator and their respective affiliates. Any such decision, however, would breach GBDC's fiduciary obligations to its stockholders.

GBDC's ability to enter into transactions with its affiliates is restricted, which limits the scope of investments available to GBDC.

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

GBDC 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, GBDC may invest alongside such accounts consistent with guidance promulgated by the SEC staff permitting GBDC 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 GBDC's behalf and on behalf of its other clients, negotiates no term other than price. GBDC 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 GBDC and another similar eligible account, the opportunity will be allocated pro rata based on the relative capital available for investment of each of GBDC and such other eligible accounts, subject to minimum and maximum investment size limits. However, GBDC can offer no assurance that investment opportunities will be allocated to it fairly or equitably in the short-term or over time.

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, GBDC 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 GBDC's interests and those of other GC Advisors clients, GC Advisors needs to decide whether GBDC 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, GBDC 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 GBDC's ability to transact business with its officers or directors or their affiliates. These restrictions may limit the scope of investment opportunities that would otherwise be available to GBDC.

On February 27, 2017, GC Advisors and certain other funds and accounts sponsored or managed by GC Advisors and its affiliates, received exemptive relief from the SEC that permits GBDC greater flexibility to negotiate the terms of co-investments if the GBDC Board determines that it would be advantageous for GBDC to co-invest with other accounts sponsored or managed by GC Advisors or its affiliates in a manner consistent with GBDC's investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. Under the terms of this exemptive relief, a "required majority" (as defined in Section 57(o) of the 1940 Act) of the GBDC Independent Directors is required to make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the proposed transaction are reasonable and fair to GBDC and its stockholders and do not involve overreaching of GBDC or its stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of GBDC's stockholders and is consistent with its investment strategies and policies.

GBDC may be the target of litigation.

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

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

A number of entities compete with GBDC to make the types of investments that GBDC plans to make. GBDC competes 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 GBDC's competitors are substantially larger and have considerably greater financial, technical and marketing resources than GBDC does. For example, GBDC believes some of its competitors may have access to funding sources that are not available to GBDC. In addition, some of GBDC's 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 GBDC. Furthermore, many of GBDC's competitors are not subject to the regulatory restrictions that the 1940 Act imposes on GBDC as a business development company or the source of income, asset diversification and distribution requirements GBDC must satisfy to maintain its qualification as a RIC. The competitive pressures GBDC faces may have a material adverse effect on its business, financial condition, results of operations and cash flows. As a result of this competition, GBDC may not be able to take advantage of attractive investment opportunities from time to time, and GBDC may not be able to identify and make investments that are consistent with its investment objective.

With respect to the investments GBDC makes, GBDC does not seek to compete based primarily on the interest rates GBDC offers, and GBDC believes that some of its competitors may make loans with interest rates that are lower than the rates GBDC offers. In the secondary market for acquiring existing loans, GBDC competes generally on the basis of pricing terms. With respect to all investments, GBDC may lose some investment opportunities if GBDC does not match its competitors' pricing, terms and structure. However, if GBDC matches its competitors' pricing, terms and structure, GBDC may experience decreased net interest income, lower yields and increased risk of credit loss. GBDC 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 GBDC and may not be in the best interests of GBDC and its securityholders. Moreover, the performance of investments will not be known at the time of allocation.

GBDC will be subject to corporate-level income tax if it is unable to qualify as a RIC.

In order to be subject to tax as a RIC under the Code, GBDC must meet certain source-of-income, asset diversification and distribution requirements. The distribution requirement for a RIC is satisfied if GBDC distributes to its stockholders dividends for U.S. federal income tax purposes of an amount generally at least equal to 90% of its investment company taxable income, which is generally GBDC's net ordinary income plus the excess of its net short-term capital gains in excess of its net long-term capital losses, determined without regard to any deduction for dividends paid, to GBDC stockholders on an annual basis. GBDC is subject, to the extent it uses 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 GBDC from making distributions necessary to qualify as a RIC. If GBDC is unable to obtain cash from other sources, GBDC may fail to be subject to tax as a RIC and, thus, may be subject to corporate-level income tax. To qualify as a RIC, GBDC must also meet certain asset diversification requirements at the end of each quarter of its taxable year. Failure to meet these requirements may result in GBDC having to dispose of certain investments quickly in order to prevent the loss of its qualification as a RIC. Because most of GBDC's 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 GBDC fails to qualify as a RIC for any reason and become subject to corporate-level income tax, the resulting corporate taxes could substantially reduce its net assets, the amount of income available for distributions to stockholders and the amount of its distributions and the amount of funds available for new investments. Such a failure would have a material adverse effect on GBDC and its securityholders. See "Certain Material U.S. Federal Income Tax Consequences of the Merger—U.S. Federal Income Taxation of an Investment in GBDC Common Stock—Election to be Taxed as a RIC."

GBDC may need to raise additional capital to grow because it must distribute most of its income.

GBDC may need additional capital to fund new investments and grow its portfolio of investments. GBDC intends 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 GBDC's funding costs, limit its access to the capital markets or result in a decision by lenders not to extend credit to GBDC. A reduction in the availability of new capital could limit GBDC's ability to grow. In addition, GBDC is required to distribute each taxable year an amount at least equal to 90% of its investment company taxable income, determined without regard to any deduction for dividends paid as dividends for U.S. federal income tax purposes, to its stockholders to maintain its 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 GBDC's ability to grow its business and execute its business strategy fully and could decrease its earnings, if any, which may have an adverse effect on the value of its securities. Furthermore, to the extent GBDC is not able to raise capital and is at or near its targeted leverage ratios, GBDC may receive smaller allocations, if any, on new investment opportunities under GC Advisors' allocation policy and has, in the past, received such smaller allocations under similar circumstances.

GBDC may have difficulty paying its required distributions if it recognizes income before, or without, receiving cash representing such income.

For U.S. federal income tax purposes, GBDC includes in income certain amounts that it has not yet received in cash, such as the accretion of original issue discount. This arises if GBDC receives 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 GBDC's overall investment activities, or increases in loan balances as a result of contracted PIK arrangements, is included in income before GBDC receives any corresponding cash payments. GBDC also may be required to include in income certain other amounts that it does not receive in cash.

That part of the incentive fee payable by GBDC that relates to its 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 GBDC may recognize income before or without receiving cash representing such income, GBDC may have difficulty meeting the annual distribution requirement applicable to RICs. In such a case, GBDC may have to sell some of its investments at times it would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements. If GBDC is not able to obtain such cash from other sources, GBDC may fail to qualify as a RIC and thus be subject to corporate-level income tax. See "Certain Material U.S. Federal Income Tax Consequences of the Merger—U.S. Federal Income Taxation of an Investment in GBDC Common Stock—Election to be Taxed as a RIC."

Regulations governing GBDC's operation as a business development company affect its ability to, and the way in which it, raises additional capital. As a business development company, the necessity of raising additional capital exposes GBDC to risks, including the typical risks associated with leverage.

GBDC may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, which GBDC refers to collectively as "senior securities," up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, GBDC is permitted as a business development company to issue senior securities in amounts such that its asset coverage, as defined in the 1940 Act, equals at least 200%, or 150% if the stockholders of GBDC approve a proposal to be subject to a reduced asset coverage requirement at GBDC's annual meeting of stockholders currently scheduled for February 5, 2019 and subject to GBDC's compliance with certain disclosure requirements thereafter, of gross assets (other than the U.S. Small Business Administration ("SBA") debentures of a small business investment company ("SBIC") subsidiary, as permitted by exemptive relief GBDC has been granted by the SEC) less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities (other than the debentures of an SBIC subsidiary, as permitted by exemptive relief GBDC has been granted by the SEC). If the value of GBDC's assets declines, GBDC may be unable to satisfy this ratio. If that happens, GBDC may be required to sell a portion of its investments and, depending on the nature of its leverage, repay a portion of its indebtedness at a time when such sales may be disadvantageous. This could have a material adverse effect on GBDC's operations and GBDC may not be able to make distributions in an amount sufficient to be subject to tax as a RIC, or at all. Also, any amounts that GBDC uses to service its indebtedness are not available for distributions to GBDC stockholders. If GBDC issues senior securities, GBDC will be exposed to typical risks associated with leverage, including an increased risk of loss. As of September 30, 2018, GBDC had $845.7 million of outstanding borrowings, including $197.5 million outstanding under the 2014 Debt Securitization.

In the absence of an event of default, no person or entity from which GBDC borrows money has a veto right or voting power over its ability to set policy, make investment decisions or adopt investment strategies. If GBDC issues preferred stock, which is another form of leverage, the preferred stock would rank "senior" to common stock in GBDC's 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 the GBDC 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 GBDC Common Stock or otherwise be in the best interest of GBDC's common stockholders. Holders of GBDC Common Stock will directly or indirectly bear all of the costs associated with offering and servicing any preferred stock that GBDC issues. In addition, any interests of preferred stockholders may not necessarily align with the interests of holders of GBDC Common Stock and the rights of holders of shares of preferred stock to receive distributions would be senior to those of holders of shares of GBDC Common Stock. GBDC does not, however, anticipate issuing preferred stock in the next 12 months.

GBDC is not generally able to issue and sell GBDC Common Stock at a price below net asset value per share. GBDC may, however, sell GBDC Common Stock, or warrants, options or rights to acquire GBDC Common Stock, at a price below the then-current net asset value per share of GBDC Common Stock if the GBDC Board determines that such sale is in the best interests of GBDC and its stockholders, and if GBDC's stockholders approve such sale. In any such case, the price at which GBDC's securities are to be issued and sold may not be less than a price that, in the determination of the GBDC Board, closely approximates the market value of such securities (less any distributing commission or discount). If GBDC raises additional funds by issuing common stock or senior securities convertible into, or exchangeable for, GBDC Common Stock, then the percentage ownership of GBDC's stockholders at that time will decrease, and holders of GBDC Common Stock might experience dilution.

GBDC intends to finance its investments with borrowed money, which will accelerate and increase the potential for gain or loss on amounts invested and may increase the risk of investing in GBDC.

The use of leverage accelerates and increases 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 GBDC's securities. The amount of leverage that GBDC employs will depend on GC Advisors' and the GBDC Board's assessment of market and other factors at the time of any proposed borrowing. GBDC cannot assure you that it will be able to obtain credit at all or on terms acceptable to it. GBDC may issue senior debt securities to banks, insurance companies and other lenders. Lenders of these senior securities will have fixed dollar claims on GBDC's assets that are superior to the claims of GBDC's common stockholders, and GBDC would expect such lenders to seek recovery against GBDC's assets in the event of a default. GBDC may pledge up to 100% of its assets and may grant a security interest in all of its assets under the terms of any debt instruments GBDC may enter into with lenders. The terms of GBDC's existing indebtedness require GBDC to comply with certain financial and operational covenants, and GBDC expects 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 GBDC is 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 GBDC's business, financial condition, results of operations and cash flows. In addition, under the terms of any credit facility or other debt instrument GBDC enters into, GBDC is likely to be required by its terms to use the net proceeds of any investments that GBDC sells 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 GBDC's assets decreases, leveraging would cause GBDC's net asset value to decline more rapidly and to a greater extent than it otherwise would have had GBDC not leveraged, thereby accelerating and increasing losses or eliminating GBDC's equity stake in a leveraged investment. Similarly, any decrease in GBDC's net investment income will cause its net income to decline more rapidly and to a greater extent than it would have had GBDC not borrowed. Such a decline would also negatively affect GBDC's ability to make distributions on GBDC Common Stock or any outstanding preferred stock. GBDC's ability to service its debt depends largely on its financial performance and is subject to prevailing economic conditions and competitive pressures. GBDC's common stockholders bear the burden of any increase in GBDC's expenses as a result of its use of leverage, including interest expenses and any increase in the base management fee payable to GC Advisors.

On September 13, 2011, GBDC received exemptive relief from the SEC allowing GBDC to modify the asset coverage requirement to exclude the SBA debentures from this calculation. As such, GBDC's ratio of total consolidated assets to outstanding indebtedness may be less than 200% even if GBDC does not receive approval for the modified asset coverage requirement permitted by Section 61(a)(2) of the 1940 Act or less than 150% if GBDC receives approval for the reduced asset coverage requirement permitted by Section 61(a)(2) of the 1940 Act at the annual meeting of GBDC stockholders currently scheduled to be held on February 5, 2019. This exemptive relief provides GBDC with increased investment flexibility but also increases GBDC’s risks related to leverage.

GBDC has filed a definitive proxy statement for the annual meeting of GBDC stockholders currently scheduled to be held on February 5, 2019, which includes a proposal to approve GBDC becoming subject to the minimum asset coverage ratio under the SBCAA of at least 150%. If approved at the annual meeting of GBDC stockholders in February 2019 and, subject to GBDC's compliance with certain disclosure requirements, the reduced asset coverage requirement would permit GBDC to double the maximum amount of leverage that it is currently permitted to incur, which would provide GBDC with increased investment flexibility but also increase GBDC's risks related to leverage.

The following tables illustrate the effect of leverage on returns from an investment in GBDC Common Stock assuming that GBDC employs leverage such that its asset coverage equals its actual asset coverage ratio as of September 30, 2018 and hypothetical asset coverage ratios of both 200% and 150%, at various annual returns on GBDC's portfolio as of September 30, 2018, net of expenses. The purpose of these tables is to assist investors in understanding the effects of leverage. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing in the table below.

Selected Consolidated Financial Statement Data (Unaudited)		Hypothetical Amounts as of September 30, 2018 Assuming That GBDC H Incurred the Maximum Amount of Borrowings That Could Be Incurred by GBDC	
(dollar amounts in millions)	**Actual Amounts As of September 30, 2018(1)**	**Under the Currently Applicable 200% Minimum Asset Coverage Ratio(2)**	**Under the Proposed 150% Minimum Asset Coverage Ratio(3)**
Total Assets	$ 1,853.6	$ 2,232.9	$ 3,201.6
Total Debt Outstanding	$ 845.7	$ 1,243.0	$ 2,211.7
Net Assets	$ 968.9	$ 968.9	$ 968.9
Asset Coverage Ratio	270 %	200 %	150 %

(1) As of September 30, 2018, GBDC's total outstanding indebtedness represented 46.1% of GBDC's total assets.

(2) Based on GBDC's total outstanding indebtedness of $845.7 million as of September 30, 2018 and applying the currently applicable 200% minimum asset coverage ratio, GBDC could have incurred up to an additional $397.3 million of borrowings, bringing GBDC's total indebtedness and total assets to $1,243.0 million and $2,232.9 million, respectively.

(3) Assuming GBDC had incurred the maximum amount of borrowings that could be incurred by GBDC under the currently applicable 200% minimum asset coverage ratio of $1,243.0 million and applying the proposed 150% minimum asset coverage ratio, GBDC could have incurred up to an additional $968.7 million of borrowings, bringing GBDC's total indebtedness and total assets to $2,211.7 million and $3,201.6 million, respectively.

Assumed Return on GBDC's Portfolio (Net of Expenses)	**-10.00%**	**-5.00%**	**0.00%**	**5.00%**	**10.00%**
Corresponding return to common stockholder assuming actual asset coverage as of September 30, 2018 (270%)[(1)]	-22.66 %	-13.19 %	-3.72 %	5.75 %	15.23 %
Corresponding return to common stockholder assuming 200% asset coverage[(1)]	-28.57 %	-16.99 %	-5.47 %	6.06 %	17.58 %
Corresponding return to common stockholder assuming 150% asset coverage[(1)]	-42.77 %	-26.25 %	-9.72 %	6.80 %	23.32 %

(1) Assumes $1,853.6 million in total assets, $845.7 million in debt outstanding and $968.9 million in net assets as of September 30, 2018, and an average cost of funds of 4.3%, which is GBDC's annualized average borrowing cost, including all interest and amortization of debt issuance costs on GBDC's term debt securitization, for the three months ended September 30, 2018.

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(2) Assumes $2,232.9 million in total assets, $1,243.0 million in debt outstanding and $968.9 million in net assets as of September 30, 2018, and an average cost of funds of 4.3%, which was GBDC's annualized average borrowing cost, including all interest and amortization of debt issuance costs on GBDC's term debt securitization, for the three months ended September 30, 2018. Actual interest payments may be different.

(3) Assumes $3,201.6 million in total assets, $2,211.7 million in debt outstanding and $968.9 million in net assets as of September 30, 2018, and an average cost of funds of 4.3%, which was GBDC's annualized average borrowing cost, including all interest and amortization of debt issuance costs on the GBDC's term debt securitization, for the three months ended September 30, 2018. Actual interest payments may be different.

Based on GBDC's outstanding indebtedness of $845.7 million as of September 30, 2018 and hypothetical amounts of indebtedness of $1,243.0 million and $2,211.7 million at 200% asset coverage and 150% asset coverage, respectively, and an assumed effective annual interest rate of 4.3% as of that date, GBDC's investment portfolio would have been required to experience an annual return of at least 1.96%, 2.37% and 2.94%, respectively, to cover annual interest payments on the outstanding debt.

New legislation may permit GBDC to incur additional leverage.

Business development companies are generally able to issue senior securities such that their asset coverage, as defined in the 1940 Act, equals at least 200% of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. In March 2018, the Small Business Credit Availability Act ("SBCAA") amended Section 61(a) of the 1940 Act to add a new Section 61(a)(2) that reduces the asset coverage requirement applicable to business development companies from 200% to 150% so long as the business development company meets certain disclosure requirements and obtains certain approvals. The reduced asset coverage requirement would permit a business development company to have a ratio of total consolidated assets to outstanding indebtedness of 2:1 as compared to a maximum of 1:1 under the 200% asset coverage requirement. Effectiveness of the reduced asset coverage requirement to a business development company requires approval by either (1) a "required majority," as defined in Section 57(o) of the 1940 Act, of such business development company's board of directors with effectiveness one year after the date of such approval or (2) a majority of votes cast at a special or annual meeting of such business development company's stockholders at which a quorum is present, which is effective the date after such stockholder approval. On November 27, 2018, the GBDC Board recommended that GBDC seek shareholder approval to reduce its asset coverage requirement to 150.0% at GBDC's annual meeting of stockholders currently scheduled for February 5, 2019. To the extent stockholder approval is received, GBDC currently intends to target a U.S. generally accepted accounting principles ("GAAP") debt-to-equity ratio of about 1.0x. If GBDC were to receive either the requisite stockholder or board approval and comply with the applicable disclosure requirements, GBDC would be able to incur additional indebtedness, which may increase its risks related to leverage. In addition, GBDC's management fee is based on its average adjusted gross assets, which includes leverage and, as a result, if GBDC were to incur additional leverage, management fees paid to GC Advisors would increase.

GBDC is subject to risks associated with the 2014 Debt Securitization and 2018 Debt Securitization.

As a result of the 2014 Debt Securitization and the 2018 Debt Securitization, GBDC is subject to a variety of risks, including those set forth below. GBDC uses the term “debt securitization” in this joint proxy statement/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 2014 Debt Securitization and 2018 Debt Securitization, institutional investors purchased certain of the 2014 Notes and the 2018 Notes, respectively, in private placements.

GBDC is subject to certain risks as a result of its direct interests in the junior notes and membership interests of the 2014 Issuer and its indirect interests in the junior notes and membership interests of the 2018 Debt Securitization.

Under the terms of the loan sale agreement governing the 2014 Debt Securitization, GBDC sold and/or contributed to the 2014 Issuer all of its ownership interest in GBDC’s 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, 2018, GBDC held the Class C-R 2014 Notes as well as all of the membership interests of the 2014 Issuer. As a result, GBDC consolidates the financial statements of the 2014 Issuer, as well as its other subsidiaries, in its consolidated financial statements.

Two loan sale agreements govern the 2018 Debt Securitization. Under the terms of the loan sale agreement entered into upon closing on November 16, 2018 (the “Loan Closing Date”) of the 2018 Debt Securitization (the “Closing Date Loan Sale Agreement”), which provides for the sale of assets on the Loan Closing Date to satisfy risk retention requirements, (1) GBDC transferred to GC Advisors a portion of its ownership interest in the portfolio company investments securing the 2018 Debt Securitization for the purchase price and other consideration set forth in the Closing Date Loan Sale Agreement and (2) immediately thereafter, GC Advisors sold to the 2018 Issuer all of its ownership interest in such portfolio loans for the purchase price and other consideration set forth in the Closing Date Loan Sale Agreement. Under the terms of the other loan sale agreement governing the 2018 Debt Securitization (the “Depositor Loan Sale Agreement”), which provides for the sale of assets on the Loan Closing Date as well as future sales from GBDC to the 2018 Issuer through Golub Capital BDC CLO III Depositor LLC (the “CLO Depositor”), (1) GBDC sold and/or contributed to the CLO Depositor the remainder of its ownership interest in the portfolio company investments securing the 2018 Debt Securitization and participations for the purchase price and other consideration set forth in the Depositor Loan Sale Agreement and (2) CLO Depositor, in turn, sold to the 2018 Issuer all of its ownership interest in such portfolio loans and participations for the purchase price and other consideration set forth in one of the loan sale agreements. Following these transfers, the 2018 Issuer, and not GC Advisors, CLO Depositor or GBDC, held all of the ownership interest in such portfolio company investments and participations. As a result of the 2018 Debt Securitization, GBDC held indirectly through the CLO Depositor, as of November 16, 2018, the Class C-2 2018 Notes, the Class D 2018 Notes and the Subordinated 2018 Notes as well as 100% of the membership interests in the 2018 Issuer. As a result, GBDC consolidates the financial statements of the 2018 Issuer, as well as its other subsidiaries, in its consolidated financial statements.

Because each of the 2014 Issuer, the CLO Depositor and the 2018 Issuer is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the sale or contribution by GBDC to the 2014 Issuer and the sale and contribution by GBDC to the CLO Depositor and the CLO Depositor to the 2018 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 GBDC’s business, financial condition, results of operations or cash flows. GBDC 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 C-R 2014 Notes are subordinated obligations of the 2014 Issuer and the Class C-2 2018 Notes, the Class D 2018 Notes, Subordinated 2018 Notes, and membership interests are subordinated obligations of the 2018 Issuer and GBDC may not receive cash from the 2014 Issuer or the 2018 Issuer.

The Class C-R 2014 Notes are the most junior class of notes issued by the 2014 Issuer, are subordinated in priority of payment to the Class A-R 2014 Notes and the Class B-R 2014 Notes and are subject to certain payment restrictions set forth in the indenture governing the 2014 Notes. Therefore, GBDC only receives cash distributions on the Class C-R 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-R 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-R 2014 Notes to first pay the Class A-R 2014 Notes and Class B-R 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. As the holder of the membership interests, GBDC 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 GBDC fails to receive cash directly from the 2014 Issuer, GBDC could be unable to make such distributions in amounts sufficient to maintain its ability to be subject to tax as a RIC, or at all.

The Class C-2 2018 Notes are subordinated in priority of payment to the each of the Class A 2018 Notes and the Class B 2018 Notes issued by the 2018 Issuer, generally receive payments pro-rata with the Class C-1 2018 Notes and are subject to certain payment restrictions set forth in the indenture governing the 2018 Notes. Therefore, the CLO Depositor only receives cash distributions on the Class C-2 2018 Notes if the 2018 Issuer has made all cash interest payments in respect of the issued Class A 2018 Notes and Class B 2018 Notes, and GBDC only receives cash distributions in respect of its indirect ownership of the Class C-2 2018 Notes to the extent that the CLO Depositor receives any cash distributions in respect of its direct ownership of the Class C-2 2018 Notes. Consequently, to the extent that the value of the 2018 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-2 2018 Notes at their redemption could be reduced. In addition, if the 2018 Issuer does not meet the asset coverage tests or the interest coverage test set forth in the documents governing the 2018 Debt Securitization, cash would be diverted from the Class C-2 2018 Notes to first pay the Class A 2018 Notes and the Class B 2018 Notes in amounts sufficient to cause such tests to be satisfied.

The Class D 2018 Notes are subordinated in priority of payment to the each of the Class A 2018 Notes, the Class B 2018 Notes, the Class C-1 2018 Notes and the Class C-2 2018 Notes issued by the 2018 Issuer and are subject to certain payment restrictions set forth in the indenture governing the 2018 Notes. Therefore, the CLO Depositor only receives cash distributions on the Class D 2018 Notes if the 2018 Issuer has made all cash interest payments in respect of the issued Class A 2018 Notes, Class B 2018 Notes, Class C-1 2018 Notes and Class C-2 2018 Notes, and GBDC only receives cash distributions in respect of its indirect ownership of the Class D 2018 Notes to the extent that the CLO Depositor receives any cash distributions in respect of its direct ownership of the Class D 2018 Notes. Consequently, to the extent that the value of the 2018 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 D 2018 Notes at their redemption could be reduced. In addition, if the 2018 Issuer does not meet the asset coverage tests or the interest coverage test set forth in the documents governing the 2018 Debt Securitization, cash would be diverted from the Class D 2018 Notes to first pay the Class A 2018 Notes, the Class B 2018 Notes, Class C-1 2018 Notes and the Class C-2 2018 Notes in amounts sufficient to cause such tests to be satisfied.

The Subordinated 2018 Notes are the most junior class of notes issued by the 2018 Issuer, are subordinated in priority of payment to every other class of notes issued by the 2018 Issuer and are subject to certain payment restrictions set forth in the indenture governing the 2018 Notes. Therefore, the CLO Depositor only receives cash distributions on the Subordinated 2018 Notes if the 2018 Issuer has made all cash interest payments to all other notes it has issued. GBDC only receives cash distributions in respect of its indirect ownership of the Subordinated 2018 Notes to the extent that the CLO Depositor receives any cash distributions in respect of its direct ownership of the Subordinated 2018 Notes. The Subordinated 2018 Notes are also unsecured and rank behind all of the secured creditors, known or unknown, of the 2018 Issuer, including the holders of the senior notes it has issued. Consequently, to the extent that the value of the 2018 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 2018 Notes at their redemption could be reduced. In addition, if the 2018 Issuer does not meet the asset coverage tests or the interest coverage test set forth in the documents governing the 2018 Debt Securitization, cash would be diverted from the Subordinated 2018 Notes to first pay the Class A 2018 Notes, Class B 2018 Notes, Class C-1 2018 Notes, the Class C-2 2018 Notes and the Class D 2018 Notes in amounts sufficient to cause such tests to be satisfied.

For so long as they are outstanding, the Subordinated 2018 Notes represent the residual interest payee under the documents governing the 2018 Debt Securitization. As such, the holder of the Subordinated 2018 Notes is the residual claimant on distributions, if any, made by the 2018 Issuer after holders of all other 2018 Notes have been paid in full on each payment date or upon maturity of such notes under the 2018 Debt Securitization documents. Such payments may be made by the 2018 Issuer only to the extent permitted under the 2018 Debt Securitization documents on any payment date or upon payment in full of the notes issued by the 2018 Issuer.

The interests of holders of the senior classes of securities issued by the 2014 Issuer and 2018 Issuer may not be aligned with GBDC's interests.

The Class A-R 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-R 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-R 2014 Notes, holders of the Class A-R 2014 Notes have the right to receive payments of principal and interest prior to holders of the Class B-R 2014 Notes, the Class C-R 2014 Notes and the 2014 Issuer.

The Class A 2018 Notes are the debt obligations ranking senior in right of payment to other securities issued by the 2018 Issuer in the 2018 Debt Securitization. As such, there are circumstances in which the interests of holders of the Class A 2018 Notes may not be aligned with the interests of holders of the other classes of notes issued by, and membership interests of, the 2018 Issuer. For example, under the terms of the Class A 2018 Notes, holders of the Class A 2018 Notes have the right to receive payments of principal and interest prior to holders of the Class B 2018 Notes, the Class C-1 2018 Notes, the Class C-2 2018 Notes, the Class D 2018 Notes, the Subordinated 2018 Notes and the 2018 Issuer.

For as long as the Class A-R 2014 Notes remain outstanding, holders of the Class A-R 2014 Notes the Controlling Class under the 2014 Debt Securitization. As used herein, "Controlling Class" refers to the most senior class of notes then outstanding of the 2014 Issuer or the 2018 Issuer, as applicable. If the Class A-R 2014 Notes are paid in full, the Class B-R 2014 Notes would comprise the Controlling Class under the 2014 Debt Securitization. For as long as the Class A 2018 Notes remain outstanding, holders of the Class A 2018 Notes comprise the Controlling Class under the 2018 Debt Securitization. If the Class A 2018 Notes are paid in full, the Class B 2018 Notes would comprise the Controlling Class under the 2018 Debt Securitization. Holders of the Controlling Class under the 2014 Debt Securitization and 2018 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 2014 Debt Securitization and the 2018 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 2014 Debt Securitization or the 2018 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 2014 Debt Securitization or the 2018 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 2014 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 2014 Issuer. If at such time the portfolio loans were not performing well, the 2014 Issuer may not have sufficient proceeds available to enable the trustee under the indenture to repay the obligations of holders of the Class C-R 2014 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 C-R 2014 Notes to the extent the Class A-R 2014 Notes or Class B-R 2014 Notes constitute the Controlling Class and the Class C-2 2018 Notes, Class D 2018 Notes and Subordinated 2018 Notes to the extent the Class A 2018 Notes, Class B 2018 Notes, Class C-1 2018 Notes and Class C-2 2018 Notes, or Class D 2018 Notes constitute the Controlling Class), and the Controlling Class will have no obligation to consider any possible adverse effect on such other interests. Thus, GBDC cannot assure you that any remedies pursued by the Controlling Class will be in the best interests of the CLO Depositor or GBDC, or that the CLO Depositor or GBDC will receive any payments or distributions upon an acceleration of the notes. In a liquidation under the 2014 Debt Securitization, the Class C-R 2014 Notes will be subordinated to payment of the Class A-R 2014 Notes and Class B-R 2014 Notes and may not be paid in full to the extent funds remaining after payment of the Class A-R 2014 Notes and Class B-R 2014 Notes are insufficient. In addition, under the 2014 Debt Securitization, after the Class A-R 2014 Notes and Class B-R 2014 Notes are paid in full, the holder of the Class C-R 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. In a liquidation under the 2018 Debt Securitization, the Class C-2 2018 Notes, Class D 2018 Notes and Subordinated 2018 Notes will be subordinated to payment of the Class A 2018 Notes, Class B 2018 Notes and, in the case of the Class D 2018 Notes and Subordinated 2018 Notes only, the Class C-1 2018 Notes, and may not be paid in full to the extent funds remaining after payment of the Class A 2018 Notes, Class B 2018 Notes and, in the case of the Class D 2018 Notes and Subordinated 2018 Notes only, the Class C-1 2018 Notes are insufficient. In addition, under the 2018 Debt Securitization, after the Class A 2018 Notes, Class B 2018 Notes and Class C-1 2018 Notes are paid in full, the CLO Depositor 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 2014 Issuer or the 2018 Issuer to make distributions on the notes GBDC indirectly or directly holds, whether as a result of an event of default, liquidation or otherwise, could have a material adverse effect on GBDC’s business, financial condition, results of operations and cash flows and may result in an inability of GBDC to make distributions sufficient to maintain its ability to be subject to tax as a RIC, or at all.

The 2014 Issuer and 2018 Issuer may fail to meet certain asset coverage tests.

Under the documents governing the 2014 Debt Securitization, there are two asset coverage tests applicable to the Class A-R 2014 Notes, the Class B-R 2014 Notes and the Class C-R 2014 Notes, and the documents governing the 2018 Debt Securitization provide for the same two asset coverage tests applicable to the Class A 2018 Notes, the Class B 2018 Notes, the Class C-1 2018 Notes, the Class C-2 2018 Notes and the Class D 2018 Notes.

The first such test compares the amount of interest received on the portfolio loans held by the 2014 Issuer or the 2018 Issuer, as applicable, to the amount of interest payable in respect of the Class A-R 2014 Notes, the Class B-R 2014 Notes and the Class C-R 2014 Notes, with respect to the 2014 Issuer, and the Class A 2018 Notes, the Class B 2018 Notes, the Class C-1 2018 Notes, the Class C-2 2018 Notes and the Class D 2018 Notes, with respect to the 2018 Issuer. To meet this first test, 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-R 2014 Notes and Class B-R 2014 Notes, taken together, and at least 110% of the interest payable in respect of the Class C-R 2014 Notes, and, in the case of the 2018 Debt Securitization, interest received on the portfolio loans must equal at least 120% of the interest payable in respect of the Class A 2018 Notes and Class B 2018 Notes, taken together, at least 110% of the interest payable in respect of the Class C-1 2018 Notes and the Class C-2 2018 Notes, taken together, and at least 105% of the interest payable in respect of the Class D 2018 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-R 2014 Notes, the Class B-R 2014 Notes and the Class C-R 2014 Notes, with respect to the 2014 Debt Securitization, and the Class A 2018 Notes, the Class B 2018 Notes, the Class C-1 2018 Notes, the Class C-2 2018 Notes and the Class D 2018 Notes, with respect to the 2018 Debt Securitization. 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-R 2014 Notes and the Class B-R 2014 Notes, taken together, and 136.1% of the Class C-R 2014 Notes. To meet this second test at any time in the case of the 2018 Debt Securitization, the aggregate principal amount of the portfolio loans must equal at least 145.6% of the Class A 2018 Notes and Class B 2018 Notes, taken together, at least 126.7% of the Class C-1 2018 Notes and Class C-2 2018 Notes, taken together, and at least 116.7% of the Class D 2018 Notes.

If any asset coverage test with respect to the Class A-R 2014 Notes, the Class B-R 2014 Notes or Class C-R 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-R 2014 Notes and the 2014 Issuer will instead be used to redeem first the Class A-R 2014 Notes and then the Class B-R 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 GBDC refers to as a mandatory redemption, or to obtain the necessary ratings confirmation. If any asset coverage test with respect to the Class A 2018 Notes, the Class B 2018 Notes, Class C-1 2018 Notes, Class C-2 2018 Notes or Class D 2018 Notes is not met, proceeds from the portfolio of loan investments that otherwise would have been distributed to the holders of the Class C-1 2018 Notes, Class C-2 2018 Notes, Class D 2018 Notes or Subordinated 2018 Notes and the 2018 Issuer will instead be used to redeem first the Class A 2018 Notes, then the Class B 2018 Notes and then the Class C-1 2018 Notes and Class C-2 2018 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 GBDC refers to as a mandatory redemption, or to obtain the necessary ratings confirmation.

The value of the Class B-R 2014 Notes, Class C-2 2018 Notes, Class D 2018 Notes, or Subordinated 2018 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 2018 Debt Securitization may extend through as late as January 15, 2023. During this reinvestment period, market conditions and restrictions on investment under the indenture governing the 2018 Debt Securitization could result in periods of time in which the 2018 Issuer is not able to fully invest its available collateral or during which collateral available is not of comparable quality or yield, which could affect the value of the collateral securing the Class C-2 2018 Notes, Class D 2018 Notes, or Subordinated 2018 Notes.

GBDC may be required to assume liabilities of the 2014 Issuer and 2018 Issuer and is indirectly liable for certain representations and warranties in connection with the 2014 Debt Securitization and 2018 Debt Securitization.

The structure of the 2014 Debt Securitization is intended to prevent, in the event of the 2014 Issuer’s bankruptcy, the consolidation of the 2014 Issuer with GBDC’s operations. The structure of the 2018 Debt Securitization is intended to prevent, in the event of GBDC’s bankruptcy or the bankruptcy of the CLO Depositor, the consolidation of the 2018 Issuer with GBDC’s operations or those of the CLO Depositor. If the true sale of the assets in the 2014 Debt Securitization and the 2018 Debt Securitization, as applicable, were not respected in the event of GBDC’s insolvency, a trustee or debtor-in-possession might reclaim the assets of the 2014 Issuer and 2018 Issuer for GBDC’s estate. However, in doing so, GBDC would become directly liable for all of the indebtedness then outstanding under the 2014 Debt Securitization and 2018 Debt Securitization, which would equal the full amount of debt of the 2014 Issuer and 2018 Issuer reflected on GBDC’s consolidated balance sheet. In addition, GBDC cannot assure you that the recovery in the event GBDC were consolidated with the 2014 Issuer or the 2018 Issuer for purposes of any bankruptcy proceeding would exceed the amount to which GBDC would otherwise be entitled as the holder of the Class C-R 2014

Notes, and the indirect holder of the Class C-2 2018 Notes and Class D 2018 Notes had GBDC not been consolidated with the 2014 Issuer and 2018 Issuer.

In addition, in connection with each of the 2014 Debt Securitization and 2018 Debt Securitization, GBDC indirectly gave the trustee for the benefit of investors certain customary representations with respect to the legal structure of the 2014 Issuer and 2018 Issuer, respectively, and the quality of the assets transferred to each entity. GBDC remains indirectly liable for any breach of such representations for the life of the 2014 Debt Securitization and 2018 Debt Securitization, respectively.

The 2018 Issuer may issue additional Subordinated 2018 Notes.

Under the terms of the 2018 Debt Securitization documents, the 2018 Issuer could issue additional Subordinated 2018 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 2018 Debt Securitization, the CLO Depositor and a supermajority of the Subordinated 2018 Notes. Among the other conditions that must be satisfied in connection with an additional issuance of Subordinated 2018 Notes, the aggregate principal amount of all additional issuances of Subordinated 2018 Notes may not exceed 100% of the respective original outstanding principal amount of the Subordinated 2018 Notes; the 2018 Issuer must notify each rating agency of such issuance prior to the issuance date; and the terms of the Subordinated 2018 Notes to be issued must be identical to the terms of previously issued Subordinated 2018 Notes. GBDC does not expect to cause the 2018 Issuer to issue any additional Subordinated 2018 Notes at this time. GBDC may amend the 2018 Debt Securitization documents from time to time, and without amendment, the 2018 Debt Securitization documents do not provide for additional issuances of Class A 2018 Notes. The total purchase price for any additional Subordinated 2018 Notes that may be issued may not always equal 100% of the par value of such 2018 Notes, depending on several factors, including fees and closing expenses.

GBDC is subject to risks associated with the Revolving Credit Facilities.

As a result of the Revolving Credit Facilities, GBDC is subject to a variety of risks, including those set forth below.

GBDC’s interests in GBDC Funding and the 2010 Issuer are subordinated, and GBDC may not receive cash on its equity interests from GBDC Funding and the 2010 Issuer.

GBDC owns directly or indirectly 100% of the equity interests in GBDC Funding and 2010 Issuer. GBDC consolidates the financial statements of GBDC Funding and 2010 Issuer in its consolidated financial statements and treats the indebtedness under the Revolving Credit Facilities as GBDC’s leverage. GBDC’s interests in GBDC Funding and 2010 Issuer are subordinated in priority of payment to every other obligation of GBDC Funding and 2010 Issuer and are subject to certain payment restrictions set forth in each Revolving Credit Facility. GBDC receives cash distributions on its equity interests in GBDC Funding and 2010 Issuer only if GBDC Funding and 2010 Issuer have made all required cash interest payments to the respective lenders and no default exists under the respective Revolving Credit Facility. GBDC cannot assure you that distributions on the assets held by GBDC Funding or 2010 Issuer will be sufficient to make any distributions to GBDC or that such distributions will meet GBDC’s expectations.

GBDC receives cash from GBDC Funding or 2010 Issuer only to the extent that GBDC receives distributions on its equity interests in GBDC Funding and 2010 Issuer. GBDC Funding and 2010 Issuer each may make distributions on their equity interests only to the extent permitted by the payment priority provisions of the applicable Revolving Credit Facility. Each of the Revolving Credit Facilities generally provides that payments on the respective 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 GBDC Funding or the 2010 Issuer do not meet the borrowing base tests set forth in the documents of the applicable Revolving Credit Facility, a default would occur. In the event of a default under either Revolving Credit Facility document, cash would be diverted from GBDC to pay the applicable lender and other secured parties in amounts sufficient to cause such tests to be satisfied. In the event that GBDC fails to receive cash from GBDC Funding and/or 2010 Issuer, GBDC could be unable to make distributions to GBDC Stockholders in amounts sufficient to maintain its status as a RIC, or at all. GBDC also could be forced to sell investments in portfolio companies at less than their fair value in order to continue making such distributions.

GBDC’s equity interests in GBDC Funding and 2010 Issuer rank behind all of the secured and unsecured creditors, known or unknown, of GBDC Funding and 2010 Issuer, as applicable, including the lenders in the respective Revolving Credit Facility. Consequently, to the extent that the value of GBDC Funding’s or 2010 Issuer's portfolio of loan investments has been reduced as a result of conditions in the credit markets, defaulted loans, capital gains and losses on the underlying assets, prepayment or changes in interest rates, the returns on GBDC’s investments in GBDC Funding or 2010 Issuer could be reduced. Accordingly, GBDC’s investments in each of GBDC Funding and 2010 Issuer may be subject to up to 100% loss.

The ability to sell investments held by GBDC Funding, the 2010 Issuer, the 2014 Issuer and the 2018 Issuer is limited.

Each of the Revolving Credit Facilities, the 2014 Debt Securitization and the 2018 Debt Securitization place significant restrictions on GBDC's ability, as servicer or collateral manager, as applicable, to sell investments. As a result, there may be times or circumstances during which GBDC is unable to sell investments or take other actions that might be in its best interests.

GBDC is subject to risks associated with its SBIC Funds.

As a result of GBDC's consolidated subsidiaries, GC SBIC IV, L.P. ("SBIC IV"), GC SBIC V, L.P. ("SBIC V") and GC SBIC VI, L.P. ("SBIC VI", and collectively with SBIC IV and SBIC V, the "SBIC Funds"), GBDC is subject to a variety of risks, including those set forth below.

GBDC's interests in the SBIC Funds are subordinated, and GBDC may not receive cash on its equity interests from either of the SBIC Funds.

GBDC owns 100% of the equity interests in SBIC IV, SBIC V and SBIC VI. GBDC consolidates the financial statements of each of the SBIC Funds in its consolidated financial statements. GBDC's interests in the SBIC Funds are subordinated in priority of payment to the SBA-guaranteed debentures issued by the respective SBIC Fund. GBDC receives cash from SBIC IV, SBIC V and SBIC VI only to the extent that GBDC receives distributions on its equity interests in each such SBIC Fund. GBDC's SBIC Funds may be limited by SBA regulations governing SBICs from making certain distributions to GBDC unless GBDC requests a waiver of the SBA restrictions. GBDC cannot assure you that the SBA would grant any such waiver. In the event that GBDC fails to receive cash from its SBIC Funds, GBDC could be unable to make distributions to GBDC Stockholders in amounts sufficient to maintain its status as a RIC, or at all. GBDC also could be forced to sell investments in portfolio companies at less than their fair value in order to continue making such distributions.

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

GBDC's wholly-owned subsidiaries, SBIC IV, SBIC V and SBIC VI, received licenses to operate as SBICs under the Small Business Act of 1958, as amended (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 GBDC's 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 GBDC's 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 GBDC's 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 GBDC's business, financial condition and results of operations.

GBDC's ability to invest in public companies may be limited in certain circumstances.

To maintain its status as a business development company, GBDC is 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 GBDC's 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.

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

GBDC may enter into reverse repurchase agreements as part of its management of its temporary investment portfolio. Under a reverse repurchase agreement, GBDC will effectively pledge its assets as collateral 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, GBDC would be required to repay the loan and correspondingly receive back its collateral. While used as collateral, the assets continue to pay principal and interest which are for the benefit of GBDC.

GBDC's use of reverse repurchase agreements, if any, involves many of the same risks involved in its 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 GBDC has sold but remain obligated to purchase. In addition, there is a risk that the market value of the securities retained by GBDC may decline. If a buyer of securities under a reverse repurchase agreement were to file for bankruptcy or experience insolvency, GBDC may be adversely affected. Also, in entering into reverse repurchase agreements, GBDC 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, GBDC's net asset value would decline, and, in some cases, GBDC may be worse off than if it had not used such agreements.

Adverse developments in the credit markets may impair GBDC's 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 GBDC to finance the growth of its investments on acceptable economic terms, or at all, and one or more of GBDC's leverage facilities could be accelerated by the lenders.

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

As a business development company, GBDC 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 its total assets are qualifying assets. In the future, GBDC believes that most of its investments will constitute qualifying assets. However, GBDC may be precluded from investing in what GBDC believes are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If GBDC does not invest a sufficient portion of its assets in qualifying assets, GBDC 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 GBDC, for example, from making follow-on investments in existing portfolio companies (which could result in the dilution of its position) or could require GBDC to dispose of investments at inappropriate times in order to come into compliance with the 1940 Act. If GBDC needs to dispose of such investments quickly, it could be difficult to dispose of such investments on favorable terms. GBDC may not be able to find a buyer for such investments and, even if GBDC does find a buyer, GBDC may have to sell the investments at a substantial loss. Any such outcomes would have a material adverse effect on GBDC's business, financial condition, results of operations and cash flows.

Failure to qualify as a business development company would decrease GBDC's operating flexibility

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

The majority of GBDC's portfolio investments are recorded at fair value as determined in good faith by the GBDC Board and, as a result, there may be uncertainty as to the value of GBDC's portfolio investments.

The majority of GBDC's 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 GBDC values these securities at fair value as determined in good faith by the GBDC Board, including to reflect significant events affecting the value of GBDC's securities. As discussed in more detail under "Management's Discussion and Analysis of Financial Condition and Results of Operations of Golub Capital BDC, Inc.—Critical Accounting Policies," most, if not all, of GBDC's investments (other than cash and cash equivalents) are classified as Level 3 under Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurement and Disclosure, as amended ("ASC Topic 820"). This means that GBDC's portfolio valuations are based on unobservable inputs and GBDC's own assumptions about how market participants would price the asset or liability in question. Inputs into the determination of fair value of GBDC's 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.

GBDC has 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 GBDC Board may take into account in determining the fair value of GBDC's 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, GBDC's determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. GBDC's net asset value could be adversely affected if its determinations regarding the fair value of its investments were materially higher than the values that GBDC ultimately realizes upon the disposal of such securities.

GBDC adjusts quarterly the valuation of its portfolio to reflect the GBDC Board's determination of the fair value of each investment in its portfolio. Any changes in fair value are recorded in GBDC's consolidated statement of operations as net change in unrealized appreciation or depreciation.

GBDC may experience fluctuations in its quarterly operating results.

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

New or modified laws or regulations governing GBDC's operations may adversely affect its business.

GBDC and its 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, including as the result of interpretive guidance or other directives from the U.S. President and others in the executive branch, 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 GBDC's business.

In particular the Dodd-Frank Wall Street Reform and Consumer Protection Act ("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 Trump and certain members of Congress have indicated that they will seek to amend or repeal portions of Dodd-Frank and to overhaul the Code, among other federal laws, which may create regulatory uncertainty in the near term, and in March 2018 the U.S. Senate passed a bill that eased financial regulations and reduced oversight for certain entities. While the impact of Dodd-Frank and any federal tax reform legislation on GBDC and its portfolio companies may not be known for an extended period of time, Dodd-Frank and any tax reform enacted as law, 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 GBDC or its portfolio companies, impose additional costs on GBDC or its portfolio companies, intensify the regulatory supervision of GBDC or its portfolio companies or otherwise adversely affect GBDC's business or the business of its portfolio companies. In addition, if GBDC does not comply with applicable laws and regulations, GBDC could lose any licenses that it then holds for the conduct of its business and may be subject to civil fines and criminal penalties.

Additionally, changes to the laws and regulations governing GBDC’s operations, including those associated with RICs, may cause GBDC to alter its investment strategy in order to avail itself of new or different opportunities or result in the imposition of corporate-level taxes on GBDC. Such changes could result in material differences to GBDC’s strategies and plans and may shift GBDC’s 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 GBDC’s results of operations and the value of your investment. If GBDC invests 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 (“CFTC”) or may determine to operate subject to CFTC regulation, if applicable. If GBDC or GC Advisors were to operate subject to CFTC regulation, GBDC may incur additional expenses and would be subject to additional regulation.

On October 21, 2014, U.S. risk retention rules adopted pursuant to Section 941 of Dodd-Frank (the “U.S. Risk Retention Rules”) were issued and became effective with respect to collateralized loan obligation (“CLOs”) on December 24, 2016. 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 CLOs, in the absence of an exemption, to retain an economic interest (the “Retention 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. Due to the interplay of the 1940 Act restrictions on principal and joint transactions and the U.S. Risk Retention Rules, GBDC sought no-action relief to ensure that GBDC could engage in CLO financing under the 1940 Act and the risk retention rules mandated by Section 941 of Dodd-Frank. On September 7, 2018 GBDC received a no-action letter from the staff (the “Staff”) of the Division of Investment Management of the SEC that states that the Staff would not recommend that the SEC take any enforcement action under Section 57(a) of the1940 Act, or Rule 17d-1 under the 1940 Act against GBDC or GC Advisors if GBDC were to acquire CLO equity as a Retention Interest in the manner described in a letter submitted to the Staff on behalf of GBDC.

However, the no-action relief GBDC received did not address whether or not the CLO transactions described therein would satisfy the requirements of the U.S. Risk Retention Rules. As a general matter, available interpretive authority to date addressing the U.S. Risk Retention Rules applicable to CLOs is limited, and there is limited judicial decisional authority or applicable agency interpretation that has directly addressed any of the risk retention approaches taken with respect to CLOs. Accordingly, there can be no assurance that the applicable federal agencies will agree that any CLO transaction GBDC undertakes, or the manner in which GBDC holds any retention interests, complies with the U.S. Risk Retention Rules. If GBDC ever determined that undertaking CLO transactions would subject it or any of its affiliates to unacceptable regulatory risk, GBDC’s ability to execute CLOs may be limited or otherwise curtailed. 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 GBDC’s financing costs. Any associated increase in financing costs would ultimately be borne by GBDC’s common stockholders.

On February 3, 2017, President Trump signed Executive Order 13772 (the “Executive Order”) announcing the Administration’s policy to regulate the U.S. financial system in a manner consistent with certain “Core Principles,” including regulation that is efficient, effective and appropriately tailored. The Executive Order directed the Secretary of the Treasury, in consultation with the heads of the member agencies of the Financial Stability Oversight Council, to report to the President on the extent to which existing laws, regulations and other government policies promote the Core Principles and to identify any laws, regulations or other government policies that inhibit federal regulation of the U.S. financial system. On June 12, 2017, the U.S. Department of the Treasury published the first of several reports in response to the Executive Order on the depository system covering banks and other savings institutions. On October 6, 2017, the Treasury released a second report outlining ways to streamline and reform the U.S. regulatory system for capital markets, followed by a third report, on October 26, 2017, examining the current regulatory framework for the asset management and insurance industries. Subsequent reports are expected to address: retail and institutional investment products and vehicles; non-bank financial institutions; financial technology; and financial innovation.

On December 22, 2017, the Tax Cuts and Jobs Act was enacted into law. The Tax Cuts and Jobs Act makes significant changes to the U.S. income tax rules applicable to both individuals and entities, including corporations. The Tax Cuts and Jobs Act includes provisions that, among other things, reduce the U.S. corporate tax rate from 35 percent to 21 percent, introduce a capital investment deduction, limit the interest deduction, limit the use of net operating losses to offset future taxable income, repeal the corporate alternative minimum tax and make extensive changes to the U.S. international tax system. The Tax Cuts and Jobs Act is complex and far-reaching, and GBDC cannot predict the impact its enactment will have on it, its subsidiaries, its portfolio companies and the holders of its securities.

On May 24, 2018, President Trump signed into law the Economic Growth, Regulatory Relief, and Consumer Protection Act, which increased from $50 billion to $250 billion the asset threshold for designation of "systemically important financial institutions" ("SIFIs") subject to enhanced prudential standards set by the Federal Reserve Board, staggering application of this change based on the size and risk of the covered bank holding company. On May 30, 2018, the Federal Reserve Board voted to consider changes to the Volcker Rule that would loosen compliance requirements for all banks. The effect of this change and any further rules or regulations are and could be complex and far-reaching, and the change and any future laws or regulations or changes thereto could negatively impact GBDC's operations, cash flows or financial condition, impose additional costs on GBDC, intensify the regulatory supervision of GBDC or otherwise adversely affect GBDC's business, financial condition and results of operations.

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 GBDC's operations, cash flows or financial condition, impose additional costs on GBDC, intensify the regulatory supervision of GBDC or otherwise adversely affect GBDC's business, financial condition and results of operations.

Changes to U.S. tariff and import/export regulations may have a negative effect on GBDC's portfolio companies and, in turn, harm GBDC.

There has been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs. The current U.S. presidential administration, along with the U.S. Congress, has created significant uncertainty about the future relationship between the United States and other countries with respect to trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and restrict GBDC's portfolio companies' access to suppliers or customers and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact GBDC.

The GBDC Board may change GBDC's investment objective, operating policies and strategies without prior notice or stockholder approval.

The GBDC Board has the authority, except as otherwise provided in the 1940 Act, to modify or waive GBDC's investment objective and certain of GBDC's operating policies and strategies without prior notice and without stockholder approval. However, absent stockholder approval, GBDC may not change the nature of its business so as to cease to be, or withdraw its election as, a business development company. Under Delaware law, GBDC also cannot be dissolved without prior stockholder approval. GBDC cannot predict the effect any changes to its current investment objective, operating policies and strategies would have on its business, operating results and the price of GBDC Common Stock. Nevertheless, any such changes could adversely affect GBDC's business and impair its ability to make distributions.

Provisions of the DGCL and GBDC's certificate of incorporation and bylaws could deter takeover attempts and have an adverse effect on the price of GBDC Common Stock.

The DGCL contains provisions that may discourage, delay or make more difficult a change in control of GBDC or the removal of GBDC's directors. GBDC's certificate of incorporation and bylaws contain provisions that limit liability and provide for indemnification of its directors and officers. These provisions and others also may have the effect of deterring hostile takeovers or delaying changes in control or management. GBDC is 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 GBDC from engaging in mergers and other business combinations with stockholders that beneficially own 15% or more of its voting stock, or with their affiliates, unless GBDC's directors or stockholders approve the business combination in the prescribed manner. If the GBDC Board does not approve a business combination, Section 203 of the DGCL may discourage third parties from trying to acquire control of GBDC and increase the difficulty of consummating such an offer.

GBDC has also adopted measures that may make it difficult for a third party to obtain control of GBDC, including provisions of its certificate of incorporation classifying the GBDC Board into three classes serving staggered three-year terms, and provisions of GBDC's certificate of incorporation authorizing the GBDC Board to classify or reclassify shares of its preferred stock in one or more classes or series, to cause the issuance of additional shares of its stock, and to amend its certificate of incorporation, without stockholder approval, in certain instances. These provisions, as well as other provisions of GBDC's 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 its securityholders.

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

GC Advisors has the right to resign under the Current GBDC Investment Advisory Agreement at any time upon not less than 60 days' written notice, whether GBDC has found a replacement or not. If GC Advisors resigns, GBDC 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 GBDC is unable to do so quickly, GBDC's operations are likely to experience a disruption, its business, financial condition, results of operations and cash flows as well as its ability to pay distributions are likely to be adversely affected and the market price of its shares may decline. In addition, the coordination of GBDC's internal management and investment activities is likely to suffer if it is 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 GBDC is able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with GBDC's investment objective may result in additional costs and time delays that may adversely affect its business, financial condition, results of operations and cash flows.

The Administrator can resign on 60 days' notice, and GBDC may not be able to find a suitable replacement, resulting in a disruption in its operations that could adversely affect its 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 GBDC has found a replacement or not. If the Administrator resigns, GBDC 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 GBDC is unable to do so quickly, its operations are likely to experience a disruption, its financial condition, business and results of operations as well as its ability to pay distributions are likely to be adversely affected and the market price of its shares may decline. In addition, the coordination of GBDC's internal management and administrative activities is likely to suffer if GBDC is unable to identify and reach an agreement with a service provider or individuals with the expertise possessed by the Administrator. Even if GBDC is able to retain a comparable service provider or individuals to perform such services, whether internal or external, their integration into GBDC's business and lack of familiarity with GBDC's investment objective may result in additional costs and time delays that may adversely affect GBDC’s business, financial condition, results of operations and cash flows.

GBDC incurs significant costs as a result of being a publicly traded company.

As a publicly traded company, GBDC incurs 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, as amended (the “Sarbanes-Oxley Act”) and other rules implemented by the SEC.

GBDC's 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 GBDC and the market price of GBDC Common Stock.

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

GBDC is highly dependent on information systems and systems failures or cyberattacks could significantly disrupt GBDC's business, which may, in turn, negatively affect the market price of GBDC Common Stock and GBDC's ability to pay dividends and other distributions.

GBDC's 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 GBDC's information resources (i.e., cyber incidents). These attacks could involve gaining unauthorized access to GBDC's 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 GBDC's business relationships, any of which could, in turn, have a material adverse effect on GBDC's operating results and negatively affect the market price of its securities and its ability to pay dividends and other distributions to its securityholders. As GBDC's reliance on technology has increased, so have the risks posed to its information systems, both internal and those provided by GC Advisors and third-party service providers.

GBDC's business and operations could be negatively affected if GBDC becomes subject to stockholder activism, which could cause GBDC to incur significant expense, hinder the execution of its investment strategy or impact its stock price.

Stockholder activism, which could take many forms, including making public demands that GBDC consider certain strategic alternatives, engaging in public campaigns to attempt to influence GBDC's corporate governance and/or its management, and commencing proxy contests to attempt to elect the activists' representatives or others to the GBDC Board, or arise in a variety of situations, has been increasing in the business development company space recently. While GBDC is currently not subject to any stockholder activism, due to the potential volatility of GBDC's stock price and for a variety of other reasons, GBDC may in the future become the target of stockholder activism. Stockholder activism could result in substantial costs and divert management's and the GBDC Board's attention and resources from GBDC's business. Additionally, such stockholder activism could give rise to perceived uncertainties as to GBDC's future and adversely affect GBDC's relationships with service providers and its portfolio companies. Also, GBDC may be required to incur significant legal and other expenses related to any activist stockholder matters. Further, GBDC's stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any stockholder activism.

Risks Relating to GBDC's Investments

Economic recessions or downturns could impair GBDC's portfolio companies and defaults by GBDC's portfolio companies will harm its operating results.

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

A portfolio company’s failure to satisfy financial or operating covenants imposed by GBDC or other lenders could lead to defaults and, potentially, termination of GBDC’s loans and foreclosure on its assets, which could trigger cross-defaults under other agreements and jeopardize GBDC’s portfolio company’s ability to meet its obligations under the debt securities that GBDC holds. GBDC 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 GBDC could become subject to a lender’s liability claim, including as a result of actions taken if it renders managerial assistance to the borrower.

GBDC’s debt investments may be risky and GBDC could lose all or part of its investments.

The debt that GBDC invests in is typically not initially rated by any rating agency, but GBDC believes 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, GBDC’s investments may result in an above average amount of risk and volatility or loss of principal.

GBDC’s 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 GBDC invests may have limited financial resources and may be unable to meet their obligations under their debt securities that GBDC holds. Such developments may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of GBDC’s realizing any guarantees that it may have obtained in connection with its 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.

GBDC’s 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 GBDC relies 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, GBDC may not make a fully informed investment decision, and it may lose money on its 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 GBDC holds, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of GBDC's realizing any guarantees it may have obtained in connection with its 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 GBDC's portfolio company and, in turn, on GBDC. 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, GBDC's executive officers, directors and GC Advisors may, in the ordinary course of business, be named as defendants in litigation arising from GBDC's investments in the portfolio companies.

The lack of liquidity in GBDC's investments may adversely affect its business.

GBDC may invest all of its assets in illiquid securities, and a substantial portion of its 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 GBDC to sell such investments if the need arises. In addition, if GBDC is required to liquidate all or a portion of its portfolio quickly, it may realize significantly less than the value at which it has previously recorded its investments. GBDC may also face other restrictions on its ability to liquidate an investment in a portfolio company to the extent that GBDC, GC Advisors, Golub Capital or any of GBDC's 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 GBDC's portfolio investments, reducing its net asset value through increased net unrealized depreciation.

As a business development company, GBDC is required to carry its investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by the GBDC Board. As part of the valuation process, GBDC may take into account the following types of factors, if relevant, in determining the fair value of its 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, GBDC uses the pricing indicated by the external event to corroborate its valuation. GBDC records decreases in the market values or fair values of its investments as unrealized depreciation. Declines in prices and liquidity in the corporate debt markets may result in significant net unrealized depreciation in its portfolio. The effect of all of these factors on GBDC's portfolio may reduce GBDC's net asset value by increasing net unrealized depreciation in its portfolio. Depending on market conditions, GBDC could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse effect on its business, financial condition, results of operations and cash flows.

GBDC's portfolio companies may prepay loans, which may reduce its yields if capital returned cannot be invested in transactions with equal or greater expected yields.

The loans in GBDC’s 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, GBDC does not know when, and if, prepayment may be possible for each portfolio company. In some cases, the prepayment of a loan may reduce GBDC’s 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 its business, financial condition and results of operations.

GBDC’s 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.

GBDC’s 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 GBDC’s portfolio companies will be unable to pay escalating interest amounts, which could result in a default under their loan documents with GBDC. Rising interest 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 GBDC’s business, financial condition, results of operations and cash flows.

GBDC has not yet identified the portfolio company investments GBDC will acquire.

While GBDC currently holds a portfolio of investments, GBDC has not yet identified additional potential investments for its portfolio that GBDC will acquire with the proceeds of any offering of securities or repayments of investments currently in its portfolio. Privately negotiated investments in illiquid securities or private middle-market companies require substantial due diligence and structuring, and GBDC cannot assure you that it will achieve its anticipated investment pace. As a result, you will be unable to evaluate any future portfolio company investments prior to purchasing its shares of common stock. Additionally, GC Advisors selects all of its investments, and its stockholders will have no input with respect to such investment decisions. These factors increase the uncertainty, and thus the risk, of investing in its securities. GBDC anticipates that it will use substantially all of the net proceeds of any offering of its securities within approximately six months following the completion of any offering of its securities, depending on the availability of appropriate investment opportunities consistent with its investment objectives and market conditions. Until such appropriate investment opportunities can be found, GBDC 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. GBDC expects these temporary investments to earn yields substantially lower than the income that it expects to receive in respect of its targeted investment types. As a result, any distributions GBDC makes during this period may be substantially smaller than the distributions that it expects to pay when its portfolio is fully invested.

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

GBDC is classified as a non-diversified investment company within the meaning of the 1940 Act, which means that GBDC is not limited by the 1940 Act with respect to the proportion of its assets that it may invest in securities of a single issuer. To the extent that GBDC assumes large positions in the securities of a small number of issuers, its 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. GBDC may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond its asset diversification requirements as a RIC under the Code, GBDC does not have fixed guidelines for diversification, and its investments could be concentrated in relatively few portfolio companies. Although GBDC is classified as a non-diversified investment company within the meaning of the 1940 Act, it maintains the flexibility to operate as a diversified investment company and has done so for an extended period of time. To the extent that GBDC operates as a non-diversified investment company in the future, it may be subject to greater risk.

GBDC's portfolio may be concentrated in a limited number of portfolio companies and industries, which will subject GBDC 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.

GBDC’s portfolio may be concentrated in a limited number of portfolio companies and industries. As a result, the aggregate returns GBDC realizes may be significantly and adversely affected if a small number of investments perform poorly or if GBDC needs to write down the value of any one investment. Additionally, while GBDC is not targeting any specific industries, its investments may be concentrated in relatively few industries. For example, although GBDC classifies the industries of its portfolio companies by end-market (such as healthcare or business services) and not by the products or services (such as software) directed to those end-markets, many of its portfolio companies principally provide software products or services, which exposes GBDC to downturns in that sector. As a result, a downturn in any particular industry in which GBDC is invested could also significantly impact the aggregate returns it realizes.

GBDC 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, GBDC's influence with respect to the class of securities or other obligations it owns 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 its investments and the extent of GBDC's involvement in the management of a portfolio company, upon the bankruptcy of a portfolio company, a bankruptcy court may recharacterize GBDC's debt investments as equity interests and subordinate all or a portion of its claim to that of other creditors. This could occur even though GBDC may have structured its investment as senior debt.

GBDC's failure to make follow-on investments in its portfolio companies could impair the value of its portfolio.

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

- increase or maintain in whole or in part its 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 its investment.

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

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

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

GBDC's portfolio companies may incur debt that ranks equally with, or senior to, its investments in such companies and such portfolio companies may not generate sufficient cash flow to service their debt obligations to GBDC.

GBDC has invested a portion of its capital in second lien and subordinated loans issued by its portfolio companies and intends to continue to do so in the future. GBDC's portfolio companies may have, or be permitted to incur, other debt that ranks equally with, or senior to, the debt securities in which GBDC invests. 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 GBDC makes 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 GBDC is entitled to receive payments in respect of the securities in which it invests. These debt instruments would usually prohibit the portfolio companies from paying interest on or repaying its 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 GBDC's investment in that portfolio company would typically be entitled to receive payment in full before GBDC receives any distribution in respect of its investment. After repaying senior creditors, the portfolio company may not have any remaining assets to use for repaying its obligation to GBDC where GBDC is junior creditor. In the case of debt ranking equally with debt securities in which GBDC invests, GBDC 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.

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Additionally, certain loans that GBDC makes 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 GBDC. 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 GBDC, 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.

GBDC has 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 GBDC. 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 its 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 its 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 GBDC may have with respect to the collateral securing any junior priority loans GBDC makes to its portfolio companies may also be limited pursuant to the terms of one or more intercreditor agreements that it enters 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.

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

The disposition of GBDC's investments may result in contingent liabilities.

A significant portion of GBDC's investments involve private securities. In connection with the disposition of an investment in private securities, GBDC 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. GBDC 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 GBDC must satisfy through its return of distributions previously made to GBDC.

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

Under the Current GBDC Investment Advisory Agreement and the collateral management agreements for each of the 2014 Debt Securitization and 2018 Debt Securitization, GC Advisors does not assume any responsibility to GBDC other than to render the services called for under those agreements, and GBDC is not responsible for any action of its board of directors in following or declining to follow GC Advisors' advice or recommendations. Under the terms of the Current GBDC 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 GBDC, any subsidiary of GBDC, GBDC's directors, GBDC's stockholders or any subsidiary's stockholders or partners for acts or omissions performed in accordance with and pursuant to the Current GBDC Investment Advisory Agreement and the collateral management agreements, except those resulting from acts constituting gross negligence, willful misconduct, bad faith or, under the Current GBDC Investment Advisory Agreement, reckless disregard of GC Advisors' duties under the Current GBDC Investment Advisory Agreement and the collateral management agreements. In addition, GBDC has 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 its business and operations or any action taken or omitted on its behalf pursuant to authority granted by the Current GBDC Investment Advisory Agreement and the collateral management agreements, except where attributable to gross negligence, willful misconduct, bad faith or, under the Current GBDC Investment Advisory Agreement, reckless disregard of such person's duties under the Current GBDC Investment Advisory Agreement and the collateral management agreements. These protections may lead GC Advisors to act in a riskier manner when acting on GBDC's behalf than it would when acting for its own account.

GBDC's investments in foreign companies may involve significant risks in addition to the risks inherent in U.S. investments.

GBDC's investment strategy contemplates potential investments in foreign companies. Investing in foreign companies may expose GBDC to additional risks not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes (potentially at confiscatory levels), less liquid markets, less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Although GBDC expects most of its investments will be U.S. dollar denominated, its investments that are denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. GBDC may employ hedging techniques to minimize these risks, but GBDC cannot assure you that such strategies will be effective or without risk to GBDC. As of September 30, 2018, GBDC was invested in securities of four non-U.S. companies. Securities issued by non-U.S. companies are not "qualifying assets" under the 1940 Act, and GBDC may invest in non-U.S. companies, including emerging market issuers, to the limited extent such investments are permitted under the 1940 Act.

GBDC may expose itself to risks if GBDC engages in hedging transactions.

GBDC has and may in the future enter into hedging transactions, which may expose it to risks associated with such transactions. GBDC may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of its portfolio positions from changes in currency exchange rates and market interest rates. Use of these hedging instruments may include counter-party credit risk. Hedging against a decline in the values of GBDC's portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. Moreover, it may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that GBDC is not able to enter into a hedging transaction at an acceptable price.

The success of GBDC's hedging transactions will depend on its ability to correctly predict movements in currencies and interest rates. Therefore, while GBDC may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates may result in poorer overall investment performance than if GBDC 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 may vary. Moreover, for a variety of reasons, GBDC may not seek to (or be able to) establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent GBDC from achieving the intended hedge and expose GBDC to risk of loss. In addition, it may 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. GBDC's ability to engage in hedging transactions may also be adversely affected by rules adopted by the CFTC.

GBDC may not realize gains from its equity investments.

When GBDC invests in one stop, second lien and subordinated loans, it may acquire warrants or other equity securities of portfolio companies as well. GBDC may also invest in equity securities directly. To the extent GBDC holds equity investments, it will attempt to dispose of them and realize gains upon its disposition of them. However, the equity interests GBDC receives may not appreciate in value and may decline in value. As a result, GBDC may not be able to realize gains from its equity interests, and any gains that GBDC does realize on the disposition of any equity interests may not be sufficient to offset any other losses it experiences.

Risks Relating to GBDC Common Stock

Investing in GBDC Common Stock may involve an above average degree of risk.

The investments GBDC makes in accordance with its investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. GBDC's investments in portfolio companies involve higher levels of risk, and therefore, an investment in its shares 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 its net asset value per share may decline. GBDC cannot predict whether GBDC Common Stock will trade at, above or below net asset value.

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

GBDC intends to make distributions on a quarterly basis to its stockholders out of assets legally available for distribution. GBDC cannot assure you that it will achieve investment results that will allow it to make a specified level of cash distributions or year-to-year increases in cash distributions. GBDC's ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this joint proxy statement/prospectus. Due to the asset coverage test applicable to GBDC under the 1940 Act as a business development company, GBDC may be limited in its ability to make distributions. If GBDC declares a distribution and if more stockholders opt to receive cash distributions rather than participate in its dividend reinvestment plan, GBDC may be forced to sell some of its investments in order to make cash distribution payments. To the extent GBDC makes 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 would generally decrease a stockholder's basis in GBDC 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 GBDC Common Stock even if the stockholder sells its shares for less than the original purchase price.

The market price of GBDC Common Stock may fluctuate significantly.

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

- significant volatility in the market price and trading volume of securities of business development companies or other companies in its 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 its 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 GBDC's portfolio investments;
- changes in accounting guidelines governing valuation of GBDC's 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 GBDC;
- general economic trends and other external factors; and
- loss of a major funding source.

GBDC's stockholders will experience dilution in their ownership percentage if they do not participate in GBDC's dividend reinvestment plan.

All distributions declared in cash payable to stockholders that are participants in GBDC's dividend reinvestment plan are automatically reinvested in shares of GBDC Common Stock. As a result, GBDC's stockholders that do not participate in its dividend reinvestment plan will experience dilution in their ownership percentage of GBDC Common Stock over time.

GBDC's stockholders may receive shares of GBDC Common Stock as dividends, which could result in adverse tax consequences to them.

In order to satisfy the annual distribution requirement applicable to RICs, GBDC has the ability to declare a large portion of a dividend in shares of GBDC Common Stock instead of in cash. As long as a portion of such dividend is paid in cash (which portion may be as low as 20% of such dividend) and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes. As a result, a stockholder generally would be subject to tax on 100% of the fair market value of the dividend on the date the dividend is received by the stockholder in the same manner as a cash dividend, even though most of the dividend was paid in shares of GBDC Common Stock. GBDC currently does not intend to pay dividends in shares of GBDC Common Stock.

Sales of substantial amounts of GBDC Common Stock in the public market may have an adverse effect on the market price of GBDC Common Stock.

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

COMPARATIVE FEES AND EXPENSES

Comparative Fees and Expenses Relating to the Merger

The following tables are intended to assist you in understanding the costs and expenses that an investor in the common stock of GBDC or GCIC bears directly or indirectly, and, based on the assumptions set forth below, the pro forma costs and expenses estimated to be incurred by the combined company in the first year following the Merger. GBDC and GCIC caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this document refers to fees or expenses paid or to be paid by "you," "GBDC" or "GCIC," stockholders will indirectly bear such fees or expenses as investors in GBDC or GCIC, as applicable.

Stockholder transaction expenses	Actual GBDC	GCIC	Pro Forma
Sales load (as a percentage of offering price)	None(1)	None(1)	None(1)
Offering expenses (as a percentage of offering price)	None(1)	None(1)	None(1)
Dividend reinvestment plan expenses	None(2)	None(2)	None(1)
Total stockholder transaction expenses (as a percentage of offering price)	None	None	None

Estimated annual expenses **(as a percentage of net assets attributable to common stock):(3)**	**Actual GBDC**	**GCIC**	**Pro Fo**
Base management fees(4)	2.57%	1.79%	2.52%
Incentive fees(5)	2.08%	1.59%	2.07%
Interest payments on borrowed funds(6)	3.71%	3.72%	3.64%
Other expenses(7)	0.53%	0.51%	0.50%
Acquired fund fees and expenses(8)	0.03%	0.03%	0.03%
Total annual expenses(9)	8.92%	7.64%	8.76%

(1) Purchases of shares of GBDC Common Stock on the secondary market are not subject to sales charges, but may be subject to brokerage commissions or other charges. The table does not include any sales load (underwriting discount or commission) that stockholders may have paid in connection with their purchase of shares of GBDC Common Stock. Purchases of shares of GCIC Common Stock in its private placement are not subject to sales charges.

(2) The estimated expenses associated with the respective dividend reinvestment plans are included in "Other expenses."

(3) "Net assets attributable to common stock" equals net assets as of September 30, 2018. For the pro forma columns, the net assets of GBDC on a pro forma basis as of September 30, 2018 were used. See "Unaudited Selected Pro Forma Consolidated Financial Data" for more information.

(4) GBDC's management fee is calculated at an annual rate equal to 1.375% and is based on GBDC's 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 "Golub Capital BDC, Inc. Management Agreements—Current GBDC Investment Advisory Agreement—Management Fee." The GBDC management fee referenced in the table above is annualized and based on actual amounts incurred by GBDC during the three months ended September 30, 2018. The estimate of GBDC's annualized base management fees based on actual expenses for the quarter ended September 30, 2018 assumes net assets of $968.9 million and leverage of $845.7 million, which reflects GBDC's net assets and leverage as of September 30, 2018.

GCIC's management fee is calculated at an annual rate equal to the lesser of (a) 1.50% or (b) the base management fee of GBDC (currently 1.375%), in either case on the fair value of GCIC's average adjusted gross assets at the end of the two most recently completed calendar quarters (excluding cash and cash equivalents but including assets purchased with borrowed funds and leverage) and is payable quarterly in arrears. For periods prior to the closing of a Liquidity Event, GC Advisors has irrevocably agreed to waive any base management fee in excess of 1.00% of the fair value of GCIC's average adjusted gross assets as calculated in accordance with the GCIC Investment Advisory Agreement. See "Golub Capital Investment Corporation Management Agreements—GCIC Investment Advisory Agreement—Management Fee." The GCIC management fee referenced in the table above is annualized and based on actual amounts incurred by GCIC during the three months ended September 30, 2018, net of waivers. The estimate of GCIC's annualized base management fees based on actual expenses for the quarter ended September 30, 2018 assumes net assets of $932.2 million and leverage of $762.3 million, which reflects GCIC's net assets and leverage as of September 30, 2018.

The pro forma base management fee has been calculated in accordance with the terms of the New Investment Advisory Agreement and assuming that the Advisory Agreement Amendment Proposal is approved by GBDC stockholders. The base management fee under the New Investment Advisory Agreement is calculated in the same manner and at the same annual rate (1.375%) as the Current GBDC Investment Advisory Agreement described above. See "GBDC Proposal 3: Approval of Advisory Agreement Amendment Proposal—Base Management Fee." The pro forma base management fee referenced in the table above is annualized and based on actual amounts incurred by GBDC and GCIC during the three months ended September 30, 2018. The estimate of the pro forma annualized base management fees based on actual expenses for the quarter ended September 30, 2018 assumes net assets of $1,897 million and leverage of $1,605 million, which reflects net assets and leverage of GBDC and GCIC on a pro forma basis as of September 30, 2018.

GC Advisors, as collateral manager for the 2018 Issuer, under a collateral management agreement (the "2018 GBDC 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 2018 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 Current GBDC Investment Advisory Agreement, is paid directly by the 2018 Issuer to GC Advisors and offset against such management fee. Accordingly, the 1.375% base management fee paid by GBDC to GC Advisors under the Current GBDC Investment Advisory Agreement and under the New Investment Advisory Agreement on all of GBDC's assets, including those indirectly held through the 2018 Issuer, is reduced, on a dollar-for-dollar basis, by an amount equal to such 0.35% fee paid to GC Advisors by the GBDC 2018 Issuer. Under the 2018 GBDC Collateral Management Agreement, the term "collection period" refers to the quarterly period running from 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 2018 GBDC Collateral Management Agreement does not include any incentive fee payable to GC Advisors.

GC Advisors, as collateral manager for the GCIC 2016 Issuer, under a collateral management agreement (the "2016 GCIC 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 GCIC 2016 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 either the GCIC Investment Advisory Agreement and, after closing of the Merger, the New Investment Advisory Agreement, is paid directly by the GCIC 2016 Issuer to GC Advisors and offset against such management fee. Accordingly, the base management fee paid to GC Advisors under the GCIC Investment Advisory Agreement and, after closing of the Merger, under the New Investment Advisory Agreement on all of GCIC's or GBDC's assets, as applicable, including those indirectly held through the GCIC 2016 Issuer, is and will be reduced, on a dollar-for-dollar basis, by an amount equal to such 0.25% fee paid to GC Advisors by the GCIC 2016 Issuer. Under the 2016 GCIC 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 2016 GCIC 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 (the "2014 GBDC 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 GBDC 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 Current GBDC Investment Advisory Agreement and the New Investment Advisory Agreement, is paid directly by the 2014 Issuer to GC Advisors and offset against such management fee. Accordingly, the 1.375% base management fee paid by GBDC to GC Advisors under the Current GBDC Investment Advisory Agreement and the New Investment Advisory Agreement on all of GBDC's assets, including those indirectly held through the GBDC 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 GBDC 2014 Issuer. Under the 2014 GBDC 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 GBDC Collateral Management Agreement does not include any incentive fee payable to GC Advisors.

For purposes of this table, the SEC requires that the "Base 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 total assets, GBDC's, GCIC's and the pro forma base management fee portion of the "Base management fees" percentage would be approximately 1.36%, 0.97% and 1.35% of total assets, respectively.

(5) The incentive fee referenced in the table above for each of GBDC and GCIC is based on actual amounts of the income component of the incentive fee incurred during the three months ended September 30, 2018, annualized for a full year, and the amount payable under the Current GBDC Investment Advisory Agreement and the GCIC Investment Advisory Agreement, respectively, for the capital gains component as of September 30, 2018. The pro forma incentive fee referenced in the table above is calculated under the New Investment Advisory Agreement based on actual amounts of the income component of the incentive fee for GBDC and GCIC on a pro forma bases for the three months ended September 30, 2018, annualized for a full year and calculated under the New Investment Advisory Agreement and the amount payable under the New Investment Advisory Agreement for the capital gains component as of September 30, 2018, assuming that the Merger closed on September 30, 2017.

Incentive Fees under the Current GBDC Investment Advisory Agreement: GBDC has structured the calculation of the incentive fee under the Current GBDC Investment Advisory Agreement 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 GBDC's election to become a business development company would be greater than 20.0% of GBDC's Cumulative Pre-Incentive Fee Net Income (as defined below).

GBDC accomplishes this limitation by subjecting each quarterly incentive fee payable under the Current GBDC Income and Capital Gains Incentive Fee Calculation (as defined below) to a cap (the "Current GBDC Incentive Fee Cap"). The Current GBDC 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 GBDC since April 13, 2010, the effective date of its election to become a business development company. To the extent the Current GBDC 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" under the Current GBDC Investment Advisory Agreement 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" under each of the Current GBDC Investment Advisory Agreement and the GCIC Investment Advisory Agreement means for each quarter (or portion thereof) 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 GBDC or GCIC, as applicable, receives from portfolio companies, but excluding fees for providing managerial assistance) accrued during the period, minus operating expenses for the calendar quarter (including the base management fee, taxes, any expenses payable under the Current GBDC Investment Advisory Agreement or the GCIC Investment Advisory Agreement, as applicable, and the Administration Agreement or GCIC Administration Agreement, as applicable, any expenses of securitizations and any interest expense and dividends paid on any outstanding preferred stock, but excluding the applicable incentive fees). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities, accrued income that GBDC or GCIC, as applicable, has not yet received in cash. Under each of the Current GBDC Investment Advisory Agreement, the GCIC Investment Advisory Agreement and the New Investment Advisory Agreement, GC Advisors does not return amounts paid to it on accrued income that GBDC or GCIC, as applicable, has not yet received in cash if such income is not ultimately received by GBDC or GCIC, as applicable, in cash. If GBDC or GCIC, as applicable, does not ultimately receive income, a loss would be recognized, reducing future fees.

The income and capital gains incentive fee calculation under the Current GBDC Investment Advisory Agreement (the "Current GBDC Income and Capital Gains Incentive Fee Calculation") has two parts. The income component is calculated quarterly in arrears based on GBDC's Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter, calculated as described above. 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 GBDC has incurred a loss. For example, if GBDC receives Pre-Incentive Fee Net Investment 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 subject to the Current GBDC Incentive Fee Cap.

Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of GBDC's 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, GBDC may be able to invest its funds in debt instruments that provide for a higher return, which would increase GBDC's 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. GBDC's Pre-Incentive Fee Net Investment Income used to calculate this part of the incentive fee is also included in the amount of GBDC's 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, which fee is payable on all of GBDC's assets managed by GC Advisors.

GBDC calculates the income component of the Current GBDC Income and Capital Gains Incentive Fee Calculation with respect to its 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 GBDC's 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. GBDC refers to this portion of its 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 GBDC's Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.5% in any calendar quarter.

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

The second part of the GBDC Income and Capital Gain Incentive Fee Calculation equals (a) 20.0% of GBDC's Capital Gain Incentive Fee Base, if any, calculated in arrears as of the end of each calendar year (or upon termination of the Current GBDC 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. GBDC's "Capital Gain Incentive Fee Base" under the Current GBDC Investment Advisory Agreement equals (1) the sum of (i) GBDC's 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 GBDC's 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 GBDC's portfolio when sold and (b) the accreted or amortized cost basis of such investment.
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The aggregate unrealized capital depreciation is calculated as the sum of the differences, if negative, between (a) the valuation of each investment in GBDC's portfolio as of the applicable Capital Gain Incentive Fee calculation date and (b) the accreted or amortized cost basis of such investment.

Incentive Fees under the GCIC Investment Advisory Agreement: The incentive fee in the GCIC Investment Advisory Agreement (the "GCIC Incentive Fee") is comprised of three parts: the "GCIC Income Incentive Fee" component, the "GCIC Capital Gain Incentive Fee" component, and the "GCIC Subordinated Liquidation Incentive Fee" component. The GCIC Income Incentive Fee component is calculated quarterly in arrears based on GCIC's Pre-Incentive Fee Net Investment Income (calculated as described above) 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 GCIC Income Incentive Fee component, it is possible that a GCIC Incentive Fee may be calculated under this formula with respect to a period in which GCIC has incurred a loss. For example, if GCIC receives Pre-Incentive Fee Net Investment Income in excess of its hurdle rate (as defined below) for a calendar quarter, the income component will result in a positive value and a GCIC Incentive Fee will be paid even if GCIC has incurred a loss in that quarter due to realized and/or unrealized capital losses unless the payment of such GCIC Incentive Fee would be subject to the GCIC Incentive Fee Cap defined below.

Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of GCIC's 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 1.5% quarterly. If market interest rates rise, GCIC may be able to invest its funds in debt instruments that provide for a higher return, which would increase its Pre-Incentive Fee Net Investment Income and make it easier for GC Advisors to surpass the fixed hurdle rate and receive an Income Incentive Fee. GCIC's Pre-Incentive Fee Net Investment Income used to calculate this part of the Incentive Fee is also included in the amount of GCIC's total assets (excluding cash and cash equivalents but including assets purchased with borrowed funds and leverage) used to calculate its base management fee.

GCIC calculates the GCIC Income Incentive Fee component of the "GCIC Income and Capital Gains Incentive Fee Calculation" with respect to its 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;
- 50.0% of GCIC's 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 the percentage at which amounts payable to GC Advisors pursuant to the Income Incentive Fee equals 20.0% of GCIC's Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply. GCIC refers to this portion of its Pre-Incentive Fee Net Investment Income as the "catch-up" provision; and
- 20.0% of the amount of GCIC's Pre-Incentive Fee Net Investment Income, if any, that exceeds the catch-up provision in any calendar quarter.

The sum of these calculations yields the GCIC Income Incentive Fee. This amount is appropriately adjusted for any share issuances or repurchases during the quarter. For periods prior to the closing of a Liquidity Event (as defined below), GC Advisors agreed to waive that portion of the Income Incentive Fee calculated in excess of the GCIC Income Incentive Fee calculated with respect to GCIC's 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;
- 50.0% of GCIC's 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 the percentage at which amounts payable to GC Advisors pursuant to the Income Incentive Fee equals 15.0% of GCIC's Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply. GCIC refers to this portion of its Pre-Incentive Fee Net Investment Income as the "catch-up" provision; and
- 15.0% of the amount of GCIC's Pre-Incentive Fee Net Investment Income, if any, that exceeds the catch-up provision in any calendar quarter.

GCIC defined a "Liquidity Event" as any of the following: (1) an initial public offering of GCIC Common Stock or the listing of GCIC Common Stock on a national securities exchange, (2) a distribution to GCIC stockholders of either (a) cash proceeds from an orderly liquidation of GCIC's investments or (b) securities or other assets of GCIC's as a distribution-in-kind, or (3) a sale of some or all of GCIC's assets to, or other liquidity event with, an entity for consideration of either cash and/or publicly listed securities of the acquirer, which potential acquirers may include other business development companies, including business development companies affiliated with GC Advisors, and entities that are not business development companies.

The GCIC Capital Gain Incentive Fee equals (a) 20.0% of GCIC's Capital Gain Incentive Fee Base, if any, calculated in arrears as of the end of each calendar year (or upon termination of the GCIC Investment Advisory Agreement, as of the termination date), commencing with the calendar year ending December 31, 2015, less (b) the aggregate amount of any previously paid GCIC Capital Gain Incentive Fees. GCIC's "Capital Gain Incentive Fee Base" equals (1) the sum of (A) GCIC's realized capital gains, if any, on a cumulative positive basis from December 31, 2014 through the end of each calendar year, (B) all realized capital losses on a cumulative basis and (C) all unrealized capital depreciation on a cumulative basis, less (2) GCIC's unamortized deferred debt issuance costs as of the date of calculation, 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 GCIC's 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 GCIC's 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 GCIC's portfolio as of the applicable GCIC Capital Gain Incentive Fee calculation

date and (b) the accreted or amortized cost basis of such investment.

Prior to the closing a Liquidity Event, GC Advisors has agreed to waive that portion of the GCIC Capital Gain Incentive Fee, calculated as described above, in excess of 15.0% of the Capital Gain Incentive Fee Base, provided that any amounts so waived shall be deemed to have been paid to GC Advisors for purposes of determining the Capital Gain Incentive fee payable after the closing of a Liquidity Event.

Pursuant to the terms of the Merger Agreement, the GCIC Investment Advisory Agreement will terminate immediately following the Initial Merger and prior to the Subsequent Combination, and, as a result, GCIC will incur a GCIC Capital Gain Incentive Fee to the extent payable under the terms of the GCIC Investment Advisory Agreement as of such termination. Assuming the Initial Merger and Subsequent Combination had been completed on September 30, 2018 and based on financial statements as of such date for GCIC, GCIC would owe a payment to GC Advisors for a Capital Gain Incentive Fee of $2.3 million pursuant to the terms of the GCIC Investment Advisory Agreement upon the termination of the GCIC Investment Advisory Agreement immediately following the closing of the Initial Merger. See "Accounting Treatment of the Merger."

GCIC has structured the calculation of the GCIC Income Incentive Fee and GCIC Capital Gain Incentive Fee to include a fee limitation such that a GCIC Incentive Fee for any quarter can only be paid to GC Advisors if, after such payment, the cumulative GCIC Incentive Fees paid to GC Advisors since December 31, 2014, would be less than or equal to 20.0% of GCIC's Cumulative Pre-Incentive Fee Net Income (the "GCIC Incentive Fee Cap"). GCIC's Cumulative Pre-Incentive Fee Net Income is equal to the sum of (a) Pre-Incentive Fee Net Investment Income for each period from December 31, 2014 and (b) cumulative aggregate realized capital gains, cumulative aggregate realized capital losses, cumulative aggregate unrealized capital depreciation and cumulative aggregate unrealized capital appreciation from December 31, 2014. For periods prior to a Liquidity Event, GC Advisors has agreed to irrevocably waive any GCIC Incentive Fee payable in excess of 15.0% of GCIC Cumulative Pre-Incentive Fee Net Income; provided that any amounts so waived shall be deemed to have been paid to GC Advisors for purposes of the GCIC Incentive Fee Cap after the closing of such Liquidity Event.

The third part of the Incentive Fee, the GCIC Subordinated Liquidation Incentive Fee, equals 20.0% of the net proceeds from a liquidation of GCIC in excess of adjusted capital, as calculated immediately prior to a liquidation. For purposes of this calculation, "liquidation" includes any merger of GCIC with another entity or the acquisition of all or substantially all of the shares of GCIC Common Stock in a single or series of related transactions. The GCIC Investment Advisory Agreement provides that no Subordinated Liquidation Incentive Fee shall be payable for any liquidation that occurs more than six months after the date of a Liquidity Event. For periods prior to the closing of a Liquidity Event, GC Advisors has agreed to waive that portion of the Subordinated Liquidation Incentive Fee in excess of 10.0% of the net proceeds from a liquidation in excess of adjusted capital, as calculated immediately prior to liquidation. Assuming the Initial Merger and Subsequent Combination had been completed on September 30, 2018 and based on financial statements as of such date for each of GBDC and GCIC and the closing market price of GBDC Common Stock on the Nasdaq of $18.57 on November 26, 2018, the last trading day prior to execution of the Merger Agreement, the Exchange Ratio would result in a purchase premium of 7.05% per share of GCIC Common Stock. Based on these assumptions, GCIC would pay to GC Advisors a Subordinated Liquidation Incentive Fee in the amount of $6.6 million as a result of this purchase premium.

GCIC deposits one-third of each GCIC Incentive Fee payment into an escrow account (the "Escrow Account") administered by The Bank of New York Mellon (the "Escrow Agent"). Assets in the Escrow Account will be held by the Escrow Agent until the closing of a Liquidity Event, including the Merger, and upon closing of the Merger, the Escrow Agent will release the assets to GC Advisors. If no Liquidity Event occurs prior to December 31, 2020, the Escrow Agent will return all assets in the Escrow Account to GCIC for the benefit of GCIC's stockholders. For the years ended September 30, 2018, 2017 and 2016, GCIC deposited approximately $4.0 million, $2.8 million and $1.2 million, respectively, into the Escrow Account. As of September 30, 2018, GCIC has made deposits totaling $8.2 million in the Escrow Account.

Incentive Fees under the New Investment Advisory Agreement: Following completion of the Merger, the combined company will be externally managed by GC Advisors. The pro forma incentive fees have been calculated in a manner consistent with the terms and conditions of the New Investment Advisory Agreement and assuming that the Advisory Agreement Amendment Proposal is approved by GBDC stockholders.

The incentive fee in the New Investment Advisory Agreement (the “Pro Forma Incentive Fee”) will be comprised of two parts: the “New Income Incentive Fee” component and the “New Capital Gain Incentive Fee” component. The calculation of the Pro Forma Incentive Fees (the “New Income and Capital Gains Incentive Fee Calculation”) will have two parts. The New Income Incentive Fee will be calculated in the same manner as the Income Incentive Fee under the Current GBDC Investment Advisory Agreement described above, provided that Pre-Incentive Fee Net Investment Income under the New Investment Advisory Agreement will be determined in the same manner as described above for the GBDC Investment Advisory Agreement with the following adjustment: Pre-Incentive Fee Net Investment Income under the New Investment Advisory Agreement will not include any amortization or accretion of any purchase premium or purchase discount to interest income resulting solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger, such as the Merger.

The second part of the New Income and Capital Gains Incentive Fee Calculation, the New Capital Gain Incentive Fee, equals (a) 20.0% of GBDC’s New Capital Gain Incentive Fee Base, if any, calculated in arrears as of the end of each calendar year (or upon termination of the New GBDC 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. The “New Capital Gain Incentive Fee Base” under the New Investment Advisory Agreement equals (1) the sum of (i) GBDC’s 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 GBDC’s portfolio when sold is less than (b) the adjusted cost basis (as defined below) 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 GBDC's portfolio when sold and (b) the adjusted cost basis of such investment.

The adjusted cost basis of any investment under the New Investment Advisory Agreement equals the accreted or amortized cost basis of such investment adjusted to exclude amounts, if any, recognized solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger, such as the Merger.

The New GBDC Investment Advisory Agreement includes a fee limitation such that no incentive fee will be paid to GC Advisors for any quarter if, after such payment, cumulative incentive fees paid to GC Advisors, calculated on a per share basis as described below, since the effective date of GBDC's election to become a business development company would be greater than 20.0% of GBDC's Cumulative Pre-Incentive Fee Net Income Per Share (as defined below).

Each quarterly incentive fee payable under the New Income and Capital Gains Incentive Fee Calculation (as defined below) is subject to a cap (the "New GBDC Incentive Fee Cap"). The New GBDC Incentive Fee Cap in any quarter is equal to the difference between (a) 20.0% of Cumulative Pre-Incentive Fee Net Income Per Share and (b) Cumulative Incentive Fees Paid Per Share (as defined below). To the extent the New GBDC 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 Per Share" under the New Investment Advisory Agreement is equal to the sum of Pre-Incentive Fee Net Income Per Share (as defined below) for each quarter since April 13, 2010. "Pre-Incentive Fee Net Income Per Share" for any quarter is equal to (a) the sum of (i) Pre-Incentive Fee Net Investment Income and (ii) Adjusted Capital Returns (as defined below) for the quarter divided by (b) the weighted average number of shares of GBDC Common Stock outstanding during such quarter. "Adjusted Capital Returns" for any quarter shall be the sum of the realized aggregate capital gains, realized aggregate capital losses, aggregate unrealized capital depreciation and aggregate unrealized capital appreciation for such quarter; provided that the calculation of realized aggregate capital gains, realized aggregate capital losses, aggregate unrealized capital depreciation and aggregate unrealized capital appreciation shall be calculated based on the adjusted cost basis (as defined below) of each investment of the Corporation. "Cumulative Incentive Fees Paid Per Share" is equal to the sum of Incentive Fees Paid Per Share for each quarter (or portion thereof) since April 13, 2010. "Incentive Fees Paid Per Share" for any quarter is equal to the incentive fees accrued and/or payable by GBDC for such period divided by the weighted average number of shares of common stock of GBDC outstanding during such period.

(6) Interest payments on borrowed funds for GBDC is based on the annualized cost of funds on its outstanding indebtedness for the three months ended September 30, 2018, which consisted of $370.7 million of indebtedness outstanding under revolving credit facilities, $277.5 million of debentures issued through its SBIC subsidiaries, and $197.5 million in notes issued through a term debt securitization. For the three months ended September 30, 2018, the annualized cost of funds for GBDC's total debt outstanding, which includes all interest and amortization of debt issuance costs on its term debt securitization, debt was 4.3%. Debt issuance costs represent fees and other direct incremental costs incurred in connection with GBDC's 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 of the 2014 Debt Securitization of $1.81 million, 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 the 2014 Debt Securitization.

Interest payments on borrowed funds for GCIC represents GCIC's the annualized cost of funds on its outstanding indebtedness for the three months ended September 30, 2018, which consisted of $509.8 million of indebtedness outstanding under revolving credit facilities and $252.5 million in notes issued through a term debt securitization. For the three months ended September 30, 2018, the annualized cost of funds for GCIC's total debt outstanding, which includes all interest and amortization of debt issuance costs on its term debt securitization, debt was 4.6%. Debt issuance costs represent fees and other direct incremental costs incurred in connection with GCIC's 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 of the GCIC 2016 Debt Securitization of $2.2 million and legal fees, accounting fees, rating agency fees and all other costs associated with the GCIC 2016 Debt Securitization.

Interest payments on borrowed funds for the Pro Forma column are based on the estimates for GBDC and GCIC described above for the combined company following the Merger.

(7) Includes overhead expenses for each of GBDC and GCIC, including payments under Administration Agreement and GCIC Administration Agreement based on each of GBDC and GCIC's allocable portion of overhead and other expenses incurred by the Administrator under the applicable administration agreement and any acquired fund fees and expenses that are not required to be disclosed. "Other expenses" are estimated based on the annualized amounts incurred for the three months ended September 30, 2018 for GBDC, GCIC, and the sum of amounts for GBDC and GCIC for the combined company following the Merger, as applicable.

(8) GBDC and GCIC stockholders indirectly bear the expenses of their respective investments in GBDC Senior Loan Fund LLC (the "GBDC SLF") and GCIC Senior Loan Fund LLC (the "GCIC SLF") and following the Merger, stockholders of the combined company will indirectly bear the expenses of its investments in GBDC SLF and GCIC SLF. No management fee is charged by the Administrator in connection with the administrative services it provides to each of GBDC SLF and GCIC SLF. However, each of GBDC SLF and GCIC SLF does reimburse the Administrator for its costs related to providing accounting, bookkeeping, treasury, loan operations, reporting and administrative services for the applicable entity. Future expenses for each of GBDC SLF and GCIC SLF may be substantially higher or lower because certain expenses may fluctuate over time. The acquired fund fees and expenses assumes that the fees and expenses for GBDC SLF and GCIC SLF each remain consistent with those incurred for the three months ended September 30, 2018.

(9) "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. GBDC and GCIC borrow money to leverage and increase their 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 before 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 common stockholders of GBDC, GCIC or the combined company after the Merger, as applicable, bear all of such fees and expenses.

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Example

The following example demonstrates the projected dollar amount of total cumulative expenses over various periods with respect to a hypothetical investment in GBDC, GCIC or the combined company following the Merger on a pro forma basis. In calculating the following expense amounts, each of GBDC and GCIC has assumed that it would have no additional leverage and that its annual operating expenses would remain at the levels set forth in the tables above. Calculations for the pro forma combined company following the Merger assume that the Merger closed on September 30, 2017 and that the leverage and operating expenses of GBDC and GCIC remain at the levels set forth in the tables above Transaction expenses related to the Merger are not included in the following examples.

	1 year	3 years	5 years	10 years
You would pay the following expenses on a $1,000 investment:				
GBDC, assuming a 5% annual return (assumes no return from net realized capital gains or net unrealized capital appreciation)	$ 68	$ 201	$ 330	$ 630
GCIC, assuming a 5% annual return (assumes no return from net realized capital gains or net unrealized capital appreciation)	$ 61	$ 180	$ 296	$ 577
GBDC, assuming a 5% annual return (assumes return entirely from realized capital gains and thus subject to the capital gain incentive fee)	$ 78	$ 229	$ 370	$ 691
GCIC, assuming a 5% annual return (assumes return entirely from realized capital gains and thus subject to the capital gain incentive fee)	$ 71	$ 207	$ 338	$ 643

Pro forma combined company following the Merger	1 year	3 years	5 years	10 years
You would pay the following expenses on a $1,000 investment:				
Assuming a 5% annual return (assumes no return from net realized capital gains or net unrealized capital appreciation)	$ 67	$ 197	$ 323	$ 620
Assuming a 5% annual return (assumes return entirely from realized capital gains and thus subject to the capital gain incentive fee)	$ 77	$ 225	$ 364	$ 682

The foregoing tables are intended to assist you in understanding the various costs and expenses that an investor in GBDC, GCIC or, following the Merger, the combined company will bear directly or indirectly. While the example assumes, as required by the SEC, a 5% annual return, performance of GBDC, GCIC, and the combined company will vary and may result in a return greater or less than 5%. The incentive fee under each of the Current GBDC Investment Advisory Agreement, the GCIC Investment Advisory Agreement and the New 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 each of the Current GBDC Investment Advisory Agreement, the GCIC Investment Advisory Agreement and the New Investment Advisory Agreement, no incentive fee would be payable if GBDC, GCIC or the combined company, as applicable, has a 5% annual return. If sufficient returns are achieved on investments, including through the realization of capital gains, to trigger an incentive fee of a material amount, expenses, and returns to 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 the relevant dividend reinvestment plan may occur at a price per share that differs from net asset value. See “Golub Capital BDC, Inc. Dividend Reinvestment Plan” and “Golub Capital Investment Corporation Dividend Reinvestment Plan” for additional information regarding GBDC’s and GCIC’s dividend reinvestment plan, respectively.

The example and the expenses in the table above should not be considered a representation of GBDC’s, GCIC’s, or, following the Merger, the combined company’s, future expenses, and actual expenses may be greater or less than those shown.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains statements that constitute forward-looking statements, which relate to GBDC, GCIC or, following the Merger, the combined company, regarding future events or the future performance or future financial condition of GBDC, GCIC or, following the Merger, the combined company. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about GBDC, GCIC or, following the Merger, the combined company, their industry and their respective beliefs and assumptions. The forward-looking statements contained in this joint proxy statement/prospectus involve risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including:

- the ability of the parties to consummate the Merger described in this joint proxy statement/prospectus on the expected timeline, or at all;
- the failure of the GBDC stockholders to approve the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal or the Advisory Agreement Amendment Proposal;
- the failure of GCIC stockholders to approve the Merger Proposal;
- the ability to realize the anticipated benefits of the proposed Merger;
- the effects of disruption on the business of GBDC and GCIC from the proposed Merger;
- the effect that the announcement or consummation of the Merger may have on the trading price of GBDC Common Stock;
- the combined company's plans, expectations, objectives and intentions, as a result of the Merger;
- any decision by GCIC to pursue continued operations;
- any potential termination of the Merger Agreement or action of GCIC stockholders with respect to any proposed transaction;
- the pursuit by GCIC of a liquidation or an alternative transaction upon the termination of the Merger Agreement;

- changes in GBDC’s and/or GCIC’s NAV in the future;
- GBDC’s and GCIC’s future operating results;
- GBDC’s and GCIC’s business prospects and the prospects of their portfolio companies;
- the effect of investments that GBDC and GCIC expect to make and the competition for those investments;
- GBDC’s and GCIC’s 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 GBDC’s and GCIC’s future success on the general economy and its effect on the industries in which they invest;
- the ability of GBDC’s and GCIC’s portfolio companies to achieve their objectives;
- the use of borrowed money to finance a portion of GBDC’s and GCIC’s investments;

- the adequacy of financing sources and working capital;
- the timing of cash flows, if any, from the operations of GBDC's and GCIC's portfolio companies;
- general economic and political trends and other external factors;
- the ability of GC Advisors to locate suitable investments for GBDC and GCIC and to monitor and administer their respective investments;
- the ability of GC Advisors or its affiliates to attract and retain highly talented professionals;
- GBDC's and GCIC's ability to qualify and maintain their respective qualifications as a RIC and as a business development company;
- general price and volume fluctuations in the stock markets;
- the impact on GBDC's and GCIC's business of Dodd-Frank and the rules and regulations issued thereunder and any actions toward repeal thereof; and
- the effect of changes to tax legislation and GBDC's and GCIC's respective 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," "anticipate," "pre or similar words. The forward-looking statements contained in this joint proxy statement/prospectus involve risks and uncertainties. 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 joint proxy statement/prospectus.

The forward-looking statements included in this joint proxy statement/prospectus are based on information available on the date of this joint proxy statement/prospectus. Actual results could differ materially from those anticipated in any forward-looking statements and future results could differ materially from historical performance. You are advised to consult any additional disclosures that GBDC or GCIC may make directly to you or through reports that each has 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 joint proxy statement/prospectus contains statistics and other data that have been obtained from or compiled from information made available by third-party service providers. GBDC and GCIC 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 joint proxy statement/prospectus, any prospectus supplement or in periodic reports GBDC files under the Exchange Act.

SELECTED CONSOLIDATED FINANCIAL DATA OF GOLUB CAPITAL BDC, INC.

The following selected consolidated financial data of GBDC as of and for the years ended September 30, 2018, 2017, 2016, 2015 and 2014 is derived from the audited consolidated financial statements of GBDC. The financial data should be read in conjunction with GBDC's consolidated financial statements and related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Golub Capital BDC, Inc." included elsewhere in this joint proxy statement/prospectus.

	As of and for the years ended September 30,				
	2018	**2017**	**2016**	**2015**	**2014**
	(In thousands, except per share data)				
Statement of Operations Data:					
Total investment income	$152,171	$137,764	$127,871	$119,968	$109,526
Base management fee	24,214	23,815	22,020	20,330	17,053
Incentive fee	13,110	7,560	7,266	10,226	10,128
Interest and other debt financing expenses	33,174	31,534	27,724	24,510	20,227
All other expenses	5,652	5,309	5,881	5,905	5,583
Net investment income	76,021	69,546 (1)	64,980 (1)	58,997	56,535
Net realized gain (loss) on investments and derivative instruments	17,536	9,402	6,254	9,354	5,384
Net change in unrealized appreciation (depreciation) on investments, derivative instruments and secured borrowings	(11,587)	3,340	(2,030)	2,440	3,469
Net increase (decrease) in net assets resulting from operations	81,970	82,288	69,204	70,791	65,388
Per share data:					
Net asset value	$16.10	$16.08	$15.96	$15.80	$15.55
Net investment income	1.27	1.23 (1)	1.25 (1)	1.20	1.26
Net realized gain (loss) on investments and derivative instruments	0.29	0.16	0.12	0.19	0.11
Net change in unrealized appreciation (depreciation) on investments, derivative instruments and secured borrowings	(0.19)	0.06	(0.04)	0.05	0.07
Net increase (decrease) in net assets resulting from operations	1.37	1.45	1.33	1.44	1.44
Per share distributions declared	1.36	1.53	1.28	1.28	1.28
From net investment income	1.31	1.51	1.04	1.18	1.28
From capital gains	0.05	0.02	0.24	0.10	-
From return of capital	-	-	-	-	-
Dollar amount of distributions declared	81,307	86,443	66,879	62,969	57,823
From net investment income	78,328	85,304	54,461	58,152	57,823
From capital gains	2,979	1,139	12,418	4,817	-
From return of capital	-	-	-	-	-

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	As of and for the years ended September 30,				
	2018	2017	2016	2015	2014
	(In thousands, except per share data)				
Balance Sheet data at period end:					
Investments, at fair value	$1,782,841	$1,685,015	$1,660,612	$1,529,784	$1,347,612
Cash, restricted cash and cash equivalents	45,705	62,558	89,540	97,484	79,943
Other assets	7,006	6,603	6,357	6,158 (2)	6,318 (2)
Total assets	1,835,552	1,754,176	1,756,509	1,633,426 (2)	1,433,873 (2)
Total debt	845,683	781,100	865,175	813,605	697,539
Total liabilities	866,698	796,230	877,684	822,556 (2)	701,134 (2)
Total net assets	968,854	957,946	878,825	810,870	732,739
Other data:					
Number of portfolio companies at period end	199	185	183	164	145

(1) Net investment income for the years ended September 30, 2017 and 2016 is shown after a net expense of $17 and $333, respectively, for U.S. federal excise tax.

(2) On October 1, 2015, GBDC adopted 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.

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SELECTED CONSOLIDATED FINANCIAL DATA OF GOLUB CAPITAL INVESTMENT CORPORATION

The following selected consolidated financial data of GCIC as of and for the years ended September 30, 2018, 2017, 2016 and 2015 and for the period from September 22, 2014 (inception) to September 30, 2014 is derived from the audited consolidated financial statements of GCIC. The financial data should be read in conjunction with GCIC's consolidated financial statements and related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Golub Capital Investment Corporation" included elsewhere in this joint proxy statement/prospectus.

	Golub Capital Investment Corporation				
	As of and for the year ended September 30,				**Period from September 22, 2014 (Inception) to September 30, 2014**
	2018	**2017**	**2016**	**2015**	**2014**
	(In thousands, except per share data)				
Statement of Operations Data:					
Total investment income	$139,381	$98,478	$57,379	$19,401	$ —
Base management fee	21,548	16,674	10,195	3,820	—
Incentive fee	18,312	11,057	5,715	1,239	—
Interest and other debt financing expenses	31,333	22,535	11,932	3,731	—
All other expenses	4,343	3,574	2,140	1,147	—
Base management fee waiver	(5,877)	(4,547)	(2,780)	(1,042)	—
Incentive fee waiver	(4,463)	(1,119)	(179)	—	—
Net investment income	74,185	50,304	30,356	10,506	—
Net realized gain (loss) on investments	3,716	1,419	856	42	—
Net change in unrealized appreciation (depreciation) on investments	(132)	3,158	5,855	2,479	—
Net increase (decrease) in net assets resulting from operations	77,769	54,881	37,067	13,027	—
Per share data:					
Net asset value	$15.00	$15.00	$15.00	$15.00	$ 15.00
Net investment income	1.31	1.13	1.06	0.76	—
Net realized gain (loss) on investments	0.07	0.03	0.03	—	—
Net change in unrealized appreciation (depreciation) on investments	(0.00)*	0.08	0.20	0.18	—
Net increase (decrease) in net assets resulting from operations	1.38	1.24	1.29	0.94	—
Per share distributions declared[1]	1.38	1.24	1.26	0.89	—
From net investment income	(1.38)	(1.24)	(1.26)	(0.89)	—
From capital gains	—	(0.00)*	—	—	—
Other[2]	—	—	(0.03)	(0.05)	—

Dollar amount of distributions declared[1]	77,769	54,881	37,067	13,027	—
From net investment income	65,929	46,642	27,198	8,155	—
Distributions declared and payable	11,840	8,239	9,869	4,872	—

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	Golub Capital Investment Corporation				
	As of and for the year ended September 30,				Period from September 22, 2014 (Inception) to September 30, 2014
	2018	2017	2016	2015	
	(In thousands, except per share data)				
Balance Sheet data at period end:					
Investments, at fair value	$1,674,438	$1,397,701	$1,069,710	$551,878	$ —
Cash, restricted cash and cash equivalents	38,516	51,131	75,731	12,892	10
Other assets[3]	105	178	249	426	—
Total assets[3]	1,719,061	1,455,095	1,148,998	567,239	10
Total debt	762,330	670,200	520,600	249,700	—
Total liabilities[3]	786,852	686,875	532,691	254,592	—
Total net assets	932,209	768,220	616,307	312,647	10
Other data:					
Number of portfolio companies at period end	186	167	158	141	N/A

*Represents an amount less than $0.01 per share.

(1) The per share data and dollar amount for distributions declared reflect the amount of distributions paid or payable with a record date during the applicable period.

(2) Includes the impact of different share amounts as a result of calculating certain per share data based on weighted average shares outstanding during the period and certain per share data based on the shares outstanding as of the period end.

(3) On October 1, 2015, GCIC adopted Accounting Standards Update, or ASU, 2015-03 which requires that debt issuance costs related to a recognized debt liability 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.

UNAUDITED SELECTED PRO FORMA CONSOLIDATED FINANCIAL DATA

	For the Year Ended September 30, 2018
Total investment income	$ 291,552
Total expenses	147,263
Net investment income before taxes	144,289
Excise tax	-
Net investment after taxes	144,289
Net realized gain (loss) on investments and foreign currency	9,533
Net increase (decrease) in net assets resulting from operations	$ 153,822

	As of September 30, 2018
Total assets	$ 3,545,692
Total debt (at carrying value)	1,605,079
Net assets	$ 1,649,050

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UNAUDITED PRO FORMA PER SHARE DATA

	As of and For the Year Ended September 30, 2018			
	Golub Capital BDC, Inc.	**Golub Capital Investment Corporation** [3]	Pro-Forma Consolidated Golub Capital BDC, Inc.	Per Equivalent Golub Capital Investment Corporation
Net increase (decrease) in net assets resulting from operations	$1.37	$ 1.38	$ 1.35	$ 1.17
Basic	1.27	1.31	1.27	$ 1.10
Diluted	1.27	1.31	1.27	1.10
Cash dividends declared [1]	1.36	1.31	1.40	1.10
Net asset value per share [2]	$16.10	$ 15.00	$ 16.65	$ 14.40

(1) - The cash dividends declared per share represent the actual dividends declared per share for the period presented. The pro-forma consolidated cash dividends declared are the dividends per share as declared by Golub Capital BDC, Inc.

(2) - The pro forma consolidated net asset value per share is computed by dividing the pro forma consolidated net assets as of September 30, 2018 by the pro forma consolidated number of shares outstanding as measured without considering the market value to a Golub Capital Investment Corporation shareholder of the exchanged shares in Golub Capital BDC, Inc.

(3) - The Golub Capital Investment Corporation equivalent pro forma per share amount is calculated by multiplying the pro forma consolidated consolidated Golub Captal BDC, Inc. per share amounts by an exchange ratio of 0.865.

THE GBDC SPECIAL MEETING

Date, Time and Place of the GBDC Special Meeting

The GBDC Special Meeting will be held at [ ], Eastern Time, on [ ], 2019, at 666 Fifth Avenue, New York, New York. This joint proxy statement/prospectus will be sent to GBDC stockholders of record as of [ ], 2019 on or about [ ], 2019.

Purpose of the GBDC Special Meeting

At the GBDC Special Meeting, GBDC stockholders will be asked to approve each of (i) the Certificate of Incorporation Amendment Proposal, (ii) the Merger Stock Issuance Proposal and (iii) the Advisory Agreement Amendment Proposal.

The GBDC Board, including, after separate meetings and discussion, all of the GBDC Independent Directors, has unanimously approved the Merger Agreement, including the Merger and the related transactions, and the New Investment Advisory Agreement. The GBDC Board, including each of the GBDC Independent Directors, has unanimously approved the amendment to the GBDC certificate of incorporation to increase the authorized capital stock of GBDC, declared such amendment to be advisable and directed that the amendment be submitted to the stockholders of GBDC for approval at the GBDC Special Meeting. The GBDC Board, including each of the GBDC Independent Directors, unanimously recommends that GBDC stockholders vote "FOR" each of the Certificate of Incorporation Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal.

Record Date

GBDC stockholders may vote their shares at the GBDC Special Meeting only if they were a stockholder of record at the close of business on [ ], 2019. There were [ ] shares of the GBDC Common Stock outstanding on the GBDC Record Date. Each share of common stock is entitled to one vote.

Quorum and Adjournments

A quorum must be present at the GBDC Special Meeting for any business to be conducted. The presence at the GBDC Special Meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding on the GBDC Record Date will constitute a quorum. Shares held by a broker or other nominee for which the nominee has not received voting instructions from the record holder and does not have discretionary authority to vote the shares on non-routine proposals (which are considered "broker non-votes" with respect to such proposals) will be treated as shares present for quorum purposes. If there are not enough votes for a quorum, the presiding officer or GBDC stockholders who are represented in person or by proxy may vote to adjourn the GBDC Special Meeting to permit the further solicitation of proxies.

If there appears not to be enough votes for a quorum or to approve the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal or the Advisory Agreement Amendment Proposal at the GBDC Special Meeting, the presiding officer or holders of a majority of the votes entitled to be cast by the GBDC stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the GBDC Special Meeting from time to time without notice other than announcement at the GBDC Special Meeting.

A GBDC stockholder vote may be taken on any of the proposals in this joint proxy statement/prospectus prior to any such adjournment if there are sufficient votes for approval of such proposal.

Broker Non-Votes

Broker non-votes are described as votes cast by a broker or other nominee on behalf of a beneficial holder who does not provide explicit voting instructions to such broker or nominee and who does not attend the meeting. Each of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal is a non-routine matter for GBDC. As a result, if a GBDC stockholder holds shares in "street name" through a broker, bank or other nominee, such broker, bank or nominee will not be permitted to exercise voting discretion with respect to either the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal or the Advisory Agreement Amendment Proposal. Abstentions and broker non-votes will not count as affirmative votes cast and will therefore have the same effect as votes "against" the Certificate of Incorporation Amendment Proposal and the Advisory Agreement Amendment Proposal. Abstentions and broker non-votes will have no effect on the outcome of the Merger Stock Issuance Proposal.

Vote Required

Each share of GBDC Common Stock held by a holder of record as of the GBDC Record Date has one vote on each matter considered at the GBDC Special Meeting.

The Certificate of Incorporation Amendment Proposal

The affirmative vote of the holders of a majority of the outstanding shares of GBDC Common Stock entitled to vote at the GBDC Special Meeting is required for approval of the Certificate of Incorporation Amendment Proposal. Abstentions and broker non-votes will not count as affirmative votes cast and will therefore have the same effect as votes against the Certificate of Incorporation Amendment Proposal. Proxies received will be voted "FOR" the Certificate of Incorporation Amendment Proposal, unless GBDC stockholders designate otherwise.

The Merger Stock Issuance Proposal

The approval of the Merger Stock Issuance Proposal requires the affirmative vote of at least a majority of the votes cast by holders of GBDC Common Stock at a meeting at which a quorum is present. Abstentions and broker non-votes will have no effect on the outcome of the Merger Stock Issuance Proposal. Proxies received will be voted "FOR" the Merger Stock Issuance Proposal, unless GBDC stockholders designate otherwise.

Under the terms of the Merger Agreement, each GCIC stockholder will have the right to receive, for each share of GCIC Common Stock, 0.865 shares of GBDC Common Stock. The number of shares of GBDC Common Stock to be received will be subject to adjustment if, between the date of the Merger Agreement and the effective time of the Merger, the respective outstanding shares of GBDC Common Stock or GCIC Common Stock have increased or decreased or changed into or been exchanged for a different number or kind of shares or securities, in each case, as a result of any reclassification, recapitalization, stock split, reverse stock split, split-up, combination or exchange of shares, or if a stock dividend or dividend payable in any other securities is declared with a record date within such period.

The Advisory Agreement Amendment Proposal

The approval of the Advisory Agreement Amendment Proposal requires the approval of "a majority of the outstanding voting securities" of GBDC. Under the 1940 Act, a "majority of the outstanding voting securities" of GBDC is the lesser of: (1) 67% of the GBDC Common Stock at the GBDC Special Meeting if the holders of more than 50% of the outstanding shares of GBDC Common Stock are present or represented by proxy or (2) more than 50% of the outstanding shares of GBDC Common Stock. Abstentions and broker non-votes will not count as affirmative votes cast and will therefore have the same effect as votes against the Advisory Agreement Amendment Proposal. Proxies received will be voted "FOR" the Advisory Agreement Amendment Proposal unless GBDC stockholders designate otherwise.

Voting of Management

On the GBDC Record Date, GBDC's officers and directors owned and were entitled to vote [ ] shares of GBDC Common Stock, representing less than [ ] of the outstanding shares of GBDC Common Stock on the GBDC Record Date. None of GBDC's officers or directors has entered into any voting agreement relating to the Merger.

Voting of Proxies

GBDC encourages GBDC stockholders to vote their shares, either by voting in person at the GBDC Special Meeting or by voting by proxy, which means that the GBDC stockholders authorize someone else to vote their shares. Shares represented by duly executed proxies will be voted in accordance with the GBDC stockholder's instructions. If GBDC stockholders execute a proxy without specifying their voting instructions, such GBDC stockholders' shares will be voted in accordance with the GBDC Board's recommendation. If any other business is brought before the GBDC Special Meeting, GBDC stockholders' shares will be voted at the GBDC Board's discretion unless the GBDC stockholders specifically state otherwise on their proxies.

GBDC stockholders may revoke a proxy at any time before it is exercised by notifying GBDC's Secretary in writing, by submitting a properly executed, later-dated proxy, or by voting in person at the GBDC Special Meeting. Any GBDC stockholder entitled to vote at the GBDC Special Meeting may attend the GBDC Special Meeting and vote in person, whether or not such GBDC stockholder has previously voted his or her shares via proxy or wishes to change a previous vote.

A GBDC stockholder may vote in person at the GBDC Special Meeting or by proxy in accordance with the instructions provided below. A GBDC stockholder may also authorize a proxy by telephone or through the Internet using the toll-free telephone numbers or web address printed on your proxy card. Authorizing a proxy by telephone or through the Internet requires you to input the control number located on your proxy card. After inputting the control number, you will be prompted to direct your proxy to vote on each proposal. You will have an opportunity to review your directions and make any necessary changes before submitting your directions and terminating the telephone call or Internet link.

- *By Internet*: [www.proxyonline.com]
- *By telephone*: [(888) 227-9349] to reach a toll-free, automated touchtone voting line, or [(866) 416-0565] Monday through Friday 9:00 a.m. until 10:00 p.m. Eastern Time to reach a toll-free, live operator line.
- *By mail*: You may vote by following the directions and indicating your instructions on the enclosed proxy card, dating and signing the proxy card, and promptly returning the proxy card in the envelope provided, which requires no postage if mailed in the United States. Please allow sufficient time for your proxy card to be received on or prior to 5:00 p.m., Eastern Time, on [ ], 2019.
- *In person*: You may vote in person at the GBDC Special Meeting by requesting a ballot when you arrive. If your shares of GBDC Common Stock are held through a broker and you attend the GBDC Special Meeting in person, please bring a letter from your broker identifying you as the beneficial owner of the shares and authorizing you to vote your shares at the GBDC Special Meeting.

Important notice regarding the availability of proxy materials for the GBDC Special Meeting. GBDC's joint proxy statement/prospectus and the proxy card are available at [www.proxyonline.com].

Revocability of Proxies

Any proxy authorized pursuant to this solicitation may be revoked by notice from the person giving the proxy at any time before it is exercised. A revocation may be effected by resubmitting voting instructions via the Internet voting site, by telephone, by obtaining and properly completing another proxy card that is dated later than the original proxy card and returning it, by mail, in time to be received before the GBDC Special Meeting, by attending the GBDC Special Meeting and voting in person, or by a notice, provided in writing and signed by the GBDC Stockholder, delivered to GBDC's Secretary on any business day before the date of the GBDC Special Meeting.

Solicitation of Proxies

GBDC and GCIC will equally bear the cost of preparing, printing and mailing this joint proxy statement/prospectus and the applicable accompanying Notice of Special Meeting of Stockholders and proxy card. GBDC and GCIC intend to use the services of GC Advisors to aid in the distribution and collection of proxy votes. GBDC and GCIC expect to pay market rates for such services. No additional compensation will be paid to directors, officers or regular employees for such services.

For more information regarding expenses related to the Merger, see "Questions and Answers about the Merger—Who is responsible for paying the expenses relating to completing the Merger?"

Appraisal Rights

GBDC stockholders do not have the right to exercise appraisal rights with respect to any matter to be voted upon at the GBDC Special Meeting.

THE GCIC SPECIAL MEETING

Date, Time and Place of the GCIC Special Meeting

The GCIC Special Meeting will be held at [ ], Eastern Time, on [ ], 2019, at 666 Fifth Avenue, New York, New York. This joint proxy statement/prospectus will be sent to GCIC stockholders of record as of [ ], 2019 on or about [ ], 2019

Purpose of the GCIC Special Meeting

At the GCIC Special Meeting, GCIC stockholders will be asked to approve the Merger Proposal.

The GCIC Board, including, after separate meetings and discussion, the GCIC Independent Directors, has unanimously approved the Initial Merger and the Merger Agreement and recommends that GCIC stockholders vote "FOR" the Merger Proposal.

Record Date

GCIC stockholders may vote their shares at the GCIC Special Meeting only if they were a stockholder of record at the close of business on [ ], 2019. There were [ ] shares of GCIC Common Stock outstanding on the GCIC Record Date. Each share of GCIC Common Stock is entitled to one vote.

Quorum and Adjournments

A quorum must be present at the GCIC Special Meeting for any business to be conducted. The presence at the GCIC Special Meeting, in person or by proxy, of stockholders entitled to cast a majority of votes entitled to be cast at the GCIC Special Meeting will constitute a quorum. If there are not enough votes for a quorum, the chairman of the meeting may adjourn the GCIC Special Meeting to permit the further solicitation of proxies.

If there appear not to be enough votes to approve the Merger Proposal at the GCIC Special Meeting, the chairman of the GCIC Special Meeting shall have the power to conclude or adjourn the GCIC Special Meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the GCIC Special Meeting.

A GCIC stockholder vote may be taken on any of the proposals in this joint proxy statement/prospectus prior to any such adjournment if there are sufficient votes for approval of such proposal.

Broker Non-Votes

Broker non-votes are described as votes cast by a broker or other nominee on behalf of a beneficial holder who does not provide explicit voting instructions to such broker or nominee and who does not attend the meeting. The Merger Proposal is a non-routine matter for GCIC. As a result, if a GCIC stockholder holds shares in “street name” through a broker, bank or other nominee, such broker, bank or nominee will not be permitted to exercise voting discretion with respect to the Merger Proposal. Abstentions and broker non-votes will not count as affirmative votes cast and will therefore have the same effect as votes “against” the Merger Proposal.

Vote Required

Each share of GCIC Common Stock held by a holder of record as of the GCIC Record Date has one vote on each matter considered at the GCIC Special Meeting.

The Merger Proposal

The affirmative vote of the holders of outstanding shares of GCIC Common Stock entitled to cast a majority of votes entitled to be cast at the GCIC Special Meeting is required to approve the Merger Proposal.

Under the terms of the Merger Agreement, each GCIC Stockholder will have the right to receive, for each share of GCIC Common Stock, 0.865 shares of GBDC Common Stock. The number of shares of GBDC Common Stock to be received will be subject to adjustment if, between the date of the Merger Agreement and the effective time of the Initial Merger, the respective outstanding shares of GBDC Common Stock or GCIC Common Stock have increased or decreased or changed into or been exchanged for a different number or kind of shares or securities, in each case, as a result of any reclassification, recapitalization, stock split, reverse stock split, split-up, combination or exchange of shares, or if a stock dividend or dividend payable in any other securities is declared with a record date within such period.

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Abstentions and broker non-votes will not count as affirmative votes cast and will therefore have the same effect as votes against the Merger Proposal. Proxies received will be voted "FOR" the Merger Proposal, unless GCIC stockholders designate otherwise.

Voting of Proxies

GCIC encourages GCIC stockholders to vote their shares, either by voting in person at the GCIC Special Meeting or by voting by proxy, which means that the GCIC stockholders authorize someone else to vote their shares. Shares represented by duly executed proxies will be voted in accordance with the GCIC stockholders' instructions. If GCIC stockholders execute a proxy without specifying their voting instructions, such GCIC stockholders' shares will be voted in accordance with the GCIC Board's recommendation. If any other business is brought before the GCIC Special Meeting, the GCIC stockholders' shares will be voted at the GCIC Board's discretion unless the GCIC stockholders specifically state otherwise on their proxy.

GCIC stockholders may revoke a proxy at any time before it is exercised by notifying GCIC's Secretary in writing, by submitting a properly executed, later-dated proxy, or by voting in person at the GCIC Special Meeting. Any GCIC stockholder entitled to vote at the GCIC Special Meeting may attend the GCIC Special Meeting and vote in person, whether or not he or she has previously voted his or her shares via proxy or wishes to change a previous vote.

A GCIC stockholder may vote in person at the GCIC Special Meeting or by proxy in accordance with the instructions provided below. A GCIC stockholder may also authorize a proxy by telephone or through the Internet using the toll-free telephone numbers or web address printed on your proxy card. Authorizing a proxy by telephone or through the Internet requires you to input the control number located on your proxy card. After inputting the control number, you will be prompted to direct your proxy to vote on each proposal. You will have an opportunity to review your directions and make any necessary changes before submitting your directions and terminating the telephone call or Internet link.

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- *By telephone*: [(888) 227-9349] to reach a toll-free, automated touchtone voting line, or [(866) 416-0565] Monday through Friday 9:00 a.m. until 10:00 p.m. Eastern Time to reach a toll-free, live operator line.

- *By mail*: You may authorize a proxy by following the directions and indicating your instructions on the enclosed proxy card, dating and signing the proxy card, and promptly returning the proxy card in the envelope provided, which requires no postage if mailed in the United States. Please allow sufficient time for your proxy card to be received on or prior to 5:00 p.m., Eastern Time, on [ ], 2019.

- *In person*: You may vote in person at the GCIC Special Meeting by requesting a ballot when you arrive. If your shares of GCIC Common Stock are held through a broker and you attend the GCIC Special Meeting in person, please bring a letter from your broker identifying you as the beneficial owner of the shares and authorizing you to vote your shares at the GCIC Special Meeting.

Important notice regarding the availability of proxy materials for the GCIC Special Meeting. GCIC's joint proxy statement/prospectus and the proxy card are available at [www.proxyonline.com].

Revocability of Proxies

Any proxy authorized pursuant to this solicitation may be revoked by notice from the person giving the proxy at any time before it is exercised. A revocation may be effected by resubmitting voting instructions via the Internet voting site, by telephone, by obtaining and properly completing another proxy card that is dated later than the original proxy card and returning it, by mail, in time to be received before the GCIC Special Meeting, by attending the GCIC Special Meeting and voting in person, or by a notice, provided in writing and signed by the GCIC stockholder, delivered to GCIC's Secretary on any business day before the date of the GCIC Special Meeting.

Solicitation of Proxies

GCIC and GBDC will equally bear the cost of preparing, printing and mailing this joint proxy statement/prospectus and the applicable accompanying Notice of Special Meeting of Stockholders and proxy card. GCIC and GBDC intend to use the services of GC Advisors to aid in the distribution and collection of proxy votes. GCIC and GBDC expect to pay market rates for such services. No additional compensation will be paid to directors, officers or regular employees for such services.

For more information regarding expenses related to the Merger, see "Questions and Answers about the Merger—Who is responsible for paying the expenses relating to completing the Merger?"

Appraisal Rights

GCIC stockholders do not have the right to exercise rights of objecting stockholders with respect to any matter to be voted upon at the GCIC Special Meeting.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Merger Agreement provides that the holders of GCIC Common Stock will be entitled to receive, for each share of GCIC Common Stock, 0.865 shares of GBDC Common Stock, subject to adjustment only in the event of reclassification, recapitalization or similar transaction by either company. The unaudited pro forma condensed consolidated financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of both GBDC and GCIC, which are included elsewhere in this joint proxy statement/prospectus.

The following unaudited pro forma condensed consolidated financial information and explanatory notes illustrate the effect of the Merger on GBDC's financial position and results of operations based upon the companies' respective historical financial positions and results of operations under the asset acquisition method of accounting with GBDC treated as the acquirer.

Generally, under asset acquisition accounting, acquiring assets in groups not only requires ascertaining the cost of the asset (or net assets), but also allocating that cost to the individual assets (or individual assets and liabilities) that make up the group. The cost of the group of assets acquired in an asset acquisition is allocated to the individual assets acquired or liabilities assumed based on their relative fair values of net identifiable assets acquired other than certain "non-qualifying" assets (for example cash) and does not give rise to goodwill. GBDC believes that the acquisition of GCIC should be accounted for as an asset acquisition based on the nature of its pre-acquisition operations and other factors outlined in ASC 805-50—*Business Combinations–Related Issues.*

The unaudited pro forma condensed consolidated financial information includes the unaudited pro forma condensed consolidated balance sheet as of September 30, 2018 assuming the Merger and Subsequent Combination had been completed on September 30, 2018. The unaudited pro forma condensed consolidated income statement for the year ended September 30, 2018 was prepared assuming the Merger and Subsequent Combination had been completed on September 30, 2017.

The unaudited pro forma condensed consolidated financial information is presented for illustrative purposes only and does not necessarily indicate the results of operations or the combined financial position that would have resulted had the Merger been completed at the beginning of the applicable period presented, nor the impact of expense efficiencies, asset dispositions, share repurchases and other factors. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma condensed consolidated financial information, the allocation of the pro forma purchase price reflected in the unaudited pro forma condensed consolidated financial information involves estimates, is subject to adjustment and may vary significantly from the actual purchase price allocation that will be recorded upon completion of the Merger.

See notes to pro forma condensed consolidated financial statements.

Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Consolidated Statement of Financial Condition
As of September 30, 2018

Unaudited

(In thousands, except share and per share data)

	Actual Golub Capital BDC, Inc.	Actual Golub Capital Investment Corporation	Pro Forma Adjustments		Pro Forma Golub Capital BDC, Inc. Combined
Assets and Liabilities Data:					
Investments, at fair value	$ 1,782,841	$ 1,674,438	$ —	(A)	$ 3,457,279
Cash and cash equivalents	6,037	14,659	(8,921	) (B)	11,775
Other assets	46,674	29,964	—		76,638
Total assets	1,835,552	1,719,061	(8,921	)	3,545,692
Debt	842,749	760,409	1,921	(A)	1,605,079
Other liabilities	23,949	26,443	(6,421	) (B)(C)	43,971
Total liabilities	866,698	786,852	(4,500	)	1,648,800
Net assets	968,854	932,209	(4,421	) (C)	1,649,050
Total liabilities and net assets	$ 1,835,552	$ 1,719,061	$ (8,921	)	$ 3,545,442
Total shares outstanding	60,165,454	62,147,237	(8,389,877	) (C)	113,922,814
Net assets per share	$ 16.10	$ 15.00			$ 16.65

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Consolidated Statement of Operations

For the Year Ended September 30, 2018

Unaudited

(In thousands, except share and per share data)

	Actual Golub Capital BDC, Inc.	Actual Golub Capital Investment Corporation	Pro Forma Adjustments		Pro Forma Golub Capital BDC, Inc.
Performance Data:					
Interest and dividend income	$ 149,657	$ 136,123	$ —		$ 285,780
Fees and other income	2,514	3,258	—		5,772
Total investment income	152,171	139,381	—		291,552
Interest and other debt financing expenses	33,174	31,333	(2,002)	(A)	62,505
Base management fee	24,214	21,548	—		45,762
Incentive fee	13,110	18,312	(1,553)	(D)	29,869
Other expenses	5,652	4,343	(868)	(E)	9,127
Operating expenses	76,150	75,536	(4,423)		147,263
Management fee waiver	—	(5,877)	5,877	(D)	—
Incentive fee waiver	—	(4,463)	4,463	(D)	—
Net expenses	76,150	65,196	5,917		147,263
Net investment income before taxes	76,021	74,185	(5,917)		144,289
Excise tax	—	—	—		—
Net investment income after taxes	76,021	74,185	(5,917)		144,289
Net realized gain (loss) on investments and foreign currency transactions	17,536	3,716	—		21,252
Net change in unrealized appreciation (depreciation) on investments and foreign currency translation	(11,587)	(132)	—		(11,719)
Total net realized and unrealized gains (losses)	5,949	3,584	—		9,533
Net increase (decrease) in net assets resulting from operations	81,970	77,769	(5,917)		153,822
Per Common Share Data					
Basic and diluted earnings per common share	$ 1.37	$ 1.38			$ 1.35
Net investment income per common share	$ 1.27	$ 1.32			$ 1.27
Basic and diluted weighted average common shares outstanding [(1)]	59,803,208	56,328,125	(2,570,765)		113,560,568

(1) Basic and diluted weighted average common shares outstanding for Pro Forma Golub Capital BDC, Inc. is estimated by adding estimated share issuance to GCIC shareholders of 53,757,360 shares to average common shares outstanding for GBDC for the year ended September 30, 2018.

See notes to pro forma condensed consolidated financial statements.

Golub Capital BDC, Inc. and Subsidiaries

Notes to Pro Forma Condensed Consolidated Financial Statements

Unaudited

(In thousands, except share and per share data)

1. BASIS OF PRO FORMA PRESENTATION

The unaudited pro forma condensed consolidated financial information related to the Merger and Subsequent Combination is included as of and for the year ended September 30, 2018. On November 27, 2018, GBDC and GCIC entered into the Merger Agreement. For the purposes of the pro forma condensed consolidated financial statements, the purchase price is approximately $998.3 million in stock consideration which is based upon a price of $18.57 per share of GBDC Common Stock as of November 26, 2018 (the day before the merger agreement was executed) and an implied value per share of GCIC Common Stock of $16.06. The pro forma adjustments included herein reflect the conversion of GCIC Common Stock into GBDC Common Stock using an exchange ratio of 0.865 of a share of GBDC Common Stock, for each of the approximately 62.1 million shares of GCIC Common Stock outstanding as of September 30, 2018.

The merger of Merger Sub with and into GCIC will be accounted for as an asset acquisition of GCIC by GBDC in accordance with the asset acquisition method of accounting as detailed in ASC 805-50, *Business Combinations—Related Issues*. In applying the asset acquisition method of accounting, GBDC uses a cost approach to allocate the cost of the assets purchased against the assets being acquired. The cost of the acquisition is determined to be the fair value of the consideration given or the fair value of the assets acquired, whichever is more clearly evident. GBDC has determined that the fair value of the shares of GBDC Common Stock to be issued pursuant to the Merger Agreement based on GBDC’s close price to be most evident of fair value. On a pro forma basis, GBDC's share price on the NASDAQ as of the day before Merger announcement, November 26, 2018, as well as the addition of estimated transaction costs expected to be incurred by GBDC, was used as a preliminary estimate of purchase price. The fair value of the merger consideration paid by GBDC is allocated to assets acquired and liabilities assumed based on their relative fair values as of the date of acquisition and will not give rise to goodwill. Preliminary purchase accounting allocations are detailed in Note 2.

GBDC’s financial statements include its accounts and the accounts of all its consolidated subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates: The preparation of the unaudited pro forma condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Many of the amounts have been rounded, and all amounts are in thousands, except share and per share amounts.

Valuation of Portfolio Investments: The valuation processes and oversight are identical for GBDC and GCIC. Each quarter, GBDC and GCIC determine the net asset value of its investment portfolio. Securities are valued at fair value as determined in good faith by the Board pursuant to GBDC's and GCIC's valuation policies. In connection with that determination, the Advisor provides the Board with portfolio company valuations which are based on relevant inputs, including, but not limited to, indicative dealer quotes, values of like securities, recent portfolio company financial statements and forecasts, and valuations prepared by independent third-party valuation services. The Board has delegated day-to-day responsibility for implementing its valuation policies to the Advisor’s management team, and has authorized the Advisor’s management team to utilize independent third-party valuation and pricing services that have been approved by the Board. The valuation committee of the Board is responsible for overseeing the Advisor’s implementation of the valuation process.

ASC Topic 820 issued by the Financial Accounting Standards Board, or the FASB, clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. ASC Topic 820 defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, which includes inputs such as quoted prices for similar securities in active markets and quoted prices for identical securities where there is little or no activity in the market; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

See notes to pro forma condensed consolidated financial statements.

Golub Capital BDC, Inc. and Subsidiaries

Notes to Pro Forma Condensed Consolidated Financial Statements

Unaudited

(In thousands, except share and per share data)

Income Taxes: GBDC has elected to be treated for U.S. federal income tax purposes, and intends to qualify annually, as a RIC under Subchapter M of the Code. To qualify for and maintain qualification as a RIC, GBDC must, among other things, meet certain source-of-income and asset diversification requirements, as well as distribute to its stockholders, for each tax year, at least 90% of its "investment company taxable income," which is generally GBDC's net ordinary income plus the excess, if any, of realized net short-term capital gains over realized net long-term capital losses, determined without regard to any deduction for distributions paid. As a RIC, GBDC will not have to pay corporate-level U.S. federal income taxes on any income that it distributes to its stockholders. GBDC intends to make distributions in an amount sufficient to qualify for and maintain its RIC tax status each tax year and to not pay any U.S. federal income taxes on income so distributed. GBDC is also subject to nondeductible federal excise taxes if it does not distribute in respect of each calendar year an amount at least equal to the sum of 98% of net ordinary income, 98.2% of any capital gain net income, if any, and any recognized and undistributed income from prior years for which it paid no U.S. federal income taxes.

Transaction Costs: Both GBDC and GCIC incur direct transaction costs resulting from the Merger. GBDC, as the acquirer in an asset acquisition, will capitalize its transaction costs and such costs will be reflected as an adjustment to the purchase price of GCIC. GCIC will expense its transaction costs as incurred.

GBDC expects to incur $2.5 million in estimated transaction costs, which will be capitalized for the purposes of the purchase price allocation and will be reflected in the premium to the price of the assets purchased. GCIC expects to incur $2.5 million in estimated transaction costs. For the year ended September 30, 2018, GCIC incurred $0.1 million in transaction costs, reflected in the Consolidated Statement of Operations. GBDC did not recognize any transaction costs for the year ended September 30, 2018.

2. PRELIMINARY PURCHASE ACCOUNTING ALLOCATIONS

The unaudited pro forma condensed consolidated financial information includes the unaudited pro forma condensed consolidated statement of financial condition as of September 30, 2018 assuming the Merger and Subsequent Combination had been completed on September 30, 2018. The unaudited pro forma condensed consolidated income statement for the year ended September 30, 2018 was prepared assuming the Merger and Subsequent Combination had been completed on September 30, 2017.

The table below reflects the calculation of purchase price for purposes of the pro forma condensed consolidated statement of financial condition. To estimate pro forma purchase price, the fair value or price of each share of GBDC stock issued is based on the closing price on November 26, 2018, the day before the merger agreement was executed of $18.57. As the Merger is likely to occur in the first half of 2019, changes in the price of GBDC Common Stock used to determine total purchase price are expected and the pro forma purchase price is likely to change. Additionally, the amount of shares of GCIC outstanding as of merger close date could be more than the shares outstanding as of September 30, 2018, used below in the calculation of purchase price. The unaudited pro forma condensed consolidated statement of financial condition reflects the issuance of approximately 53,757,360 shares of GBDC Common Stock pursuant to the Merger Agreement.

Shares of GBDC Common Stock to be issued to GCIC shareholders	53,757,360
Price of GBDC Common Stock at time of merger	$18.57
Total pro forma purchase price before transaction costs	$998,274
Estimated transaction costs	2,500
Total pro forma purchase price	$1,000,774

If the price of GBDC Common Stock was to increase or decrease by 5% from the November 26, 2018 price of $18.57, the total pro forma purchase price would be $1.1 billion and $950.9 million, respectively.

The merger of Merger Sub with and into GCIC will be accounted for using the asset acquisition method of accounting. Accordingly, the purchase price paid by GBDC in connection with the Merger will be allocated to the acquired assets and assumed liabilities of GCIC at their relative fair values estimated by GBDC as of the effective date. GBDC intends to assign all acquired assets and assumed liabilities the same carrying value as GCIC before the Merger. The investments held by GCIC are substantially identical to GBDC's investments, therefore the fair value ascribed to investments by GCIC will be in agreement with GBDC's prices on already held investments. Further, the valuation methodology and processes of GBDC as described above in the "Valuation of Portfolio Investments" note are identical to the valuation methodology and processes of GCIC. In regards to the debt assumed, as of September 30, 2018, the fair value of GCIC's debt approximated carrying value. It is expected other assets and other liabilities are short term in nature and therefore it can be assumed that fair value approximates carrying value. The excess fair value of the merger consideration paid by GBDC over the fair value of GCIC's net assets acquired (henceforth referred to as the "purchase premium") is further allocated to the cost of the investments acquired from GCIC, resulting in unrealized depreciation as of the first day of operations after the Merger. As the former GCIC investments held by GBDC pay off or are sold, the initial unrealized depreciation will become a realized loss. This amount has not been included in the pro forma condensed statement of operations as the unrealized depreciation and subsequent realized loss is non-recurring.

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Pro Forma Condensed Consolidated Financial Statements

Unaudited

(In thousands, except share and per share data)

The following table summarizes calculation of pro forma purchase price and adjustments to assets acquired and the liabilities assumed based on GBDC's estimate of relative fair values:

	Golub Capital Investment Corporation September 30, 2018	**Pro Forma Adjustments** [(1)]	Pro Forma September 30, 2018
Common stock issued			$ 998,274
Transaction costs			2,500
Total purchase price			$ 1,000,774
Investments, at fair value	$ 1,674,438	$ —	$ 1,674,438
Cash and cash equivalents	14,659	(8,921)	5,738
Other assets	29,964	—	29,964
Total assets acquired	1,719,061	(8,921)	1,710,140
Debt	760,409	1,921	762,330
Other liabilities assumed	26,443	(8,921)	17,522
Total liabilities	786,852	(7,000)	779,852
Net assets acquired	$ 932,209	$ (1,921)	$ 930,288
Purchase premium [(2)]			$ 70,486

[(1)] Pro forma adjustments are detailed in Note 3 - Preliminary Pro Forma Adjustments.

[(2)] Purchase premium is allocated to cost of investments acquired after initial recognition of cost at fair value of assets acquired, illustrated in the table below.

	Pro Forma Adjustments			
	Golub Capital Investment Corporation September 30, 2018	Recognition of Cost at Fair Value of Assets Acquired	Purchase Premium	Pro Forma September 30, 2018

Investments, at fair value:				
Amortized cost	$1,663,122	$ 11,316	$70,486	$ 1,744,924
Unrealized appreciation (depreciation) on investments	11,316	(11,316)	(70,486)	(70,486)
	$1,674,438			$ 1,674,438

3. PRELIMINARY PRO FORMA ADJUSTMENTS

(A) The adjustment of $1.9 million on the pro forma condensed consolidated statement of financial condition to Debt relates to the elimination of unamortized deferred debt issuance costs associated with GCIC's debt facilities that will not be acquired as part of the Merger. Correspondingly, interest expense and other debt financing costs on the pro forma condensed statement of operations reflects a reduction of $2.0 million that represents the absence of deferred debt issuance costs to amortize if the merger were to occur as of September 30, 2017. The adjustment to investments, at fair value, is detailed in a table in Note 2, which demonstrates the initial recognition by GBDC of GCIC investments at fair value, an increase in cost of investments equal to the calculated pro forma purchase premium and a corresponding reduction to unrealized appreciation (depreciation) on investments, resulting in no change in fair value of investments.

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Notes to Pro Forma Condensed Consolidated Financial Statements

Unaudited

(In thousands, except share and per share data)

(B) The pro forma adjustment to cash reflects the payment of the Capital Gains Incentive Fee and Subordinated Liquidation Fee to GCIC's Investment Advisor as of the Closing Date. To reflect the payment of the Capital Gains Incentive Fee, other liabilities has been reduced by the capital gains incentive fee payable as of September 30, 2018 of $2.3 million with a corresponding reduction to cash acquired. This item is included on GCIC's Consolidated Statement of Financial Condition as of September 30, 2018 in the line item "Management and incentive fees payable." The payable for the Subordinated Liquidation Fee was not included in GCIC's actual Consolidated Statement of Financial Condition as of September 30, 2018. Concurrently with the closing of the merger, it is expected the Subordinated Liquidation fee will become payable, which is estimated to be $6.6 million. This estimate is preliminary and will vary based on the calculation of purchase price. The payment of the Subordinated Liquidation Fee will reduce distributions payable by a corresponding amount. As of September 30, 2018 GCIC has distributions payable of $11.8 million on its Consolidated Statement of Financial Condition. This pro forma adjustment reduces distributions payable to $5.2 million, which is assumed as a liability by GBDC and will be paid to GCIC former shareholders in the period following the Merger. The payment of the estimated Subordinated Liquidation Fee is reflected in cash and cash equivalents.

(C) This pro forma adjustment reflects shares of GBDC Common Stock issued to GCIC stockholders based on an exchange ratio of 0.865 of a share of GBDC Common Stock for each share of GCIC Common Stock held as of September 30, 2018 resulting in a reduction in total combined shares outstanding of 8.4 million. As detailed in Note 2, total pro forma purchase price of the transaction is estimated to be $1.0 billion. Adjustments to net assets include the removal of historical GCIC net assets, the addition of new equity equal to estimated common share issuance of $998.3 million, and the addition of unrealized depreciation as described in Note 2, to be included as a component of net assets as of the day of merger closing. Estimated transaction costs have been capitalized as part of the purchase premium into cost of investments acquired. As transaction costs were not incurred by GBDC for the year ended September 30, 2018, a liability equal to the estimated transaction costs of $2.5 million was added to the pro forma condensed statement of financial condition.

(D) After the merger, GCIC's assets will be subject to GBDC's Investment Advisory Agreement. The adjustments included in the pro forma condensed statement of operations are to account for differences in calculation of management and incentive fees between GCIC's current contract and GBDC's contract. Prior to the merger, GCIC is subject to a 1.375% management fee that is irrevocably waived by the Investment Advisor to 1.00%. As GBDC does not have a voluntary waiver for management fees, the waiver incurred for the year ended September 30, 2018 was eliminated as part of this pro forma adjustment and added to the management fees incurred for the year. For incentive fees, prior to the merger, GCIC incurred a 20% incentive fee on net investment income with a 5% waiver from the

Investment Advisor. GBDC does not have a waiver agreement with the Investment Advisor, therefore the waiver for incentives fees is removed as a pro forma adjustment. The calculation of incentive fees for purposes of the pro forma adjustment has been estimated by calculating net investment income after the pro forma adjustments for management fees, deferred debt issuance cost amortization (as included in A above) and estimated cost savings (as included in E below). In total, including the elimination of voluntary waivers, it is estimated that there will be an increase of incentive fees incurred of $2.9 million for the pro forma year ended September 30, 2018.

(E) Pro forma adjustment reflects impact of the Merger on professional fees and general and administrative expenses representing cost savings and synergies attributable to the Merger. $0.1 million represents transaction costs paid by GCIC that have been removed from the pro forma condensed statement of operations as this is a non-recurring expense.

See notes to pro forma condensed consolidated financial statements.

Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Actual Golub Capital BDC Inc.		Actual Golub Capital Investment Corporation	
						Amortized Cost	Fair Value	Amortized Cost	Fair Value
1A Smart Start LLC	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	L + 4.50%	6.74 %	02/2022	$547	$550	$353	$355
Abita Brewing Co., L.L.C.	Beverage, Food and Tobacco	One stop	L + 5.75%	7.99 %	04/2021	6,926	6,998	3,357	3,37
Abita Brewing Co., L.L.C.	Beverage, Food and Tobacco	One stop	L + 5.75%	N/A	04/2021	—	—	—	—
Accela, Inc.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.39 %	09/2023	5,193	5,261	6,579	6,66
Accela, Inc.	Diversified/Conglomerate Service	LLC units	N/A	N/A	N/A	296	325	374	411
Accela, Inc.[(1)]	Diversified/Conglomerate Service	One stop	L + 6.00%	N/A	09/2023	(1)	—	(1)	—
Active Day, Inc.	Healthcare, Education and Childcare	One stop	L + 6.00%	8.24 %	12/2021	13,071	13,000	11,300	11,1
Active Day, Inc.	Healthcare, Education and Childcare	One stop	L + 6.00%	8.24 %	12/2021	1,014	1,003	876	863
Active Day, Inc.	Healthcare, Education and Childcare	One stop	L + 6.00%	8.24 %	12/2021	655	646	565	556
Active Day, Inc.	Healthcare, Education and Childcare	LLC interest	N/A	N/A	N/A	614	446	529	384
Active Day, Inc.	Healthcare, Education and Childcare	One stop	L + 6.00%	8.24 %	12/2021	451	447	390	384
Active Day, Inc.	Healthcare, Education and Childcare	One stop	P + 5.00%	10.25 %	12/2021	21	20	21	20
		One stop		9.01 %	03/2022	2,519	2,538	3,385	3,39

Acuity Eyecare Holdings, LLC	Healthcare, Education and Childcare		L + 6.75%						
Acuity Eyecare Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.75%	9.02 %	03/2022	148	148	3,156	3,15
Acuity Eyecare Holdings, LLC	Healthcare, Education and Childcare	LLC interest	N/A	N/A	N/A	198	196	419	416
Acuity Eyecare Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.75%	9.04 %	03/2022	180	185	398	393
Acuity Eyecare Holdings, LLC	Healthcare, Education and Childcare	One stop	P + 5.75%	11.00 %	03/2022	10	9	10	9
ADCS Clinics Intermediate Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 5.75%	8.04 %	05/2022	20,641	20,644	21,375	21,2
ADCS Clinics Intermediate Holdings, LLC	Healthcare, Education and Childcare	Preferred stock	N/A	N/A	N/A	579	363	596	374
ADCS Clinics Intermediate Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 5.75%	8.04 %	05/2022	106	105	106	105
ADCS Clinics Intermediate Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 5.75%	8.04 %	05/2022	82	81	83	81
ADCS Clinics Intermediate Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 5.75%	8.04 %	05/2022	49	48	49	48
ADCS Clinics Intermediate Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 5.75%	8.04 %	05/2022	31	31	31	31
ADCS Clinics Intermediate Holdings, LLC	Healthcare, Education and Childcare	Common stock	N/A	N/A	N/A	6	—	6	—
Advanced Pain Management Holdings, Inc.(2)	Healthcare, Education and Childcare	Senior loan	L + 5.00%	7.24 %	11/2018	—	—	5,593	3,07
Advanced Pain Management Holdings, Inc.(2)	Healthcare, Education and Childcare	Senior loan	L + 5.00%	7.24 %	11/2018	—	—	382	210
Advanced Pain Management Holdings, Inc.(2)	Healthcare, Education and Childcare	Senior loan	L + 5.00%	N/A	11/2018	—	—	—	—
Advanced Pain Management Holdings, Inc.(2)	Healthcare, Education and Childcare	Preferred stock	N/A	N/A	N/A	829	—	—	—
Advanced Pain Management Holdings, Inc.(2)	Healthcare, Education and Childcare	Common stock	N/A	N/A	N/A	67	—	—	—
Advanced Pain Management Holdings, Inc.(2)	Healthcare, Education and Childcare	Preferred stock	N/A	N/A	N/A	64	—	—	—
Agilitas USA, Inc.	Healthcare, Education and Childcare	One stop	L + 6.00%	8.34 %	04/2022	8,295	8,187	1,942	1,91

Agilitas USA, Inc.	Healthcare, Education and Childcare	One stop	L + 6.00%	8.34	%	04/2022	9		8	10		8
Agilitas USA, Inc.[(1)]	Healthcare, Education and Childcare	One stop	L + 6.00%	N/A		04/2022	(1	)	—	(12	)	—
Agility Recovery Solutions Inc.	Diversified/Conglomerate Service	One stop	L + 6.50%	8.74	%	03/2020	13,750		13,809	6,127		6,15

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

							Actual Golub Capital BDC Inc.	
Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**		**Maturity Date**	Amortized Cost	Fair Value
Agility Recovery Solutions Inc.	Diversified/Conglomerate Service	Preferred stock	N/A	N/A		N/A	$ 341	$ 424
Agility Recovery Solutions Inc.(1)	Diversified/Conglomerate Service	One stop	L + 6.50%	N/A		03/2020	(3)	—
Aimbridge Hospitality, LLC	Hotels, Motels, Inns, and Gaming	One stop	L + 5.00%	7.24	%	06/2022	4,764	4,830
Aimbridge Hospitality, LLC	Hotels, Motels, Inns, and Gaming	One stop	L + 5.00%	7.24	%	06/2022	9,811	9,941
Aimbridge Hospitality, LLC	Hotels, Motels, Inns, and Gaming	One stop	L + 5.00%	7.24	%	06/2022	794	805
Aimbridge Hospitality, LLC	Hotels, Motels, Inns, and Gaming	One stop	L + 5.00%	7.24	%	06/2022	15	16
Aimbridge Hospitality, LLC(1)	Hotels, Motels, Inns, and Gaming	One stop	L + 5.00%	N/A		06/2022	(1)	—
Anaqua, Inc.	Diversified/Conglomerate Service	One stop	L + 6.50%	8.85	%	07/2022	6,867	6,948
Anaqua, Inc.(1)	Diversified/Conglomerate Service	One stop	L + 6.50%	N/A		07/2022	(1)	—
Apothecary Products, LLC	Healthcare, Education and Childcare	Senior loan	L + 4.25%	6.77	%	07/2023	—	—
Apothecary Products, LLC(1)	Healthcare, Education and Childcare	Senior loan	L + 4.25%	N/A		07/2023	—	—
Appriss Holdings, Inc.	Electronics	One stop	L + 6.25%	8.64	%	05/2022	36,016	36,034
Appriss Holdings, Inc.(1)	Electronics	One stop	L + 6.25%	N/A		05/2022	(33)	(29)

Apttus Corporation	Diversified/Conglomerate Service	One stop	L + 7.85%	10.06	%	01/2023	3,969	4,312
Apttus Corporation	Diversified/Conglomerate Service	Preferred stock	N/A	N/A		N/A	263	354
Apttus Corporation	Diversified/Conglomerate Service	Warrant	N/A	N/A		N/A	194	185
Arcos, LLC	Utilities	One stop	L + 6.00%	8.39	%	02/2021	3,519	3,553
Arcos, LLC	Utilities	One stop	L + 6.00%	N/A		02/2021	—	—
Aris Teleradiology Company, LLC(2)	Healthcare, Education and Childcare	Senior loan	L + 5.50%	8.00	%	03/2021	2,678	1,236
Aris Teleradiology Company, LLC(2)	Healthcare, Education and Childcare	Senior loan	L + 5.50%	8.01	%	03/2021	140	47
Avalign Technologies, Inc.	Healthcare, Education and Childcare	Senior loan	L + 4.50%	6.75	%	07/2021	1,340	1,343
Batteries Plus Holding Corporation	Retail Stores	One stop	L + 6.75%	8.99	%	07/2022	11,739	11,933
Batteries Plus Holding Corporation	Retail Stores	LP interest	N/A	N/A		N/A	529	816
Batteries Plus Holding Corporation(1)	Retail Stores	One stop	L + 6.75%	N/A		07/2022	(1)	—
Bazaarvoice, Inc.	Diversified/Conglomerate Service	One stop	L + 8.00%	10.24	%	02/2024	8,799	8,958
Bazaarvoice, Inc.	Diversified/Conglomerate Service	One stop	P + 7.00%	12.25	%	02/2024	28	30
Benetech, Inc.(3)	Mining, Steel, Iron and Non-Precious Metals	One stop	L + 10.00%	10.24% cash/2.00% PIK		05/2019	4,255	4,257
Benetech, Inc.(3)	Mining, Steel, Iron and Non-Precious Metals	One stop	P + 8.75%	11.77% cash/2.00% PIK		05/2019	223	223
Benetech, Inc.(3)	Mining, Steel, Iron and Non-Precious Metals	LLC interest	N/A	N/A		N/A	—	—
Benetech, Inc.(3)	Mining, Steel, Iron and Non-Precious Metals	LLC interest	N/A	N/A		N/A	—	16
Benihana, Inc.	Beverage, Food and Tobacco	LLC units	N/A	N/A		N/A	699	856
BIORECLAMATIONIVT, LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.49	%	01/2021	16,718	16,852
BIORECLAMATIONIVT, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A		N/A	407	666
BIORECLAMATIONIVT, LLC	Healthcare, Education and Childcare	One stop	P + 5.25%	10.50	%	01/2021	99	100
Brandmuscle, Inc.	Printing and Publishing	Senior loan	L + 5.00%	7.39	%	12/2021	614	622
Brandmuscle, Inc.	Printing and Publishing	LLC interest	N/A	N/A		N/A	240	166
Brooks Equipment Company, LLC	Buildings and Real Estate	One stop	L + 5.00%	7.31	%	08/2020	20,996	21,096
	Buildings and Real Estate	One stop		7.28	%	08/2020	2,623	2,634

Brooks Equipment Company, LLC	L + 5.00%

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**		**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub C Investm Corpora Amortiz Cost
Brooks Equipment Company, LLC[1]	Buildings and Real Estate	One stop	L + 5.00%	N/A		08/2020	$ (6)	$ —	$ —
Brooks Equipment Company, LLC	Buildings and Real Estate	Common stock	N/A	N/A		N/A	1,021	2,369	—
Browz LLC	Diversified/Conglomerate Service	One stop	L + 9.50%	10.17% cash/1.50% PIK		03/2023	1,473	1,503	1,816
Browz LLC	Diversified/Conglomerate Service	One stop	L + 9.50%	N/A		03/2023	—	—	—
C. J. Foods, Inc.	Beverage, Food and Tobacco	One stop	L + 6.25%	8.64	%	05/2020	8,528	8,582	20,778
C. J. Foods, Inc.	Beverage, Food and Tobacco	One stop	L + 6.25%	8.64	%	05/2020	647	649	1,579
C. J. Foods, Inc.	Beverage, Food and Tobacco	One stop	L + 6.25%	8.58	%	05/2020	514	517	1,258
C. J. Foods, Inc.	Beverage, Food and Tobacco	Preferred stock	N/A	N/A		N/A	75	505	—
Cafe Rio Holding, Inc.	Beverage, Food and Tobacco	One stop	L + 5.75%	7.99	%	09/2023	10,220	10,370	8,499
Cafe Rio Holding, Inc.	Beverage, Food and Tobacco	One stop	L + 5.75%	7.99	%	09/2023	79	80	1,365
Cafe Rio Holding, Inc.	Beverage, Food and Tobacco	One stop	L + 5.75%	7.99	%	09/2023	37	40	631
Cafe Rio Holding, Inc.	Beverage, Food and Tobacco	Common stock	N/A	N/A		N/A	224	265	283
		One stop		10.00	%	09/2023	8	10	8

Cafe Rio Holding, Inc.	Beverage, Food and Tobacco		P + 4.75%						
Captain D's, LLC	Personal, Food and Miscellaneous Services	Senior loan	L + 4.50%	6.71	%	12/2023	3,913	3,965	2,199
Captain D's, LLC	Personal, Food and Miscellaneous Services	LLC interest	N/A	N/A		N/A	70	64	88
Captain D's, LLC	Personal, Food and Miscellaneous Services	Senior loan	P + 3.50%	7.86	%	12/2023	19	20	9
Captive Resources Midco, LLC	Insurance	One stop	L + 5.75%	7.99	%	12/2021	33,908	34,313	12,359
Captive Resources Midco, LLC	Insurance	LLC units	N/A	N/A		N/A	—	393	—
Captive Resources Midco, LLC(1)	Insurance	One stop	L + 5.75%	N/A		12/2021	(18)	—	(4
Captive Resources Midco, LLC(1)	Insurance	One stop	L + 5.75%	N/A		12/2021	(23)	—	(12
Centrify Corporation	Diversified/Conglomerate Service	One stop	L + 6.25%	8.59	%	08/2024	10,813	10,864	12,452
Centrify Corporation	Diversified/Conglomerate Service	LP interest	N/A	N/A		N/A	348	348	400
Centrify Corporation	Diversified/Conglomerate Service	LP interest	N/A	N/A		N/A	—	—	—
Centrify Corporation(1)	Diversified/Conglomerate Service	One stop	L + 6.25%	N/A		08/2024	(2)	(2)	(2
Chase Industries, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 4.00%	6.34	%	05/2025	6,756	6,870	5,314
Chase Industries, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 4.00%	6.38	%	05/2025	8	12	114
Chase Industries, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 4.00%	6.34	%	05/2023	14	16	14
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	8.64	%	04/2021	—	—	16,846
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	8.64	%	04/2021	—	—	8,382
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	8.43	%	04/2021	—	—	4,639
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	8.58	%	04/2021	—	—	4,006
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	8.64	%	04/2021	—	—	2,905
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	8.64	%	04/2021	—	—	2,474
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	8.64	%	04/2021	—	—	1,392
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	8.64	%	04/2021	—	—	672
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	8.64	%	04/2021	—	—	655

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**		**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub C Investme Corporat Amortiz Cost
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	8.64	%	04/2021	$ —	$ —	$ 477
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	8.63	%	04/2021	—	—	253
Clarkson Eyecare LLC	Personal, Food and Miscellaneous Services	LLC units	N/A	N/A		N/A	—	—	86
Clarkson Eyecare LLC(1)	Personal, Food and Miscellaneous Services	One stop	L + 6.25%	N/A		04/2021	—	—	(16
Clearwater Analytics, LLC	Diversified/Conglomerate Service	One stop	L + 5.00%	7.24	%	09/2022	8,319	8,532	7,739
Clearwater Analytics, LLC(1)	Diversified/Conglomerate Service	One stop	L + 5.00%	N/A		09/2022	(2)	—	(2
Cloudbees, Inc.	Diversified/Conglomerate Service	One stop	L + 9.00%	10.61% cash/0.50% PIK		05/2023	1,841	1,870	2,218
Cloudbees, Inc.	Diversified/Conglomerate Service	Preferred stock	N/A	N/A		N/A	207	207	247
Cloudbees, Inc.	Diversified/Conglomerate Service	Warrant	N/A	N/A		N/A	39	39	46
Cloudbees, Inc.	Diversified/Conglomerate Service	One stop	L + 9.00%	N/A		05/2023	—	—	—
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	L + 5.50%	7.89	%	12/2020	3,858	3,807	920
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.89	%	10/2021	280	282	1,940

Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.89	%	10/2021	75	75	516
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Common stock	N/A	N/A		N/A	244	310	210
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.89	%	10/2021	97	99	97
Community Veterinary Partners, LLC[1]	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	N/A		10/2021	(3)	—	(30
Compusearch Software Holdings, Inc.	Electronics	Senior loan	L + 4.25%	6.64	%	05/2021	2,065	2,067	996
Confluence Technologies, Inc.	Diversified/Conglomerate Service	One stop	L + 7.50%	9.65	%	03/2024	6,889	7,033	8,496
Confluence Technologies, Inc.	Diversified/Conglomerate Service	LLC interest	N/A	N/A		N/A	87	100	106
Confluence Technologies, Inc.	Diversified/Conglomerate Service	One stop	P + 6.50%	10.96	%	03/2024	15	16	15
Connexin Software, Inc.	Diversified/Conglomerate Service	One stop	L + 8.50%	10.74	%	02/2024	2,348	2,401	2,881
Connexin Software, Inc.	Diversified/Conglomerate Service	LLC interest	N/A	N/A		N/A	69	91	84
Connexin Software, Inc.	Diversified/Conglomerate Service	One stop	L + 8.50%	N/A		02/2024	—	—	—
CST Buyer Company	Home and Office Furnishings, Housewares, and Durable Consumer	One stop	L + 5.00%	7.24	%	03/2023	2,378	2,433	3,016
CST Buyer Company[1]	Home and Office Furnishings, Housewares, and Durable Consumer	One stop	L + 5.00%	N/A		03/2023	(1)	—	(1
Cycle Gear, Inc.	Retail Stores	One stop	L + 6.50%	8.84	%	01/2020	10,263	10,321	7,461
Cycle Gear, Inc.	Retail Stores	One stop	L + 6.50%	8.84	%	01/2020	600	603	701
Cycle Gear, Inc.	Retail Stores	LLC units	N/A	N/A		N/A	248	463	111
Cycle Gear, Inc.[1]	Retail Stores	One stop	L + 6.50%	N/A		01/2020	(7)	—	(4
Datto, Inc.	Diversified/Conglomerate Service	One stop	L + 8.00%	10.15	%	12/2022	10,969	11,156	13,857
Datto, Inc.[1]	Diversified/Conglomerate Service	One stop	L + 8.00%	N/A		12/2022	(1)	—	(1
Daxko Acquisition Corporation	Diversified/Conglomerate Service	One stop	L + 5.25%	7.54	%	09/2023	11,014	11,246	10,921
Daxko Acquisition Corporation[1]	Diversified/Conglomerate Service	One stop	L + 5.25%	N/A		09/2023	(1)	—	(1
DCA Investment Holding, LLC	Healthcare, Education and Childcare	One stop	L + 5.25%	7.64	%	07/2021	13,249	13,329	14,363
		One stop		7.64	%	07/2021	18,393	18,584	13,375

DCA Investment Holding, LLC	Healthcare, Education and Childcare	L + 5.25%

See notes to pro forma condensed consolidated financial statements.

Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**		**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost		Actual Golub Capital BDC Inc. Fair Value	Actual Golub (Investm Corpor Amorti Cost
DCA Investment Holding, LLC	Healthcare, Education and Childcare	One stop	L + 5.25%	7.64	%	07/2021	$ 2,422		$ 2,450	$ 5,971
DCA Investment Holding, LLC	Healthcare, Education and Childcare	One stop	L + 5.25%	7.64	%	07/2021	147		149	2,381
DCA Investment Holding, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A		N/A	864		1,073	525
DCA Investment Holding, LLC	Healthcare, Education and Childcare	One stop	L + 5.25%	7.64	%	07/2021	150		151	150
DCA Investment Holding, LLC	Healthcare, Education and Childcare	One stop	L + 5.25%	7.64	%	07/2021	47		47	47
DCA Investment Holding, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A		N/A	9		—	5
DCA Investment Holding, LLC(1)	Healthcare, Education and Childcare	One stop	L + 5.25%	N/A		07/2021	(9	)	—	(9
DCA Investment Holding, LLC(1)	Healthcare, Education and Childcare	One stop	L + 5.25%	N/A		07/2021	(7	)	—	(120
Deca Dental Management LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.64	%	07/2020	4,040		4,062	7,402
Deca Dental Management LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.57	%	07/2020	492		494	902
Deca Dental Management LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A		N/A	357		428	651
Deca Dental Management LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.49	%	07/2020	50		50	50
Deca Dental Management	Healthcare, Education and Childcare	One stop	L + 6.25%	N/A		07/2020	(1	)	—	(4

LLC[1]									
Dent Wizard International Corporation	Automobile	Senior loan	L + 4.00%	6.23	%	04/2020	4,463	4,477	2,154
Dental Holdings Corporation	Healthcare, Education and Childcare	One stop	L + 5.50%	8.02	%	02/2020	7,081	7,142	3,164
Dental Holdings Corporation	Healthcare, Education and Childcare	One stop	L + 5.50%	8.02	%	02/2020	1,126	1,133	502
Dental Holdings Corporation	Healthcare, Education and Childcare	LLC units	N/A	N/A		N/A	831	733	370
Dental Holdings Corporation	Healthcare, Education and Childcare	One stop	L + 5.50%	7.67	%	02/2020	214	220	95
Digital Guardian, Inc.	Diversified/Conglomerate Service	One stop	L + 9.00%	10.33% cash/1.00% PIK		06/2023	3,952	3,999	4,320
Digital Guardian, Inc.	Diversified/Conglomerate Service	Subordinated debt	N/A	8.00% PIK		01/2019	184	184	218
Digital Guardian, Inc.	Diversified/Conglomerate Service	Warrant	N/A	N/A		N/A	10	10	11
Digital Guardian, Inc.(1)	Diversified/Conglomerate Service	One stop	L + 6.00%	N/A		06/2023	—	(2)	—
Digital Guardian, Inc.(1)	Diversified/Conglomerate Service	One stop	L + 9.00%	N/A		06/2023	—	—	(2
Diligent Corporation	Electronics	One stop	L + 5.50%	8.09	%	04/2022	4,700	4,790	30,78
Diligent Corporation	Electronics	One stop	L + 5.50%	8.09	%	04/2022	2,586	2,622	8,679
Diligent Corporation	Electronics	One stop	L + 5.50%	8.09	%	04/2022	4,816	4,879	7,687
Diligent Corporation	Electronics	Preferred stock	N/A	N/A		N/A	1	206	4
Diligent Corporation	Electronics	One stop	L + 5.50%	8.09	%	04/2022	25,856	26,132	—
Diligent Corporation	Electronics	One stop	L + 5.50%	7.98	%	04/2022	101	102	—
Diligent Corporation	Electronics	One stop	L + 5.50%	8.03	%	04/2022	80	81	—
Diligent Corporation	Electronics	One stop	L + 5.50%	8.03	%	04/2022	35	36	—
Diligent Corporation(1)	Electronics	One stop	L + 5.50%	N/A		04/2022	(1)	—	—
Diligent Corporation(1)	Electronics	One stop	L + 5.50%	N/A		04/2022	(2)	—	(2
DISA Holdings Acquisition Subsidiary Corp.	Diversified/Conglomerate Service	Senior loan	L + 4.00%	6.10	%	06/2022	1,997	2,006	2,039
DISA Holdings Acquisition Subsidiary Corp.	Diversified/Conglomerate Service	Senior loan	L + 4.00%	6.10	%	06/2022	2	2	21
DISA Holdings Acquisition	Diversified/Conglomerate Service	Common stock	N/A	N/A		N/A	154	248	—

Subsidiary Corp.									
DISA Holdings Acquisition Subsidiary Corp.(1)	Diversified/Conglomerate Service	Senior loan	L + 4.00%	N/A		06/2022	(1)	—	(3
Drilling Info Holdings, Inc.	Oil and Gas	Senior loan	L + 4.25%	6.54	%	07/2025	14,217	14,341	13,78

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub Capital Investment Corporation Amortized Cost	Actual Golub Capital Investment Corporation Fair Valu
Drilling Info Holdings, Inc.[1]	Oil and Gas	Senior loan	L + 4.25%	N/A	07/2023	$ (2)	$ —	$ (2)	$ —
Drilling Info Holdings, Inc.[1]	Oil and Gas	Senior loan	L + 4.25%	N/A	07/2025	(4)	(1)	(48)	(14
DTLR, Inc.	Retail Stores	One stop	L + 6.50%	8.68 %	08/2022	22,466	22,732	19,280	19,
DTLR, Inc.	Retail Stores	LLC interest	N/A	N/A	N/A	411	734	—	—
EGD Security Systems, LLC	Diversified/Conglomerate Service	One stop	L + 6.25%	8.58 %	06/2022	10,960	11,114	10,291	10,
EGD Security Systems, LLC	Diversified/Conglomerate Service	One stop	L + 6.25%	8.56 %	06/2022	97	98	97	98
EGD Security Systems, LLC	Diversified/Conglomerate Service	One stop	L + 6.25%	8.58 %	06/2022	74	75	74	75
EGD Security Systems, LLC	Diversified/Conglomerate Service	One stop	L + 6.25%	8.59 %	06/2022	52	52	51	52
Elite Dental Partners LLC	Healthcare, Education and Childcare	One stop	L + 5.25%	7.49 %	06/2023	12,101	12,274	1,986	2,0
Elite Dental Partners LLC	Healthcare, Education and Childcare	One stop	L + 5.25%	7.49 %	06/2023	101	115	1,384	1,5
Elite Dental Partners LLC	Healthcare, Education and Childcare	Common stock	N/A	N/A	N/A	360	360	426	42
Elite Dental Partners LLC[1]	Healthcare, Education and Childcare	One stop	L + 5.25%	N/A	06/2023	(1)	—	(1)	—
Elite Sportswear, L.P.	Retail Stores	LLC interest	N/A	N/A	N/A	165	36	74	16

Elite Sportswear, L.P.	Retail Stores	Senior loan	L + 5.75%	8.14%	06/2020	6,815	6,872	—	—
Elite Sportswear, L.P.	Retail Stores	Senior loan	L + 5.75%	8.14%	06/2020	2,740	2,763	—	—
Elite Sportswear, L.P.	Retail Stores	Senior loan	L + 5.75%	8.14%	06/2020	1,413	1,422	—	—
Elite Sportswear, L.P.	Retail Stores	Senior loan	L + 5.75%	8.14%	06/2020	464	466	—	—
Elite Sportswear, L.P.	Retail Stores	Senior loan	L + 5.75%	8.14%	06/2020	214	216	—	—
Elite Sportswear, L.P.	Retail Stores	Senior loan	L + 5.75%	8.14%	06/2020	205	206	—	—
Elite Sportswear, L.P.	Retail Stores	Senior loan	L + 5.75%	N/A	06/2020	—	—	—	—
Elite Sportswear, L.P.(1)	Retail Stores	Senior loan	L + 5.75%	N/A	06/2020	(3)	—	—	—
Encore GC Acquisition, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	182	239	81	10
Encore GC Acquisition, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	—	19	—	9
ERG Buyer, LLC	Healthcare, Education and Childcare	One stop	L + 5.50%	7.89%	05/2024	12,996	13,183	6,252	6,3
ERG Buyer, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	349	349	418	41
ERG Buyer, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	4	4	4	4
ERG Buyer, LLC(1)	Healthcare, Education and Childcare	One stop	L + 5.50%	N/A	05/2024	(2)	—	(2)	—
ERG Buyer, LLC(1)	Healthcare, Education and Childcare	One stop	L + 5.50%	N/A	05/2024	(11)	—	(146)	—
eSolutions, Inc.	Healthcare, Education and Childcare	One stop	L + 6.50%	8.74%	03/2022	31,340	31,484	29,180	29,
eSolutions, Inc.(1)	Healthcare, Education and Childcare	One stop	L + 6.50%	N/A	03/2022	(1)	(1)	(1)	(1
Excelligence Learning Corporation	Healthcare, Education and Childcare	One stop	L + 6.00%	8.24%	04/2023	4,768	4,517	6,189	5,8
Eyecare Services Partners Holdings LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.64%	05/2023	7,758	7,926	10,247	10,
Eyecare Services Partners Holdings LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.64%	05/2023	566	576	7,317	7,4
Eyecare Services Partners Holdings LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.64%	05/2023	353	355	6,679	6,6
Eyecare Services Partners Holdings LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.64%	05/2023	171	172	2,230	2,2
Eyecare Services Partners Holdings	Healthcare, Education and Childcare	One stop	L + 6.25%	8.59%	05/2023	100	100	1,441	1,4

LLC									
Eyecare Services Partners Holdings LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.64%	05/2023	57	58	1,082	1,0
Eyecare Services Partners Holdings LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.64%	05/2023	50	51	953	95

See notes to pro forma condensed consolidated financial statements.

Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**		**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Fair Value	Actual Golub Capital Investment Corporation Amortized Cost	Fair Value
Eyecare Services Partners Holdings LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.64	%	05/2023	$ 28	$ 33	$ 472	$ 616
Eyecare Services Partners Holdings LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.64	%	05/2023	25	32	361	460
Eyecare Services Partners Holdings LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A		N/A	133	147	304	338
Eyecare Services Partners Holdings LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.63	%	05/2023	22	25	22	25
Eyecare Services Partners Holdings LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A		N/A	1	5	3	11
Feeders Supply Company, LLC	Retail Stores	One stop	L + 5.75%	8.01	%	04/2021	4,769	4,826	4,461	4,491
Feeders Supply Company, LLC	Retail Stores	Preferred stock	N/A	N/A		N/A	192	241	179	224
Feeders Supply Company, LLC	Retail Stores	Subordinated debt	N/A	12.50% cash/7.00%		04/2021	67	67	62	62

				PIK					
Feeders Supply Company, LLC	Retail Stores	One stop	L + 5.75%	N/A	04/2021	—	—	—	—
Feeders Supply Company, LLC	Retail Stores	Common stock	N/A	N/A	N/A	—	52	—	49
Fintech Midco, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.25 %	08/2024	12,868	12,865	11,799	11,796
Fintech Midco, LLC(1)	Beverage, Food and Tobacco	One stop	L + 6.00%	N/A	08/2024	(1)	(1)	(1)	(1)
Fintech Midco, LLC(1)	Beverage, Food and Tobacco	One stop	L + 6.00%	N/A	08/2024	(2)	(3)	(33)	(33)
Firebirds International, LLC	Beverage, Food and Tobacco	One stop	L + 5.75%	7.89 %	12/2018	1,048	1,049	3,251	3,252
Firebirds International, LLC	Beverage, Food and Tobacco	One stop	L + 5.75%	7.89 %	12/2018	295	295	916	916
Firebirds International, LLC	Beverage, Food and Tobacco	One stop	L + 5.75%	7.89 %	12/2018	95	95	294	294
Firebirds International, LLC	Beverage, Food and Tobacco	One stop	L + 5.75%	7.99 %	12/2018	41	41	128	129
Firebirds International, LLC(1)	Beverage, Food and Tobacco	One stop	L + 5.75%	N/A	12/2018	—	—	(1)	—
Flavor Producers, LLC	Beverage, Food and Tobacco	Senior loan	L + 4.75%	7.13 %	12/2023	2,127	2,155	2,688	2,723
Flavor Producers, LLC(1)	Beverage, Food and Tobacco	Senior loan	L + 4.75%	N/A	12/2022	(1)	—	(1)	—
Flexan, LLC	Chemicals, Plastics and Rubber	One stop	L + 5.75%	8.14 %	02/2020	2,296	2,310	1,024	1,031
Flexan, LLC	Chemicals, Plastics and Rubber	One stop	L + 5.75%	8.14 %	02/2020	1,081	1,086	484	486
Flexan, LLC	Chemicals, Plastics and Rubber	Preferred stock	N/A	N/A	N/A	90	71	40	32
Flexan, LLC	Chemicals, Plastics and Rubber	One stop	P + 4.50%	9.75 %	02/2020	11	11	11	11

Flexan, LLC	Chemicals, Plastics and Rubber	Common stock	N/A	N/A	N/A	—	—	—	—
FWR Holding Corporation	Beverage, Food and Tobacco	One stop	L + 5.75%	7.99%	08/2023	5,194	5,259	3,989	4,038
FWR Holding Corporation	Beverage, Food and Tobacco	One stop	L + 5.75%	7.99%	08/2023	64	65	1,101	1,110
FWR Holding Corporation	Beverage, Food and Tobacco	One stop	L + 5.75%	8.8%	08/2023	41	42	41	42
FWR Holding Corporation[1]	Beverage, Food and Tobacco	One stop	L + 5.75%	N/A	08/2023	(1)	—	(26)	—
G & H Wire Company, Inc.	Healthcare, Education and Childcare	One stop	L + 5.75%	7.99%	09/2023	5,367	5,425	1,095	1,104
G & H Wire Company, Inc.	Healthcare, Education and Childcare	LLC interest	N/A	N/A	N/A	148	122	188	154
G & H Wire Company, Inc.[1]	Healthcare, Education and Childcare	One stop	L + 5.75%	N/A	09/2022	(1)	—	(1)	—
Gamma Technologies, LLC	Electronics	One stop	L + 5.50%	7.74%	06/2024	21,297	21,478	12,175	12,272
Gamma Technologies, LLC[1]	Electronics	One stop	L + 5.50%	N/A	06/2024	(1)	—	(1)	—
GCIC Senior Loan Fund LLC[4]	Investment Funds and Vehicles	LLC interest	N/A	N/A	N/A	—	—	48,356	49,939

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

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As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**		**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub Cap Investmen Corporatio Amortized Cost
Georgica Pine Clothiers, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 5.50%	7.89	%	11/2021	$ 5,562	$ 5,620	$ 4,798
Georgica Pine Clothiers, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 5.50%	7.89	%	11/2021	487	490	419
Georgica Pine Clothiers, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 5.50%	7.89	%	11/2021	341	344	294
Georgica Pine Clothiers, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	LLC units	N/A	N/A		N/A	106	176	91
Georgica Pine Clothiers, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 5.50%	8.42	%	11/2021	45	46	45
Global Franchise Group, LLC	Beverage, Food and Tobacco	Senior loan	L + 5.75%	7.99	%	12/2019	3,203	3,220	4,058
Global Franchise Group, LLC	Beverage, Food and Tobacco	Senior loan	L + 5.75%	N/A		12/2019	—	—	—
Global ID Corporation	Beverage, Food and Tobacco	One stop	L + 6.50%	8.84	%	11/2021	5,104	5,144	5,062
Global ID Corporation	Beverage, Food and Tobacco	One stop	L + 6.50%	8.84	%	11/2021	71	72	752
Global ID Corporation	Beverage, Food and Tobacco	LLC interest	N/A	N/A		N/A	242	346	240
		One stop		N/A		11/2021	—	—	—

Global ID Corporation	Beverage, Food and Tobacco		L + 6.50%					
Global ID Corporation(1)	Beverage, Food and Tobacco	One stop	L + 6.50%	N/A	11/2021	(1)	—	(10)
Grease Monkey International, LLC	Automobile	Senior loan	L + 5.00%	7.24 %	11/2022	4,813	4,808	3,020
Grease Monkey International, LLC	Automobile	Senior loan	L + 5.00%	7.24 %	11/2022	75	75	1,147
Grease Monkey International, LLC	Automobile	LLC units	N/A	N/A	N/A	354	512	448
Grease Monkey International, LLC	Automobile	Senior loan	L + 5.00%	7.24 %	11/2022	25	25	383
Grease Monkey International, LLC	Automobile	Senior loan	L + 5.00%	7.24 %	11/2022	20	20	20
Grease Monkey International, LLC(1)	Automobile	Senior loan	L + 5.00%	N/A	11/2022	(2)	(2)	(21)
GS Acquisitionco, Inc.	Diversified/Conglomerate Service	One stop	L + 5.00%	7.25 %	05/2024	22,620	22,611	13,333
GS Acquisitionco, Inc.	Diversified/Conglomerate Service	One stop	L + 5.00%	7.25 %	05/2024	870	869	12,025
GS Acquisitionco, Inc.	Diversified/Conglomerate Service	LP interest	N/A	N/A	N/A	98	127	117
GS Acquisitionco, Inc.(1)	Diversified/Conglomerate Service	One stop	L + 4.75%	N/A	05/2024	(1)	(1)	(1)
GS Acquisitionco, Inc.(1)	Diversified/Conglomerate Service	One stop	L + 4.75%	N/A	05/2024	(5)	(5)	(76)
HealthcareSource HR, Inc.	Diversified/Conglomerate Service	One stop	L + 6.75%	9.14 %	05/2020	23,203	23,389	10,987
HealthcareSource HR, Inc.	Diversified/Conglomerate Service	LLC interest	N/A	N/A	N/A	348	413	165
HealthcareSource HR, Inc.(1)	Diversified/Conglomerate Service	One stop	L + 6.75%	N/A	05/2020	(1)	—	(1)
Hopdoddy Holdings, LLC	Beverage, Food and Tobacco	One stop	L + 9.50%	10.31% cash/1.50% PIK	08/2020	1,301	1,307	841
Hopdoddy Holdings, LLC	Beverage, Food and Tobacco	One stop	L + 9.50%	10.34% cash/1.50% PIK	08/2020	47	47	447
Hopdoddy Holdings, LLC	Beverage, Food and Tobacco	LLC units	N/A	N/A	N/A	130	122	84

Hopdoddy Holdings, LLC	Beverage, Food and Tobacco	LLC units	N/A	N/A	N/A	36	35	24
Hopdoddy Holdings, LLC	Beverage, Food and Tobacco	One stop	L + 9.50%	10.32% cash/1.50% PIK	08/2020	2	3	2
Host Analytics, Inc.	Diversified/Conglomerate Service	One stop	N/A	8.50% cash/2.25% PIK	08/2021	3,131	3,169	1,401
Host Analytics, Inc.	Diversified/Conglomerate Service	One stop	N/A	8.50% cash/2.25% PIK	08/2021	2,557	2,656	1,140
Host Analytics, Inc.	Diversified/Conglomerate Service	One stop	N/A	8.50% cash/2.25% PIK	08/2021	733	741	327
Host Analytics, Inc.	Diversified/Conglomerate Service	Warrant	N/A	N/A	N/A	134	384	60

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Golub Capital BDC, Inc. and Subsidiaries

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Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**		**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub C Investm Corpora Amortiz Cost
Host Analytics, Inc.(1)	Diversified/Conglomerate Service	One stop	N/A	N/A		08/2021	$ (6)	$ —	$ (3
ICIMS, Inc.	Diversified/Conglomerate Service	One stop	L + 6.50%	8.64	%	09/2024	5,305	5,304	6,061
ICIMS, Inc.(1)	Diversified/Conglomerate Service	One stop	L + 6.50%	N/A		09/2024	(1)	(1)	(1
III US Holdings, LLC	Diversified/Conglomerate Service	One stop	L + 6.50%	N/A		09/2022	—	—	—
ILC Dover, LP	Aerospace and Defense	Senior loan	L + 4.75%	7.14	%	12/2023	9,841	9,928	1,315
Immucor, Inc.	Healthcare, Education and Childcare	Senior loan	L + 5.00%	7.39	%	06/2021	1,597	1,626	2,034
Imperial Optical Midco Inc.	Personal, Food and Miscellaneous Services	One stop	L + 4.75%	6.96	%	08/2023	39	39	532
Imperial Optical Midco Inc.	Personal, Food and Miscellaneous Services	One stop	L + 4.75%	7.04	%	08/2023	2,685	2,684	148
Imperial Optical Midco Inc.	Personal, Food and Miscellaneous Services	One stop	L + 4.75%	N/A		08/2023	—	—	—
IMPLUS Footwear, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.14	%	04/2021	9,913	10,013	13,04
IMPLUS Footwear, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.09	%	04/2021	1,745	1,763	2,296
IMPLUS Footcare, LLC	Personal and Non Durable Consumer	One stop	L + 6.75%	9.14	%	04/2021	57	57	690

	Products (Mfg. Only)								
Imprivata, Inc.	Diversified/Conglomerate Service	Senior loan	L + 4.00%	6.39	%	10/2023	12,907	13,045	16,35
Imprivata, Inc.[1]	Diversified/Conglomerate Service	Senior loan	L + 4.00%	N/A		10/2023	(2)	—	(2
Infogix, Inc.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.39	%	04/2024	3,315	3,330	3,977
Infogix, Inc.	Diversified/Conglomerate Service	One stop	P + 5.00%	10.25	%	04/2024	9	9	9
Inhance Technologies Holdings LLC	Chemicals, Plastics and Rubber	One stop	L + 5.25%	7.43	%	07/2024	6,731	6,811	5,976
Inhance Technologies Holdings LLC	Chemicals, Plastics and Rubber	LLC units	N/A	N/A		N/A	70	70	80
Inhance Technologies Holdings LLC[1]	Chemicals, Plastics and Rubber	One stop	L + 5.25%	N/A		07/2024	(1)	(1)	(1
Inhance Technologies Holdings LLC[1]	Chemicals, Plastics and Rubber	One stop	L + 5.25%	N/A		07/2024	(1)	(2)	(19
Integral Ad Science, Inc.	Diversified/Conglomerate Service	One stop	L + 7.25%	8.25% cash/1.25% PIK		07/2024	4,904	4,900	5,629
Integral Ad Science, Inc.[1]	Diversified/Conglomerate Service	One stop	L + 6.00%	N/A		07/2023	(1)	(1)	(1
IntegraMed America, Inc.	Healthcare, Education and Childcare	LLC interest	N/A	N/A		N/A	417	172	—
Integration Appliance, Inc.	Diversified/Conglomerate Service	One stop	L + 7.25%	9.36	%	08/2023	34,381	34,415	27,01
Integration Appliance, Inc.[1]	Diversified/Conglomerate Service	One stop	L + 7.25%	N/A		08/2023	(7)	(9)	—
Internet Pipeline, Inc.	Insurance	One stop	L + 4.75%	7.00	%	08/2022	4,715	4,809	10,10
Internet Pipeline, Inc.	Insurance	One stop	L + 4.75%	7.00	%	08/2022	2,056	2,077	4,362
Internet Pipeline, Inc.	Insurance	One stop	L + 4.75%	7.00	%	08/2022	—	—	3,495
Internet Pipeline, Inc.	Insurance	One stop	L + 4.75%	7.00	%	08/2022	778	786	1,651
Internet Pipeline, Inc.	Insurance	Preferred stock	N/A	N/A		N/A	72	100	154
Internet Pipeline, Inc.	Insurance	Common stock	N/A	N/A		N/A	1	174	2
Internet Pipeline, Inc.[1]	Insurance	One stop	L + 4.75%	N/A		08/2021	(1)	—	(1
Inventus Power, Inc.	Diversified/Conglomerate Manufacturing	One stop	L + 6.50%	8.74	%	04/2020	7,266	6,557	9,047
Inventus Power, Inc.	Diversified/Conglomerate Manufacturing	One stop	L + 6.50%	8.78	%	04/2020	270	236	336
			N/A	N/A		N/A	370	—	259

Inventus Power, Inc.	Diversified/Conglomerate Manufacturing	Preferred stock

See notes to pro forma condensed consolidated financial statements.

Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub Capital Investment Corporation Amortized Cost	Actual Golub Capital Investment Corporation Fair Valu
Inventus Power, Inc.	Diversified/Conglomerate Manufacturing	LLC units	N/A	N/A	N/A	$ 54	$ 48	$ 38	$ 33
Inventus Power, Inc.	Diversified/Conglomerate Manufacturing	Common stock	N/A	N/A	N/A	—	—	—	—
JAMF Holdings, Inc.	Diversified/Conglomerate Service	One stop	L + 8.00%	10.32 %	11/2022	4,475	4,550	5,670	5,
JAMF Holdings, Inc.[1]	Diversified/Conglomerate Service	One stop	L + 8.00%	N/A	11/2022	(1)	—	(1)	—
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	L + 4.50%	6.71 %	03/2024	498	500	428	43
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	L + 4.50%	6.65 %	03/2024	29	29	371	37
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	L + 4.50%	6.74 %	03/2024	151	153	130	13
Jobvite, Inc.	Diversified/Conglomerate Service	One stop	L + 8.00%	10.15 %	07/2023	1,979	1,968	1,352	1,
Jobvite, Inc.	Diversified/Conglomerate Service	Warrant	N/A	N/A	N/A	47	47	56	56
Jobvite, Inc.	Diversified/Conglomerate Service	One stop	L + 8.00%	N/A	07/2023	—	—	—	—
Jobvite, Inc.[1]	Diversified/Conglomerate Service	One stop	L + 8.00%	N/A	07/2023	—	(1)	(7)	(7
Joerns Healthcare, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.31 %	05/2020	3,476	3,253	—	—
Kareo, Inc.	Diversified/Conglomerate Service	One stop	L + 9.00%	11.24 %	06/2022	4,348	4,518	5,560	5,

Kareo, Inc.	Diversified/Conglomerate Service	One stop	L + 9.00%	11.24 %	06/2022	327	332	417	42
Kareo, Inc.	Diversified/Conglomerate Service	Warrant	N/A	N/A	N/A	160	2	203	2
Kareo, Inc.	Diversified/Conglomerate Service	Preferred stock	N/A	N/A	N/A	4	5	5	6
Kareo, Inc.	Diversified/Conglomerate Service	One stop	L + 9.00%	N/A	06/2022	—	—	—	—
Katena Holdings, Inc.	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39 %	06/2021	8,466	8,352	4,444	4,3
Katena Holdings, Inc.	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39 %	06/2021	827	816	434	42
Katena Holdings, Inc.	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39 %	06/2021	562	557	298	29
Katena Holdings, Inc.	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	387	293	205	15
Katena Holdings, Inc.(1)	Healthcare, Education and Childcare	One stop	L + 6.00%	N/A	06/2021	(1)	(2)	(1)	(2
LMP TR Holdings, LLC	Leisure, Amusement, Motion Pictures, Entertainment	LLC units	N/A	N/A	N/A	712	1,151	—	—
Lombart Brothers, Inc.	Healthcare, Education and Childcare	One stop	L + 6.75%	9.14 %	04/2022	4,938	4,966	4,615	4,(
Lombart Brothers, Inc.	Healthcare, Education and Childcare	One stop	L + 6.75%	9.14 %	04/2022	1,620	1,623	1,509	1,5
Lombart Brothers, Inc.	Healthcare, Education and Childcare	Common stock	N/A	N/A	N/A	157	177	146	16
Lombart Brothers, Inc.	Healthcare, Education and Childcare	One stop	P + 5.50%	10.75 %	04/2022	28	28	28	28
Lombart Brothers, Inc.	Healthcare, Education and Childcare	One stop	P + 5.50%	10.75 %	04/2022	8	8	8	8
Marshall Retail Group LLC, The	Retail Stores	One stop	L + 6.00%	8.34 %	08/2020	11,874	11,922	3,124	3,1
Marshall Retail Group LLC, The(1)	Retail Stores	One stop	L + 6.00%	N/A	08/2019	(9)	—	—	—
Marshall Retail Group LLC, The	Retail Stores	LLC units	N/A	N/A	N/A	154	95	—	—
Massage Envy, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.06 %	09/2020	34,631	34,835	3,107	3,1
Massage Envy, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.09 %	09/2020	64	64	151	15
Massage Envy, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.07 %	09/2020	48	48	112	11
Massage Envy, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.06 %	09/2020	98	99	98	99

See notes to pro forma condensed consolidated financial statements.

Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub C Investm Corpora Amortiz Cost
Massage Envy, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.09 %	09/2020	$ 41	$ 42	$ 98
Massage Envy, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.08 %	09/2020	40	40	93
Massage Envy, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.12 %	09/2020	38	38	90
Massage Envy, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.07 %	09/2020	34	35	70
Massage Envy, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.08 %	09/2020	19	19	45
Massage Envy, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.13 %	09/2020	15	15	30
Massage Envy, LLC	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	9.09 %	09/2020	9	10	21
Massage Envy, LLC(1)	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 6.75%	N/A	09/2020	(7)	—	—
Massage Envy, LLC	Personal and Non Durable Consumer	LLC interest	N/A	N/A	N/A	210	1,490	—

	Products (Mfg. Only)								
Maverick Bidco Inc.	Diversified/Conglomerate Service	One stop	L + 6.25%	8.64	%	04/2023	17,195	17,468	22,456
Maverick Bidco Inc.	Diversified/Conglomerate Service	One stop	L + 6.25%	8.59	%	04/2023	166	167	3,081
Maverick Bidco Inc.	Diversified/Conglomerate Service	LLC units	N/A	N/A		N/A	369	437	597
Maverick Bidco Inc.	Diversified/Conglomerate Service	One stop	L + 6.25%	8.60	%	04/2023	32	34	32
Maverick Bidco Inc.(1)	Diversified/Conglomerate Service	One stop	L + 6.25%	N/A		04/2023	(3)	—	(67
Maverick Healthcare Group, LLC	Healthcare, Education and Childcare	Senior loan	L + 7.50%	7.89% cash/2.00% PIK		04/2017	1,316	1,316	432
MD Now Holdings, Inc.	Healthcare, Education and Childcare	One stop	L + 5.25%	7.64	%	08/2024	7,619	7,692	7,001
MD Now Holdings, Inc.	Healthcare, Education and Childcare	LLC units	N/A	N/A		N/A	68	68	78
MD Now Holdings, Inc.(1)	Healthcare, Education and Childcare	One stop	L + 5.25%	N/A		08/2024	(1)	(2)	(1
MD Now Holdings, Inc.(1)	Healthcare, Education and Childcare	One stop	L + 5.25%	N/A		08/2024	(1)	(2)	(20
Mendocino Farms, LLC	Beverage, Food and Tobacco	Common stock	N/A	N/A		N/A	50	50	690
Mendocino Farms, LLC(1)	Beverage, Food and Tobacco	One stop	L + 8.50%	N/A		06/2023	(2)	—	(23
Messenger, LLC	Printing and Publishing	One stop	L + 6.00%	8.23	%	08/2023	3,343	3,376	3,888
Messenger, LLC	Printing and Publishing	One stop	P + 5.00%	10.25	%	08/2023	3	3	3
Mid-America Pet Food, L.L.C.	Beverage, Food and Tobacco	One stop	L + 6.00%	8.39	%	12/2021	10,664	10,752	12,085
Mid-America Pet Food, L.L.C.(1)	Beverage, Food and Tobacco	One stop	L + 6.00%	N/A		12/2021	(1)	—	(1
Mills Fleet Farm Group LLC	Retail Stores	One stop	L + 5.50%	7.74	%	02/2022	1,743	1,815	5,471
Ministry Brands, LLC	Diversified/Conglomerate Service	Senior loan	L + 4.00%	6.24	%	12/2022	862	866	606
Ministry Brands, LLC	Diversified/Conglomerate Service	Senior loan	L + 4.00%	6.24	%	12/2022	493	496	347
Ministry Brands, LLC	Diversified/Conglomerate Service	Senior loan	L + 4.00%	6.24	%	12/2022	9	9	118
MMan Acquisition Co.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.34	%	08/2023	9,608	9,531	12,237
MMan Acquisition Co.	Diversified/Conglomerate Service	LP interest	N/A	N/A		N/A	263	206	334
MMan Acquisition Co.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.34	%	08/2023	99	98	99

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

						Actual Golub Capital BDC Inc.		Actual Golub Capital Investment Corporation	
Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Amortized Cost	Fair Value	Amortized Cost	Fair Valu
MRI Software LLC	Buildings and Real Estate	One stop	L + 5.50%	7.89 %	06/2023	$ 23,156	$ 23,684	$ 18,359	$ 18,
MRI Software LLC	Buildings and Real Estate	One stop	L + 5.50%	7.89 %	06/2023	13,614	13,744	17,098	17,
MRI Software LLC	Buildings and Real Estate	One stop	L + 5.50%	7.65 %	06/2023	163	165	3,083	3,0
MRI Software LLC	Buildings and Real Estate	One stop	L + 5.50%	7.89 %	06/2023	354	357	342	34
MRI Software LLC	Buildings and Real Estate	One stop	L + 5.50%	7.67 %	06/2023	32	35	32	35
MRI Software LLC	Buildings and Real Estate	One stop	L + 5.50%	7.89 %	06/2023	292	295	—	—
MRI Software LLC	Buildings and Real Estate	One stop	L + 5.50%	7.89 %	06/2023	192	194	—	—
MRI Software LLC(1)	Buildings and Real Estate	One stop	L + 5.50%	N/A	06/2023	(6)	—	(135)	—
MWD Management, LLC & MWD Services, Inc.	Healthcare, Education and Childcare	One stop	L + 5.25%	7.64 %	06/2023	228	229	4,381	4,3
MWD Management, LLC & MWD Services, Inc.	Healthcare, Education and Childcare	One stop	L + 5.25%	7.64 %	06/2023	5,808	5,866	1,282	1,2
MWD Management, LLC	Healthcare, Education and Childcare	LLC interest	N/A	N/A	N/A	182	122	230	15

& MWD Services, Inc.									
MWD Management, LLC & MWD Services, Inc.(1)	Healthcare, Education and Childcare	One stop	L + 5.25%	N/A	06/2022	(1)	—	(1)	—
MWD Management, LLC & MWD Services, Inc.(1)	Healthcare, Education and Childcare	One stop	L + 5.25%	N/A	06/2023	(3)	—	(72)	—
MyWebGrocer, Inc.	Grocery	One stop	L + 5.00%	7.52%	09/2018	14,271	14,271	—	—
MyWebGrocer, Inc.	Grocery	LLC units	N/A	N/A	N/A	1,446	—	—	—
MyWebGrocer, Inc.	Grocery	Preferred stock	N/A	N/A	N/A	165	41	—	—
NBC Intermediate, LLC	Beverage, Food and Tobacco	Senior loan	L + 4.25%	6.50%	09/2023	1,086	1,086	1,373	1,3
NBC Intermediate, LLC	Beverage, Food and Tobacco	Senior loan	L + 4.25%	6.50%	09/2023	2,061	2,058	—	—
NBC Intermediate, LLC	Beverage, Food and Tobacco	Senior loan	P + 3.25%	8.50%	09/2023	4	4	—	—
Net Health Acquisition Corp.	Diversified/Conglomerate Service	One stop	L + 5.50%	7.74%	12/2023	3,823	3,857	4,830	4,8
Net Health Acquisition Corp.	Diversified/Conglomerate Service	One stop	L + 5.50%	7.74%	12/2023	536	540	675	680
Net Health Acquisition Corp.	Diversified/Conglomerate Service	LP interest	N/A	N/A	N/A	346	388	436	489
Net Health Acquisition Corp.(1)	Diversified/Conglomerate Service	One stop	L + 5.50%	N/A	12/2023	(1)	—	(1)	—
NetMotion Wireless Holdings, Inc.	Telecommunications	One stop	L + 6.25%	8.64%	10/2021	6,311	6,393	6,260	6,3
NetMotion Wireless Holdings, Inc.(1)	Telecommunications	One stop	L + 6.25%	N/A	10/2021	(1)	—	(1)	—
Netsmart Technologies, Inc.	Diversified/Conglomerate Service	Senior loan	L + 3.75%	5.99%	06/2025	1,725	1,750	1,606	1,6
Netsmart Technologies, Inc.(1)	Diversified/Conglomerate Service	Senior loan	L + 4.75%	N/A	04/2023	(6)	—	(6)	—
Nextech Systems, LLC	Diversified/Conglomerate Service	One stop	L + 6.00%	8.24%	03/2024	10,322	10,357	12,613	12,
Nextech Systems, LLC	Diversified/Conglomerate Service	One stop	L + 6.00%	N/A	03/2024	—	—	—	—
Nexus Brands Group, Inc.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.33%	11/2023	5,689	5,750	3,780	3,8
Nexus Brands Group, Inc.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.39%	11/2023	90	91	1,370	1,3
		LP interest	N/A	N/A	N/A	136	155	172	195

Nexus Brands Group, Inc.	Diversified/Conglomerate Service								
Nexus Brands Group, Inc.(1)	Diversified/Conglomerate Service	One stop	L + 6.00%	N/A	11/2023	(1)	—	(1)	—
Nexus Brands Group, Inc.(1)	Diversified/Conglomerate Service	One stop	L + 6.00%	N/A	11/2023	(1)	—	(14)	—
NFD Operating, LLC	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 7.00%	9.11%	06/2021	2,283	2,302	2,130	2,1
NFD Operating, LLC	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 7.00%	N/A	06/2021	—	—	—	—
NTS Technical Systems	Aerospace and Defense	One stop	L + 6.25%	8.36%	06/2021	21,508	21,718	3,209	3,2
NTS Technical Systems	Aerospace and Defense	Common stock	N/A	N/A	N/A	1,506	616	—	—

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub Capital Investment Corporation Amortized Cost	Actual Golub Capital Investment Corporation Fair Valu
NTS Technical Systems	Aerospace and Defense	Preferred stock	N/A	N/A	N/A	$ 256	$ 323	$ —	$ —
NTS Technical Systems	Aerospace and Defense	Preferred stock	N/A	N/A	N/A	128	177	—	—
NTS Technical Systems[1]	Aerospace and Defense	One stop	L + 6.25%	N/A	06/2021	(53)	—	(8)	—
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39%	05/2022	9,156	9,338	8,600	8,7
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39%	05/2022	208	210	1,867	1,8
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39%	05/2022	149	151	1,338	1,3
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39%	05/2022	132	133	1,184	1,1
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39%	05/2022	929	942	1,033	1,0
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39%	05/2022	115	116	1,031	1,0
Oliver Street Dermatology	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39%	05/2022	89	90	802	81

Holdings, LLC									
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39 %	05/2022	78	78	696	70
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	234	346	218	32
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.85 %	05/2022	80	81	80	81
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39 %	05/2022	45	46	45	46
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39 %	05/2022	41	41	41	41
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39 %	05/2022	32	32	32	32
Oliver Street Dermatology Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.39 %	05/2022	29	30	30	30
Oliver Street Dermatology Holdings, LLC[(1)]	Healthcare, Education and Childcare	One stop	L + 6.00%	N/A	05/2022	(1)	—	(10)	—
Onicon Incorporated	Diversified/Conglomerate Manufacturing	One stop	L + 5.50%	7.88 %	04/2022	17,784	17,916	244	24
Onicon Incorporated[(1)]	Diversified/Conglomerate Manufacturing	One stop	L + 5.50%	N/A	04/2022	(3)	—	—	—
ONsite Mammography, LLC	Healthcare, Education and Childcare	One stop	L + 6.75%	8.99 %	11/2023	3,005	3,064	2,807	2,8
ONsite Mammography, LLC	Healthcare, Education and Childcare	One stop	L + 6.75%	9.15 %	11/2023	21	22	323	33
ONsite Mammography, LLC[(1)]	Healthcare, Education and Childcare	One stop	L + 6.75%	N/A	11/2023	(1)	—	(1)	—
Orthotics Holdings, Inc.	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 5.50%	7.74 %	02/2020	8,166	8,040	3,639	3,5
Orthotics Holdings, Inc.	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 5.50%	7.74 %	02/2020	1,338	1,318	597	58
Orthotics Holdings, Inc.[(1)]	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 5.50%	N/A	02/2020	(1)	—	—	—
Orthotics Holdings, Inc.[(1)]	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	L + 5.50%	N/A	02/2020	(6)	(4)	(3)	(2
	Ecological	One stop		8.49 %	09/2022	14,912	15,190	14,889	15,

Pace Analytical Services, LLC			L + 6.25%						
Pace Analytical Services, LLC	Ecological	One stop	L + 6.25%	8.49 %	09/2022	1,396	1,412	1,385	1,4
Pace Analytical Services, LLC	Ecological	One stop	L + 6.25%	8.47 %	09/2022	117	118	1,120	1,1
Pace Analytical Services, LLC	Ecological	One stop	L + 6.25%	8.48 %	09/2022	709	716	825	83
Pace Analytical Services, LLC	Ecological	One stop	L + 6.25%	8.49 %	09/2022	342	346	341	34
Pace Analytical Services, LLC	Ecological	Common stock	N/A	N/A	N/A	304	280	302	27
Pace Analytical Services, LLC	Ecological	One stop	L + 6.25%	8.49 %	09/2022	8	10	8	10
Pace Analytical Services, LLC[1]	Ecological	One stop	L + 6.25%	N/A	09/2022	(3)	—	(29)	—

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

						Actual Golub Capital BDC Inc.		Actual Golub Capital Investment Corporation	
Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Amortized Cost	Fair Value	Amortized Cost	Fai Val
PADI Holdco, Inc.	Leisure, Amusement, Motion Pictures, Entertainment	One stop	E + 5.75%	5.75 %	04/2023	$ 9,591	$ 9,313	$ 12,505	$ 1
PADI Holdco, Inc.	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 5.75%	8.14 %	04/2023	9,465	9,677	12,478	1
PADI Holdco, Inc.	Leisure, Amusement, Motion Pictures, Entertainment	LLC units	N/A	N/A	N/A	414	454	539	5
PADI Holdco, Inc.	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 5.75%	8.14 %	04/2022	123	125	123	1
Paper Source, Inc.	Retail Stores	One stop	L + 6.25%	8.64 %	09/2019	12,224	12,255	—	–
Paper Source, Inc.	Retail Stores	One stop	L + 6.25%	8.64 %	09/2019	1,621	1,628	—	–
Paper Source, Inc.	Retail Stores	One stop	P + 5.00%	10.25 %	09/2019	960	965	—	–
Paper Source, Inc.	Retail Stores	Common stock	N/A	N/A	N/A	1,387	606	—	–
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	L + 6.25%	8.49 %	05/2020	—	—	2,114	1
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	L + 6.25%	8.49 %	05/2020	—	—	754	5
Pasternack Enterprises, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 4.00%	6.24 %	07/2025	5,607	5,606	5,233	5

and Fairview Microwave, Inc									
Pasternack Enterprises, Inc. and Fairview Microwave, Inc	Diversified/Conglomerate Manufacturing	Senior loan	L + 4.00%	N/A	07/2023	—	—	—	–
Pentec Acquisition Sub, Inc.	Healthcare, Education and Childcare	Preferred stock	N/A	N/A	N/A	116	178	—	–
Personify, Inc.	Diversified/Conglomerate Service	One stop	L + 5.75%	8.14 %	09/2024	5,296	5,295	6,099	6
Personify, Inc.	Diversified/Conglomerate Service	LLC units	N/A	N/A	N/A	297	297	342	3
Personify, Inc.(1)	Diversified/Conglomerate Service	One stop	L + 5.75%	N/A	09/2024	(1)	(1)	(1)	(
Pet Holdings ULC	Retail Stores	One stop	L + 5.50%	7.84 %	07/2022	14,575	14,764	32,434	3
Pet Holdings ULC	Retail Stores	LP interest	N/A	N/A	N/A	386	537	188	2
Pet Holdings ULC	Retail Stores	One stop	L + 5.50%	7.84 %	07/2022	99	100	128	1
Pet Holdings ULC(1)	Retail Stores	One stop	L + 5.50%	N/A	07/2022	(2)	—	(2)	–
PetPeople Enterprises, LLC	Retail Stores	One stop	L + 5.00%	7.25 %	09/2023	3,082	3,114	2,325	2
PetPeople Enterprises, LLC	Retail Stores	One stop	N/A	8.25% PIK	01/2019	168	168	—	–
PetPeople Enterprises, LLC(1)	Retail Stores	One stop	L + 5.00%	N/A	09/2023	(1)	—	(1)	–
PetPeople Enterprises, LLC(1)	Retail Stores	One stop	L + 5.00%	N/A	09/2023	—	—	(2)	–
PetroChoice Holdings, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 5.00%	7.20 %	08/2022	1,700	1,732	1,581	1
Pinnacle Treatment Centers, Inc.	Healthcare, Education and Childcare	One stop	L + 6.25%	8.59 %	08/2021	9,724	9,879	9,552	9
Pinnacle Treatment Centers, Inc.	Healthcare, Education and Childcare	Preferred stock	N/A	N/A	N/A	231	268	226	2
Pinnacle Treatment Centers, Inc.	Healthcare, Education and Childcare	One stop	L + 6.25%	8.52 %	08/2021	57	58	57	5
Pinnacle Treatment Centers, Inc.	Healthcare, Education and Childcare	One stop	L + 6.25%	8.59 %	08/2021	54	55	54	5
Pinnacle Treatment Centers, Inc.	Healthcare, Education and Childcare	One stop	L + 6.25%	8.46 %	08/2021	42	43	41	4
Pinnacle Treatment Centers, Inc.	Healthcare, Education and Childcare	Common stock	N/A	N/A	N/A	2	6	2	6
Plano Molding Company, LLC	Home and Office Furnishings, Housewares, and Durable Consumer	One stop	L + 7.50%	9.67 %	05/2021	9,937	9,848	4,801	4
Plex Systems, Inc.	Diversified/Conglomerate Manufacturing	One stop	L + 7.50%	9.82 %	06/2020	18,635	18,797	—	–
Plex Systems, Inc.(1)	Diversified/Conglomerate Manufacturing	One stop	L + 7.50%	N/A	06/2020	(14)	—	—	–
	Automobile	Senior loan		7.24 %	06/2022	—	—	4,740	4

Polk Acquisition Corp.			L + 5.00%							
Polk Acquisition Corp.	Automobile	LP interest	N/A	N/A		N/A	144	95	401	2
PPT Management Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 7.50%	9.69	%	12/2022	10,443	8,758	12,089	1
PPT Management Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 7.50%	9.69	%	12/2022	140	114	141	1

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub Capital Investment Corporation Amortized Cost	Actual Golub Capital Investment Corporation Fair Value
PPT Management Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 7.50%	9.69 %	12/2022	$ 84	$ 68	$ 84	$ 68
PPT Management Holdings, LLC	Healthcare, Education and Childcare	One stop	L + 7.50%	9.69 %	12/2022	31	32	31	32
PPT Management Holdings, LLC[(1)]	Healthcare, Education and Childcare	One stop	L + 7.50%	9.69 %	12/2022	4	(30)	4	(3(
PPV Intermediate Holdings II, LLC	Personal, Food and Miscellaneous Services	LLC interest	N/A	N/A	N/A	13	13	160	16
PPV Intermediate Holdings II, LLC	Personal, Food and Miscellaneous Services	One stop	N/A	7.90% PIK	05/2023	2	2	19	19
PPV Intermediate Holdings II, LLC[(1)]	Personal, Food and Miscellaneous Services	One stop	L + 5.00%	N/A	05/2023	(1)	—	(1)	—
PPV Intermediate Holdings II, LLC[(1)]	Personal, Food and Miscellaneous Services	One stop	L + 5.00%	N/A	05/2020	(6)	—	(77)	—
Project Alpha Intermediate Holding, Inc.	Diversified/Conglomerate Service	Common stock	N/A	N/A	N/A	417	500	399	47
Project Alpha Intermediate Holding, Inc.	Diversified/Conglomerate Service	Common stock	N/A	N/A	N/A	4	51	4	49
Project Silverback Holdings Corp.	Electronics	Preferred stock	N/A	N/A	N/A	6	—	—	—
Property Brands, Inc.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.24 %	01/2024	10,655	10,872	9,277	9,:
Property Brands, Inc.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.24 %	01/2024	216	219	3,063	3,(

Property Brands, Inc.	Diversified/Conglomerate Service	Preferred stock	N/A	N/A	N/A	284	307	345	37
Property Brands, Inc.[1]	Diversified/Conglomerate Service	One stop	L + 6.00%	N/A	01/2024	(1)	—	(10)	—
Property Brands, Inc.[1]	Diversified/Conglomerate Service	One stop	L + 6.00%	N/A	01/2024	(1)	—	(10)	—
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.31%	05/2021	8,270	8,379	7,735	7,7
Purfoods, LLC	Beverage, Food and Tobacco	LLC interest	N/A	N/A	N/A	381	527	355	49
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.39%	05/2021	39	39	349	35
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.39%	05/2021	30	30	266	26
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.39%	05/2021	30	30	266	26
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.33%	05/2021	30	30	266	26
Purfoods, LLC	Beverage, Food and Tobacco	One stop	N/A	7.00% PIK	05/2026	116	116	108	10
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.15%	05/2021	64	65	64	65
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.39%	05/2021	23	24	23	24
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.39%	05/2021	15	15	15	15
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.39%	05/2021	15	15	15	15
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.39%	05/2021	14	14	14	14
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.39%	05/2021	11	11	11	11
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.39%	05/2021	11	11	11	11
Purfoods, LLC	Beverage, Food and Tobacco	One stop	L + 6.00%	8.39%	05/2021	10	10	10	10
Purfoods, LLC[1]	Beverage, Food and Tobacco	One stop	L + 6.00%	N/A	05/2021	(1)	—	(5)	—
Quick Quack Car Wash Holdings, LLC	Automobile	One stop	L + 6.50%	8.74%	04/2023	8,652	8,751	4,548	4,(
Quick Quack Car Wash Holdings, LLC	Automobile	One stop	L + 6.50%	8.67%	04/2023	148	150	1,936	1,9
Quick Quack Car Wash Holdings, LLC	Automobile	LLC units	N/A	N/A	N/A	207	207	248	24
Quick Quack Car Wash Holdings, LLC	Automobile	One stop	L + 6.50%	8.70%	04/2023	39	40	39	40
	Automobile	One stop		N/A	04/2023	(4)	—	(56)	—

Quick Quack Car Wash Holdings, LLC(1)	L + 6.50%

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

						Actual Golub Capital BDC Inc.		Actual Golub Capital Investment Corporation	
Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Amortized Cost	Fair Value	Amortized Cost	Fair Valu
Quickbase, Inc.	Diversified/Conglomerate Service	One stop	L + 5.00%	7.39%	04/2022	$ —	$ —	$ 37,172	$37,7
Quickbase, Inc.	Diversified/Conglomerate Service	Common stock	N/A	N/A	N/A	—	—	—	1,05
Quickbase, Inc. (1)	Diversified/Conglomerate Service	One stop	L + 5.00%	N/A	04/2022	—	—	(2)	—
R.G. Barry Corporation	Personal, Food and Miscellaneous Services	Preferred stock	N/A	N/A	N/A	161	176	—	—
Radiology Partners, Inc.	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	85	191	—	—
Radiology Partners, Inc.	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	76	48	—	—
Reladyne, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 5.00%	7.34%	07/2022	16,691	16,878	10,609	10,6
Reladyne, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 5.00%	7.34%	07/2022	171	173	1,110	1,12
Reladyne, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 5.00%	7.34%	07/2022	141	142	965	973
Reladyne, Inc.	Diversified/Conglomerate Manufacturing	LP interest	N/A	N/A	N/A	249	498	242	484
Reladyne, Inc.(1)	Diversified/Conglomerate Manufacturing	Senior loan	L + 5.00%	N/A	07/2022	(3)	—	(19)	—
Riverchase MSO, LLC	Healthcare, Education and Childcare	Senior loan	L + 5.25%	7.64%	10/2022	4,880	4,930	4,840	4,89
Riverchase MSO, LLC	Healthcare, Education and Childcare	Senior loan	L + 5.25%	7.63%	10/2022	53	54	53	54

RSC Acquisition, Inc.	Insurance	Senior loan	L + 4.25%	6.72%	11/2022	4,358	4,369	26,712	26,7
RSC Acquisition, Inc.	Insurance	Senior loan	L + 4.25%	6.76%	11/2021	21	21	21	21
RSC Acquisition, Inc.[(1)]	Insurance	Senior loan	L + 4.25%	N/A	11/2022	(2)	(1)	(32)	(13
Rubio's Restaurants, Inc.	Beverage, Food and Tobacco	Senior loan	L + 5.25%	7.64%	10/2019	11,000	11,173	282	295
Rubio's Restaurants, Inc.	Beverage, Food and Tobacco	Preferred stock	N/A	N/A	N/A	945	1,236	—	—
Ruby Slipper Cafe LLC, The	Personal, Food and Miscellaneous Services	LLC units	N/A	N/A	N/A	123	151	186	227
Ruby Slipper Cafe LLC, The	Personal, Food and Miscellaneous Services	One stop	L + 7.50%	9.85%	01/2023	1,026	1,035	59	60
Ruby Slipper Cafe LLC, The	Personal, Food and Miscellaneous Services	One stop	L + 7.50%	9.84%	01/2023	4	5	56	70
Ruby Slipper Cafe LLC, The	Personal, Food and Miscellaneous Services	One stop	L + 7.50%	9.82%	01/2023	5	5	5	5
RXH Buyer Corporation	Healthcare, Education and Childcare	One stop	L + 5.75%	8.14%	09/2021	16,914	17,083	10,912	11,(
RXH Buyer Corporation	Healthcare, Education and Childcare	One stop	L + 5.75%	8.14%	09/2021	1,915	1,933	1,241	1,24
RXH Buyer Corporation	Healthcare, Education and Childcare	LP interest	N/A	N/A	N/A	683	290	443	188
RXH Buyer Corporation	Healthcare, Education and Childcare	One stop	P + 4.75%	9.19%	09/2021	90	92	90	92
Saba Software, Inc.	Diversified/Conglomerate Service	Senior loan	L + 4.50%	6.74%	05/2023	22,217	22,515	29,009	29,3
Saba Software, Inc.[(1)]	Diversified/Conglomerate Service	Senior loan	L + 4.50%	N/A	05/2023	(2)	—	(2)	—
Sage Dental Management, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	249	28	—	—
Sage Dental Management, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	3	—	—	—
Saldon Holdings, Inc.	Diversified/Conglomerate Service	Senior loan	L + 4.25%	6.41%	09/2022	741	746	598	601
Saldon Holdings, Inc.	Diversified/Conglomerate Service	Senior loan	L + 4.25%	6.41%	09/2022	713	713	575	575
SEI, Inc.	Electronics	Senior loan	L + 5.25%	7.49%	07/2023	5,428	5,477	6,398	6,45
SEI, Inc.	Electronics	LLC units	N/A	N/A	N/A	265	643	161	391
Self Esteem Brands, LLC	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	L + 4.75%	6.99%	02/2020	16,069	16,120	8,646	8,68

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**		**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub C Investm Corpora Amortiz Cost
Self Esteem Brands, LLC[1]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	L + 4.75%	N/A		02/2020	$ (3)	$ —	$ —
Senior Loan Fund LLC[4]	Investment Funds and Vehicles	LLC interest	N/A	N/A		N/A	75,407	71,084	—
SHO Holding I Corporation	Textiles and Leather	Senior loan	L + 5.00%	7.34	%	10/2022	2,181	2,122	1,870
SHO Holding I Corporation	Textiles and Leather	Senior loan	L + 4.00%	6.14	%	10/2021	15	12	15
SLMP, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.24	%	05/2023	294	298	5,528
SLMP, LLC	Healthcare, Education and Childcare	One stop	L + 6.00%	8.24	%	05/2023	7,406	7,544	4,644
SLMP, LLC	Healthcare, Education and Childcare	LLC interest	N/A	N/A		N/A	289	308	378
SLMP, LLC	Healthcare, Education and Childcare	One stop	N/A	7.50% PIK		05/2027	90	90	117
SLMP, LLC[1]	Healthcare, Education and Childcare	One stop	L + 6.00%	N/A		05/2023	(1)	—	(1
SLMP, LLC[1]	Healthcare, Education and Childcare	One stop	L + 6.00%	N/A		05/2023	(1)	—	(9
Sloan Company, Inc., The	Electronics	One stop	L + 13.00%	10.89% cash/4.50% PIK		04/2020	6,426	5,173	3,101
Sloan Company, Inc., The	Electronics	One stop	L + 13.00%	10.89% cash/4.50%		04/2020	432	346	210

				PIK				
Sloan Company, Inc., The	Electronics	LLC units	N/A	N/A	N/A	152	—	74
Sloan Company, Inc., The	Electronics	One stop	L + 13.00%	10.89% cash/4.50% PIK	04/2020	50	40	50
Sloan Company, Inc., The	Electronics	LLC units	N/A	N/A	N/A	14	—	7
Source Refrigeration & HVAC, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 4.75%	7.14 %	04/2023	9,352	9,453	7,161
Source Refrigeration & HVAC, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 4.75%	7.10 %	04/2023	110	111	1,425
Source Refrigeration & HVAC, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 4.75%	7.09 %	04/2023	56	57	732
Source Refrigeration & HVAC, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	P + 3.75%	9.00 %	04/2023	86	89	86
Source Refrigeration & HVAC, Inc.(1)	Diversified/Conglomerate Manufacturing	Senior loan	L + 4.75%	N/A	04/2023	(2)	—	(28
Southern Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74 %	05/2025	228	231	3,573
Southern Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74 %	05/2025	203	205	2,156
Southern Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74 %	05/2025	170	173	1,898
Southern Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74 %	05/2025	3,812	3,870	1,549
Southern Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74 %	05/2025	97	100	1,071
Southern Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74 %	05/2025	66	67	1,029
Southern Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74 %	05/2025	76	77	845
Southern Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74 %	05/2025	48	50	737
Southern Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	LLC units	N/A	N/A	N/A	216	333	282
		LLC units	N/A	N/A	N/A	2	24	3

Southern Veterinary Partners, LLC	Personal, Food and Miscellaneous Services								
Southern Veterinary Partners, LLC[1]	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	N/A		05/2023	(2)	—	(2
Southern Veterinary Partners, LLC[1]	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	N/A		05/2025	(7)	—	(79
Sovos Compliance	Electronics	One stop	L + 6.00%	8.24	%	03/2022	9,125	9,234	31,72
Sovos Compliance	Electronics	One stop	L + 6.00%	8.24	%	03/2022	1,536	1,553	5,312
Sovos Compliance	Electronics	One stop	L + 6.00%	8.24	%	03/2022	172	173	2,559
Sovos Compliance[1]	Electronics	One stop	L + 6.00%	N/A		03/2022	(1)	—	(1
Sovos Compliance[1]	Electronics	One stop	L + 6.00%	N/A		03/2022	(2)	—	(36

See notes to pro forma condensed consolidated financial statements.

Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

						Actual Golub Capital BDC Inc.		Actual Golub Capital Investment Corporation	
Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Spear Education, LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.75%	08/2019	$ 4,586	$ 4,597	$ 3,463	$ 3,46
Spear Education, LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.59%	08/2019	74	74	178	178
Spear Education, LLC	Healthcare, Education and Childcare	One stop	L + 6.25%	8.56%	08/2019	26	26	61	62
Spear Education, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	62	75	—	—
Spear Education, LLC	Healthcare, Education and Childcare	LLC units	N/A	N/A	N/A	1	28	—	—
SSH Corporation	Healthcare, Education and Childcare	Common stock	N/A	N/A	N/A	40	187	—	—
Summit Behavioral Healthcare, LLC	Healthcare, Education and Childcare	Senior loan	L + 4.75%	7.06%	10/2023	8,666	8,777	2,380	2,40
Summit Behavioral Healthcare, LLC	Healthcare, Education and Childcare	Senior loan	L + 4.75%	7.07%	10/2023	24	27	111	118
Summit Behavioral Healthcare, LLC	Healthcare, Education and Childcare	LLC interest	N/A	N/A	N/A	68	73	86	93
Summit Behavioral Healthcare, LLC	Healthcare, Education and Childcare	Senior loan	L + 4.75%	7.07%	10/2023	63	65	18	19
Summit Behavioral Healthcare, LLC	Healthcare, Education and Childcare	LLC interest	N/A	N/A	N/A	—	3	—	3
Sunless Merger Sub, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	L + 5.00%	7.28%	07/2019	1,384	1,381	261	274
Sunless Merger Sub, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	P + 3.75%	8.75%	07/2019	256	256	55	56

Sunless Merger Sub, Inc.	Diversified/Conglomerate Manufacturing	LP interest	N/A	N/A	N/A	160	—	—	—
Sunshine Sub, LLC	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 4.75%	6.99 %	05/2024	7,575	7,720	5,366	5,46
Sunshine Sub, LLC(1)	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 4.75%	N/A	05/2024	(1)	—	(1)	—
Sunshine Sub, LLC(1)	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 4.75%	N/A	05/2024	(3)	—	(39)	—
Surgical Information Systems, LLC	Healthcare, Education and Childcare	Common stock	N/A	N/A	N/A	414	535	—	—
Switchfly LLC(3)	Diversified/Conglomerate Service	One stop	P + 2.00%	7.25 %	04/2020	2,258	2,066	3,025	2,76
Switchfly LLC(3)	Diversified/Conglomerate Service	LLC units	N/A	N/A	N/A	408	534	542	710
Switchfly LLC(3)	Diversified/Conglomerate Service	One stop	P + 2.00%	7.25 %	06/2018	192	173	255	230
Switchfly LLC(3)	Diversified/Conglomerate Service	One stop	P + 2.00%	7.25 %	04/2020	17	15	17	15
Teaching Company, The	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 4.75%	7.09 %	07/2023	10,757	10,855	6,990	7,02
Teaching Company, The(1)	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 4.75%	N/A	07/2023	(1)	—	(1)	—
Team Technologies Acquisition Company	Personal and Non Durable Consumer Products (Mfg. Only)	Senior loan	L + 5.00%	7.35 %	12/2018	4,241	4,231	258	257
Team Technologies Acquisition Company	Personal and Non Durable Consumer Products (Mfg. Only)	Senior loan	L + 5.50%	7.85 %	12/2018	781	792	48	48
Team Technologies Acquisition Company(1)	Personal and Non Durable Consumer Products (Mfg. Only)	Senior loan	L + 5.00%	N/A	12/2018	—	(1)	—	—
Team Technologies Acquisition Company	Personal and Non Durable Consumer Products (Mfg. Only)	Common stock	N/A	N/A	N/A	114	292	—	—
Teasdale Quality Foods, Inc.	Grocery	Senior loan	L + 4.75%	6.92 %	10/2020	—	—	116	115
Teasdale Quality Foods, Inc.	Grocery	Senior loan	L + 4.75%	6.92 %	10/2020	321	317	77	76
Telesoft, LLC	Diversified/Conglomerate Service	One stop	L + 5.00%	7.34 %	07/2022	4,129	4,160	5,259	5,29
Telesoft, LLC(1)		One stop		N/A	07/2022	(1)	—	(1)	—

Diversified/Conglomerate Service	L + 5.00%

See notes to pro forma condensed consolidated financial statements.

Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub Capital Investment Corporation Amortized Cost	Actual Golub Capital Investment Corporation Fair Val
Titan Fitness, LLC	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 6.50%	8.61 %	06/2021	$ 12,846	$ 12,952	$ 1,933	$ 1,
Titan Fitness, LLC	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 6.50%	8.61 %	06/2021	1,949	1,954	291	29
Titan Fitness, LLC	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 6.50%	8.61 %	06/2021	1,712	1,716	256	25
Titan Fitness, LLC	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 6.50%	8.61 %	06/2021	920	927	137	13
Titan Fitness, LLC[1]	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 6.50%	N/A	06/2021	(9)	—	—	—
Titan Fitness, LLC	Leisure, Amusement, Motion Pictures, Entertainment	LLC units	N/A	N/A	N/A	712	1,403	—	—
Togetherwork Holdings, LLC	Diversified/Conglomerate Manufacturing	One stop	L + 6.50%	8.74 %	03/2025	9,031	9,066	6,632	6,
Togetherwork Holdings, LLC	Diversified/Conglomerate Manufacturing	One stop	L + 6.50%	8.74 %	03/2025	114	114	1,610	1,
Togetherwork Holdings, LLC	Diversified/Conglomerate Manufacturing	One stop	L + 6.50%	8.74 %	03/2025	106	107	1,499	1,
Togetherwork Holdings, LLC	Diversified/Conglomerate Manufacturing	One stop	L + 6.50%	8.74 %	03/2025	549	552	670	67

Togetherwork Holdings, LLC[(1)]	Diversified/Conglomerate Manufacturing	One stop	L + 6.50%	N/A	03/2024	(1)	(1)	(1)	(1
Togetherwork Holdings, LLC[(1)]	Diversified/Conglomerate Manufacturing	One stop	L + 6.50%	N/A	03/2025	(3)	(2)	(30)	(2
Togetherwork Holdings, LLC[(1)]	Diversified/Conglomerate Manufacturing	One stop	L + 6.50%	N/A	03/2025	(2)	(1)	(39)	(1
TouchTunes Interactive Networks, Inc.	Broadcasting and Entertainment	Senior loan	L + 4.75%	6.99 %	05/2021	1,444	1,447	682	68
Transaction Data Systems, Inc.	Diversified/Conglomerate Service	One stop	L + 5.25%	7.50 %	06/2021	38,889	39,051	45,942	46
Transaction Data Systems, Inc.	Diversified/Conglomerate Service	One stop	L + 5.25%	7.64 %	06/2021	14	15	14	15
Tresys Technology Holdings, Inc.[(2)]	Aerospace and Defense	One stop	L + 6.75%	8.99 %	12/2018	3,845	780	28	11
Tresys Technology Holdings, Inc.[(2)]	Aerospace and Defense	One stop	L + 6.75%	8.99 %	12/2018	658	659	9	9
Tresys Technology Holdings, Inc.	Aerospace and Defense	Common stock	N/A	N/A	N/A	295	—	—	—
Trintech, Inc.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.20 %	12/2023	10,756	10,875	11,853	11
Trintech, Inc.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.20 %	12/2023	3,375	3,412	5,999	6,
Trintech, Inc.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.20 %	12/2023	28	30	28	30
Tronair Parent, Inc.	Aerospace and Defense	Senior loan	L + 4.75%	7.56 %	09/2023	363	366	363	36
Tronair Parent, Inc.	Aerospace and Defense	Senior loan	L + 4.50%	7.03 %	09/2021	79	80	79	80
True Commerce, Inc.	Diversified/Conglomerate Service	One stop	L + 5.75%	8.14 %	11/2023	5,550	5,610	7,032	7,
True Commerce, Inc.	Diversified/Conglomerate Service	One stop	L + 5.75%	8.14 %	11/2023	—	—	2,760	2,
True Commerce, Inc.	Diversified/Conglomerate Service	One stop	L + 5.75%	8.14 %	11/2023	—	—	918	92
True Commerce, Inc.[(1)]	Diversified/Conglomerate Service	One stop	L + 5.75%	N/A	11/2023	(1)	—	(1)	—
U.S. Renal Care, Inc.	Healthcare, Education and Childcare	LP interest	N/A	N/A	N/A	2,665	1,796	—	—
Uinta Brewing Company[(2)]	Beverage, Food and Tobacco	One stop	L + 8.50%	10.74 %	08/2019	3,716	2,459	898	59
Uinta Brewing Company[(2)]	Beverage, Food and Tobacco	One stop	L + 8.50%	10.74 %	08/2019	691	444	167	10
Uinta Brewing Company	Beverage, Food and Tobacco	LP interest	N/A	N/A	N/A	462	—	—	—
Upserve, Inc.	Diversified/Conglomerate Service	One stop	L + 5.50%	7.65 %	07/2023	2,948	2,947	2,156	2,

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**		**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost		Actual Golub Capital BDC Inc. Fair Value		Actual Golub C Investm Corpora Amortiz Cost
Upserve, Inc.	Diversified/Conglomerate Service	One stop	L + 5.50%	N/A		07/2023	$ —		$ —		$ —
Upserve, Inc.[1]	Diversified/Conglomerate Service	One stop	L + 5.50%	N/A		07/2023	(1	)	(1	)	(10
Valant Medical Solutions, Inc.	Diversified/Conglomerate Service	One stop	L + 11.00%	10.88% cash/2.25% PIK		10/2020	775		828		985
Valant Medical Solutions, Inc.	Diversified/Conglomerate Service	One stop	N/A	6.00% PIK		02/2020	149		184		189
Valant Medical Solutions, Inc.	Diversified/Conglomerate Service	Warrant	N/A	N/A		N/A	68		51		86
Valant Medical Solutions, Inc.	Diversified/Conglomerate Service	One stop	L + 11.00%	10.88% cash/2.25% PIK		10/2020	10		10		10
Velocity Technology Solutions, Inc.	Diversified/Conglomerate Service	One stop	L + 6.00%	8.39	%	12/2023	8,103		8,228		10,26
Velocity Technology Solutions, Inc.[1]	Diversified/Conglomerate Service	One stop	L + 6.00%	N/A		12/2023	(1	)	—		(1
Vendavo, Inc.	Diversified/Conglomerate Service	One stop	L + 8.50%	10.81	%	10/2022	28,441		28,936		6,876
Vendavo, Inc.	Diversified/Conglomerate Service	Preferred stock	N/A	N/A		N/A	1,017		1,332		—
Vendavo, Inc.[1]	Diversified/Conglomerate Service	One stop	L + 8.50%	N/A		10/2022	(9	)	—		(5

Vendor Credentialing Service LLC	Diversified/Conglomerate Service	One stop	L + 5.75%	7.99	%	11/2021	11,949	12,115	7,490
Vendor Credentialing Service LLC	Diversified/Conglomerate Service	One stop	L + 5.75%	N/A		11/2021	—	—	—
Verisys Corporation	Diversified/Conglomerate Service	One stop	L + 7.75%	10.14	%	01/2023	3,844	3,886	4,705
Verisys Corporation	Diversified/Conglomerate Service	LLC interest	N/A	N/A		N/A	261	239	318
Verisys Corporation(1)	Diversified/Conglomerate Service	One stop	L + 7.75%	N/A		01/2023	(1)	—	(1
Veterinary Specialists of North America, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.69	%	07/2021	7,278	7,331	3,785
Veterinary Specialists of North America, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74	%	07/2021	122	123	460
Veterinary Specialists of North America, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74	%	07/2021	755	764	416
Veterinary Specialists of North America, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74	%	07/2021	413	415	227
Veterinary Specialists of North America, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74	%	07/2021	160	160	88
Veterinary Specialists of North America, LLC	Personal, Food and Miscellaneous Services	LLC units	N/A	N/A		N/A	106	185	56
Veterinary Specialists of North America, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74	%	07/2021	10	12	37
Veterinary Specialists of North America, LLC	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	7.74	%	07/2021	62	62	33
Veterinary Specialists of North America, LLC(1)	Personal, Food and Miscellaneous Services	One stop	L + 5.50%	N/A		07/2021	(2)	—	(1
Vitalyst, LLC	Diversified/Conglomerate Service	Preferred stock	N/A	N/A		N/A	61	88	—
Vitalyst, LLC			N/A	N/A		N/A	7	—	—

	Diversified/Conglomerate Service	Common stock							
Watchfire Enterprises, Inc.	Electronics	Second lien	L + 8.00%	10.39	%	10/2021	9,338	9,435	—
WBZ Investment LLC	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 5.50%	7.64	%	09/2020	5,049	5,097	3,429
WBZ Investment LLC	Leisure, Amusement, Motion Pictures, Entertainment	LLC interest	N/A	N/A		N/A	49	49	56
WBZ Investment LLC	Leisure, Amusement, Motion Pictures, Entertainment	LLC interest	N/A	N/A		N/A	33	33	38
WBZ Investment LLC	Leisure, Amusement, Motion Pictures, Entertainment	LLC interest	N/A	N/A		N/A	27	27	31
WBZ Investment LLC	Leisure, Amusement, Motion Pictures, Entertainment	LLC interest	N/A	N/A		N/A	24	24	27

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

Portfolio Company	Industry	**Investment Type**	**Spread Above Index**	**Interest Rate**	**Maturity Date**	Actual Golub Capital BDC Inc. Amortized Cost	Actual Golub Capital BDC Inc. Fair Value	Actual Golub Ca[p] Corporati[on] Amortize[d] Cost
WBZ Investment LLC	Leisure, Amusement, Motion Pictures, Entertainment	LLC interest	N/A	N/A	N/A	$ 10	$ 10	$ 12
WBZ Investment LLC	Leisure, Amusement, Motion Pictures, Entertainment	LLC interest	N/A	N/A	N/A	1	1	1
WBZ Investment LLC(1)	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 5.50%	N/A	09/2024	—	(1)	—
WBZ Investment LLC(1)	Leisure, Amusement, Motion Pictures, Entertainment	One stop	L + 5.50%	N/A	09/2024	(2)	(2)	(27
Wetzel's Pretzels, LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.75%	8.99%	09/2021	8,805	8,922	8,212
Wetzel's Pretzels, LLC	Personal, Food and Miscellaneous Services	Common stock	N/A	N/A	N/A	160	221	149
Wetzel's Pretzels, LLC	Personal, Food and Miscellaneous Services	One stop	L + 6.75%	8.86%	09/2021	2	3	2
WHCG Management, LLC	Healthcare, Education and Childcare	Senior loan	L + 5.00%	7.39%	03/2023	2,348	2,370	3,913
WHCG Management, LLC	Healthcare, Education and Childcare	LLC interest	N/A	N/A	N/A	246	135	314
WHCG Management, LLC	Healthcare, Education and Childcare	Senior loan	L + 5.00%	7.35%	03/2023	99	100	99
WHCG Management, LLC(1)	Healthcare, Education and Childcare	Senior loan	L + 5.00%	N/A	03/2023	(2)	—	(20

Whitcraft LLC	Aerospace and Defense	One stop	L + 6.25%	8.64%	04/2023	12,298	12,439	15,961
Whitcraft LLC	Aerospace and Defense	One stop	L + 6.25%	8.64%	04/2023	192	194	4,114
Whitcraft LLC	Aerospace and Defense	Common stock	N/A	N/A	N/A	375	611	688
Whitcraft LLC[1]	Aerospace and Defense	One stop	L + 6.25%	N/A	04/2023	(1)	—	(1
Whitcraft LLC[1]	Aerospace and Defense	One stop	L + 6.25%	N/A	04/2023	(2)	—	(53
WIRB-Copernicus Group, Inc.	Healthcare, Education and Childcare	Senior loan	L + 4.25%	6.49%	08/2022	10,834	10,901	10,364
WIRB-Copernicus Group, Inc.[1]	Healthcare, Education and Childcare	Senior loan	L + 4.25%	N/A	08/2022	(1)	—	(1
WIRB-Copernicus Group, Inc.[1]	Healthcare, Education and Childcare	Senior loan	L + 4.25%	N/A	08/2022	(2)	—	(22
Workforce Software, LLC	Diversified/Conglomerate Service	One stop	L + 6.50%	8.83%	06/2021	5,756	5,790	24,677
Workforce Software, LLC	Diversified/Conglomerate Service	One stop	L + 6.50%	8.81%	06/2021	571	577	2,431
Workforce Software, LLC	Diversified/Conglomerate Service	LLC units	N/A	N/A	N/A	323	371	1,373
Workforce Software, LLC[1]	Diversified/Conglomerate Service	One stop	L + 6.50%	N/A	06/2021	(1)	—	(1
WRE Holding Corp.	Ecological	Senior loan	L + 4.75%	6.99%	01/2023	999	1,008	1,297
WRE Holding Corp.	Ecological	Senior loan	L + 4.75%	6.99%	01/2023	42	42	904
WRE Holding Corp.	Ecological	Senior loan	L + 4.75%	6.99%	01/2023	5	5	108
WRE Holding Corp.	Ecological	Senior loan	L + 4.75%	6.99%	01/2023	21	21	21
Xmatters, Inc. and Alarmpoint, Inc.	Diversified/Conglomerate Service	Preferred stock	N/A	N/A	N/A	221	211	212
Xmatters, Inc. and Alarmpoint, Inc.	Diversified/Conglomerate Service	Warrant	N/A	N/A	N/A	34	16	33
Xmatters, Inc. and Alarmpoint, Inc.	Diversified/Conglomerate Service	Preferred stock	N/A	N/A	N/A	10	12	10
Total investments before Pro Forma Adjustments						$ 1,780,652	$ 1,782,841	$ 1,663,1
Pro Forma Adjustments								
Estimated Purchase Price Allocation Adjustment Before Purchase Premium [5]						—	—	—
Estimated Purchase Premium Adjustment [5]						—	—	—
Total investments						$ 1,780,652	$ 1,782,841	$ 1,663,1

(1) The negative fair value is the result of the capitalized discount on the loan or the unfunded commitment being valued below par. The negative amortized cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.

See notes to pro forma condensed consolidated financial statements.

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Golub Capital BDC, Inc. and Subsidiaries

Pro Forma Condensed Schedule of Investments (continued)

Unaudited

As of September 30, 2018

(Dollar Amounts in Thousands)

(2) Asset is on non-accrual status.

(3) The combined company is deemed to be an “affiliated person” of the portfolio company. Under the 1940 Act, the combined company generally is deemed to be an “affiliated person” of a portfolio company if it owns 5% or more of the portfolio company’s voting securities and generally is deemed to “control” a portfolio company if it owns more than 25% of the portfolio company’s voting securities or it has the power to exercise control over the management or policies of such portfolio company.

(4) The combined company is deemed to be an “affiliated person” of and deemed to control the portfolio company. Under the 1940 Act, the combined company generally is deemed to “control” a portfolio company if it owns more than 25% of the portfolio company’s voting securities or it has the power to exercise control over the management or policies of such portfolio company.

(5) Upon consummation of the Merger and in accordance with ASC 805-50, *Business Combinations—Related Issues*, GBDC will be required to allocate the purchase price of GCIC’s assets based on GBDC’s estimate of fair value and record such fair value as the initial fair value of each such investment in GBDC’s financial statements. GBDC determined that the fair value of GCIC's investments approximates historical fair value, therefore GBDC will recognize the cost of GCIC's investments at fair value plus the purchase premium. A final determination of the fair value of GCIC’s investments will be made after the Merger is completed and, as a result, the actual amount of this adjustment may vary from the preliminary amount set forth herein. Thus, the information set forth in the columns reflect historical amounts and have not been individually adjusted to reflect the Estimated Purchase Price Allocation Adjustment Before Purchase Premium and the Estimated Purchase Premium Adjustment.

See notes to pro forma condensed consolidated financial statements.

CAPITALIZATION

The following table sets forth (1) GBDC's and GCIC's actual capitalization at September 30, 2018 and (2) GBDC's capitalization as adjusted to reflect the effects of the Merger. You should read this table together with GBDC's and GCIC's condensed consolidated financial data and the pro forma financial information included elsewhere in this joint proxy statement/prospectus.

	As of September 30, 2018 (unaudited, dollar amounts in thousands, except share and per share data)			
	Actual Golub Capital BDC, Inc.	Actual Golub Capital Investment Corporation	**Pro Forma Adjustments** [1]	Pro Forma Golub Capital BDC, Inc. Combined
Cash and cash equivalents	$ 6,037	$ 14,659	$ (8,921)	$ 11,775
Debt	842,749	760,409	1,921	1,605,079
Stockholders' equity	968,854	932,209	(4,421)	1,896,642
Total Capitalization	$ 1,817,640	$ 1,707,277	$ (11,421)	$ 3,513,496
Total shares outstanding	60,165,454	62,147,237	(8,389,877)	113,922,814
Net assets per share	$ 16.10	$ 15.00		$ 16.65

(1) See notes to pro forma financial statements for explanations of Pro Forma Adjustments.

See notes to pro forma condensed consolidated financial statements.

THE MERGER

The discussion in this joint proxy statement/prospectus, which includes the material terms of the Merger and the principal terms of the Merger Agreement, is subject to, and is qualified in its entirety by reference to, the Merger Agreement, a copy of which is attached as Annex B to this joint proxy statement/prospectus.

General Description of the Merger

Pursuant to the terms of the Merger Agreement, at the Effective Time, Merger Sub will be merged with and into GCIC. GCIC will be the surviving company and will continue its existence as a corporation under the laws of the State of Maryland. As of the Effective Time, the separate corporate existence of Merger Sub will cease. Immediately after the occurrence of the Effective Time, in the Subsequent Combination, the surviving company will merge with and into GBDC in accordance with the MGCL and the DGCL, with GBDC as the surviving entity.

If the Merger is consummated, each GCIC stockholder will be entitled to receive 0.865 shares of GBDC Common Stock (the “Exchange Ratio”) for each share of GCIC Common Stock. The number of shares of GBDC Common Stock to be received will be subject to adjustment only if, between the date of the Merger Agreement and the effective time of the Merger, the respective outstanding shares of GBDC Common Stock or GCIC Common Stock have increased or decreased or changed into or been exchanged for a different number or kind of shares or securities, in each case, as a result of any reclassification, recapitalization, stock split, reverse stock split, split-up, combination or exchange of shares, or if a stock dividend or dividend payable in any other securities is declared with a record date within such period.

Following the Merger, GBDC intends to continue its operations as conducted before the Merger.

Background of the Merger

In connection with the private placement of its securities, GCIC disclosed to its investors that it intended to seek a Liquidity Event (as defined below) within three to four years of the commencement of its operations on December 31, 2014 and that if it had not consummated a Liquidity Event within six years of the commencement of operations, the GCIC Board (to the extent consistent with its fiduciary duties and subject to any necessary stockholder approvals and applicable requirements of the 1940 Act) would use its commercially reasonable efforts to wind down or liquidate and dissolve GCIC or to consummate a strategic sale to a third party.

GCIC defined a “Liquidity Event” as any of the following: (1) an initial public offering of GCIC Common Stock or the listing of GCIC Common Stock on a national securities exchange, (2) a distribution to GCIC stockholders of either (a) cash proceeds from an orderly liquidation of GCIC’s investments or (b) securities or other assets of GCIC’s as a distribution-in-kind, or (3) a sale of some or all of GCIC’s assets to, or other liquidity event with, an entity for consideration of either cash and/or publicly listed securities of the acquirer, which potential acquirers may include other business development companies, including business development companies affiliated with GC Advisors, and entities that are not business development companies.

The GBDC Board regularly reviews the long-term strategic plan of GBDC with the goal of maximizing stockholder value. As part of that review and the GBDC Board’s regular ongoing evaluation of business opportunities, from time to time, the GBDC Board has considered and engaged in discussions concerning possible strategic transactions available to GBDC, such as mergers, acquisitions, joint ventures and other similar transactions.

On May 4, 2018, the GCIC Board held a regularly scheduled meeting at which management of GCIC discussed the various alternatives for a Liquidity Event as well as the approvals required for each type of Liquidity Event. Representatives from Dechert LLP (“Dechert”), counsel to GCIC, GBDC, and GC Advisors, and Blank Rome LLP (“Blank Rome”), independent counsel to the GCIC Independent Directors and the GBDC Independent Directors, were present at the meeting and responded to questions raised. The GCIC Board discussed the various alternatives available for a Liquidity Event. Following the May 4, 2018 meeting, management of GCIC, on behalf of the GCIC Independent Directors, engaged in discussions with various investment banks, including UBS Securities LLC (“UBS”), to potentially serve as a financial advisor to the GCIC Independent Directors in connection with the evaluation of the various alternatives for a Liquidity Event.

On August 7, 2018, the GCIC Board held a regularly scheduled meeting. At the meeting, representatives of UBS presented to the GCIC Independent Directors regarding its credentials in advisory work and discussed the various alternatives available for a Liquidity Event for GCIC, including considerations of the advantages and disadvantages of each alternative. Representatives of Dechert and Blank Rome were present at the meeting and, along with the representatives from UBS, discussed the Liquidity Event alternatives with the GCIC directors and responded to questions. After evaluating the qualifications of UBS, including its relationships with relevant parties, the GCIC Independent Directors authorized the officers of GCIC as well as the personnel of GC Advisors to negotiate the engagement of UBS as a financial advisor to the GCIC Independent Directors. Subsequent to the meeting, UBS was retained to act as the financial advisor to the GCIC Independent Directors.

On October 18, 2018, the GCIC Board and GBDC Board each held a special meeting. Representatives of GC Advisors, Dechert, and Blank Rome were also in attendance. At its meeting, the GCIC Independent Directors received a presentation from representatives of UBS regarding various alternatives for a Liquidity Event, including a merger with GBDC. Following the presentation, the GCIC Independent Directors met in executive session with Blank Rome to discuss the information presented. At the meeting, the GCIC Independent Directors directed the representatives of UBS to provide further analysis and guidance regarding a Liquidity Event consisting of a merger with GBDC. Following this determination by the GCIC Independent Directors, the GBDC Board and the GBDC Independent Directors discussed a merger with GCIC as well as the engagement of a financial advisor to the GBDC Independent Directors. A representative of KBW reviewed KBW’s experience regarding advisory work to business development companies. After evaluating the qualifications of KBW, including whether KBW had relationships with relevant parties, the GBDC Independent Directors authorized the officers of GBDC as well as the personnel of GC Advisors to negotiate the engagement of KBW as a financial advisor to the GBDC Independent Directors (in their collective capacity as such). Subsequent to the meeting, KBW was retained to act as the financial advisor to the GBDC Independent Directors (in their collective capacity as such). At the meeting, the GBDC Board and the GCIC Board identified and discussed potential conflicts of interests related to a merger of GCIC and GBDC. In addition, representatives of Dechert reviewed with the members of the GBDC Board and the GCIC Board the fiduciary duties and statutory standards of conduct applicable to them as directors, as well as regulatory, tax and corporate matters relevant to a merger of GCIC and GBDC.

On November 16, 2018, the GCIC Board and GBDC Board each held a special meeting. In addition, the GCIC Independent Directors and GBDC Independent Directors each met separately. Representatives of GC Advisors, Dechert, and Blank Rome were also in attendance, along with representatives from UBS and KBW, at various times.

At its meeting, the GCIC Independent Directors and representatives of UBS reviewed, among other things, the various Liquidity Event alternatives and discussed recent market developments that provided further information regarding the potential benefits and considerations of the Liquidity Event alternatives. Representatives of UBS reviewed with the GCIC Independent Directors its preliminary transaction analysis of the Initial Merger. Representatives of UBS discussed various ranges of exchange ratios at which a transaction could provide a premium to GCIC stockholders. In its analysis, UBS noted that the proposed premiums to GCIC stockholders at the various ratios within the ranges presented a higher premium as compared to other possible Liquidity Event alternatives while also providing the potential for future value creation for GCIC stockholders based on the potential trading price and liquidity of the combined company. A potential special distribution by GBDC to its stockholders prior to the closing of the Merger was also discussed, including, among other things, the impact the special distribution would have on the analysis of the transaction. Representatives of UBS discussed with the GCIC Independent Directors the use of a fixed or a floating exchange ratio and the various benefits and considerations of each, noting, among other things, that one possible benefit of a fixed exchange ratio would be to permit GCIC stockholders to benefit from any possible share price appreciation of GBDC Common Stock between announcement and closing of the Merger. Representatives of UBS also discussed potential synergies of the combined company. Representatives of UBS, along with representatives of GC Advisors, Dechert, and Blank Rome responded to questions raised by the GCIC Independent Directors. Following the presentation by UBS, the representatives of UBS left the meeting.

Also at the meeting, the GBDC Board and the GBDC Independent Directors reviewed with KBW information regarding, among other things, the transaction rationale and investment highlights for the potential merger with GCIC, considerations regarding the exchange ratio, considerations regarding transaction structure and process and liquidity considerations. KBW discussed the potential that a merger with GCIC could provide NAV accretion to GBDC at a range of exchange ratios and, given the trading history of GBDC Common Stock, could potentially provide additional value to GBDC stockholders. Various advantages that could accrue to GBDC were also discussed, including the potential for improved trading liquidity, broader analyst coverage and additional institutional investor interest in a larger company following closing of the Merger. KBW discussed the overlap in investments between the GCIC portfolio and the GBDC portfolio and the advantages to GBDC from the acquisition of a known, diversified portfolio of assets. KBW compared the acquisition of assets in a merger with GCIC to other alternatives, including a follow-on public offering of GBDC Common Stock similar to GBDC's prior practice. KBW noted, among other things, that such a public offering would likely be effected at a discount to the current trading price of GBDC Common Stock and that the cash received in a public offering would need to be invested in new portfolio company investments which would not be known at the time of closing of the offering. On the other hand, a merger with GCIC would provide for the immediate acquisition of a known portfolio of investments, providing immediate investment returns as opposed to the lower yields that would be expected from temporary investments made by GBDC following a follow-on public offering until longer-term investments could be found. KBW then reviewed various potential exchange ratios and also discussed potential benefits and other considerations of a fixed exchange ratio as compared to a floating exchange ratio, noting that a fixed exchange ratio could help establish a fixed accretion to GBDC NAV upon closing of a Merger. The KBW representatives discussed the potential impact of any special distributions declared by GBDC prior to consummation of the Merger on the combined company. KBW, along with representatives of GC Advisors, Dechert and Blank Rome, responded to questions from the GBDC Independent Directors regarding the information presented.

In advance of the November 16, 2018 board meetings, a draft of the Merger Agreement had been circulated to the GBDC Board and the GCIC Board, which draft agreement included input from Blank Rome with respect to its structure and content. At the meetings, representatives of Dechert reviewed material provisions of the draft Merger Agreement with the GBDC Board and the GCIC Board and responded to questions from the GBDC Independent Directors and the GCIC Independent Directors. The GCIC Independent Directors met in executive session with Blank Rome to discuss the draft Merger Agreement.

In addition, the GBDC Board discussed with management the accounting treatment that would be applicable to the Merger and the consequences of the asset acquisition method of accounting on both the financial statements of GBDC after closing of the Merger as well as the incentive fees payable to GC Advisors under the Current GBDC Investment Advisory Agreement. It was noted that the asset acquisition method of accounting was not expected to have any tax consequences for the GBDC stockholders or GCIC stockholders as the Merger would still be considered a "reorganization" under the Code. However, the GBDC Independent Directors discussed with management that a premium paid for the acquisition of another BDC in a merger, such as the Merger would, immediately following closing of the Merger, create unrealized depreciation for GBDC because GBDC would be required write down the former GCIC assets to their fair value. The effects of this unrealized depreciation and subsequent realized loss upon the disposition of the GCIC assets acquired, with a corresponding reversal of the unrealized depreciation, resulting from the asset acquisition method of accounting on GBDC were discussed. In addition, GC Advisors presented to the GBDC Board regarding a potential revision to the Current GBDC Investment Advisory Agreement. The proposed amendments would not change the management or incentive fee rates but would seek to (i) exclude any amounts resulting solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger, including the Merger, from amounts subject to the incentive fees and incentive fee cap and (ii) convert the cumulative incentive fee cap to a per share calculation to adjust the calculation for the much larger combined company. At the request of the GBDC Board, GC Advisors agreed to present the proposed amendment and provide additional information to be requested by the GBDC Board at the next meeting of the GBDC Board. GC Advisors responded to questions from the GBDC Independent Directors regarding the information presented.

Subsequent to the November 16, 2018 meetings, the GBDC Independent Directors and the GCIC Independent Directors communicated separately with Blank Rome regarding various matters related to the Merger, including the potential exchange ratio and provisions of the Merger Agreement. The GBDC Independent Directors and GCIC Independent Directors considered a range of exchange ratios that they believe would be acceptable with respect to each of GBDC and GCIC, respectively. The overlap of these acceptable ranges in terms of premium to GCIC's NAV as of September 30, 2018 ranged from a 5% premium to a 7.5% premium. The GBDC Independent Directors and the GCIC Independent Directors considered the benefits of the transaction to each of GBDC and GCIC and determined to instruct their respective financial advisors to consider an exchange ratio corresponding to a 6.25% premium to GCIC's NAV as of September 30, 2018, with the premium adjusted to 7.05% to reflect a potential $0.12 per share special distribution to be declared by GBDC's Board but not paid until after establishing the exchange ratio.

Based on these conversations, each of the GBDC Independent Directors and the GCIC Independent Directors provided instructions to their respective financial advisors regarding a proposed exchange ratio corresponding to a 7.05% premium to GCIC's NAV as of September 30, 2018 for purposes of the opinions to be rendered by the financial advisors. In addition, Blank Rome provided additional comments from the GCIC Independent Directors and the GBDC Independent Directors to Dechert to be incorporated into a revised draft of the Merger Agreement. Venable LLP provided comments with respect to Maryland law matters as well. The comments received were incorporated into a revised draft of the Merger Agreement and circulated to all of the members of the GBDC Board and GCIC Board in advance of the meetings on November 27, 2018.

On November 27, 2018, each of the GCIC Board and the GBDC Board held a regularly scheduled meeting. In addition, the GCIC Independent Directors and the GBDC Independent Directors each met separately. Representatives of GC Advisors, Dechert, and Blank Rome were also in attendance, along with representatives from UBS for the GCIC Board meeting and representatives of KBW for the GBDC meeting. At the various meetings, representatives of Dechert reviewed with the GCIC Independent Directors and the GBDC Independent Directors the revised draft of the Merger Agreement that had been circulated prior to the meeting and its material provisions and also reviewed with the directors their fiduciary duties and statutory standards of conduct as directors, the requirements of Rule 17a-8 of the 1940 Act, and tax, regulatory, and corporate matters.

The GBDC Board received a presentation from GC Advisors regarding the materials provided prior to the meeting with respect to the New Investment Advisory Agreement. The GBDC Board, including each of the GBDC Independent Directors, voted unanimously to approve the New Investment Advisory Agreement to take effect, subject to receipt of GBDC stockholder approval, upon the closing of the Merger. See “GBDC Proposal 3: Approval of Advisory Agreement Amendment Proposal—GBDC Board Approval of the New Investment Advisory Agreement” for a description of the information considered by the GBDC Board in approving the New Investment Advisory Agreement.

Representatives of UBS joined the meeting of the GCIC Board and the GCIC Independent Directors to review certain financial aspects of the potential merger with the GCIC Independent Directors. The GCIC Independent Directors met in executive session with representatives of UBS and Blank Rome to discuss UBS’ analyses and the proposed exchange ratio. Following the executive session, UBS rendered an oral opinion to the GCIC Independent Directors and the GCIC Board (in their capacity as such) as to the fairness of the Exchange Ratio from a financial point of view, to the holders of GCIC Common Stock (other than any shares held by GBDC or any of its consolidated subsidiaries) subsequently confirmed by delivery of a written opinion, as more fully described in the section entitled “—Opinion of the Financial Advisor to the GCIC Independent Directors” beginning on page 127. Following a discussion of the foregoing matters and other matters presented, the GCIC Independent Directors determined that the Merger Agreement, the Initial Merger and the other transactions contemplated by the Merger Agreement are advisable and in the best interests of GCIC and recommended the Initial Merger to the GCIC Board. Thereafter, based in part upon the unanimous recommendations of the GCIC Independent Directors, the GCIC Board, including the GCIC Independent Directors, unanimously (1) determined that the Merger Agreement, the Initial Merger and the other transactions contemplated by the Merger Agreement are advisable and in the best interests of GCIC, (2) approved and adopted the Merger Agreement, (3) approved the Initial Merger and the other transactions contemplated by the Merger Agreement and

(4) determined that the Merger would satisfy the requirements of Rule 17a-8 under the 1940 Act. The GCIC Board then directed that such matters be submitted to GCIC stockholders for approval and recommended that GCIC stockholders vote to approve the same.

Also at the November 27, 2018 meeting, after the representatives of UBS left the meeting, KBW joined the meeting of the GBDC Board and the GBDC Independent Directors to review certain financial aspects of the potential merger with the GBDC Independent Directors. The GBDC Independent Directors met in executive session with KBW and Blank Rome to discuss KBW's analyses and the proposed Exchange Ratio, and KBW rendered an opinion to the GBDC Independent Directors, acting collectively, and, at the request of the GBDC Independent Directors, the GBDC Board (in its capacity as such), which opinion was initially rendered orally and subsequently confirmed by delivery of a written opinion, to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the Exchange Ratio was fair, from a financial point of view, to GBDC, as more fully described in the section entitled "—Opinion of the Financial Advisor to the GBDC Independent Directors" beginning on page 119. Following a discussion of the foregoing matters, the GBDC Independent Directors determined that the Merger Agreement, the Merger and the other transactions contemplated by the Merger Agreement are advisable and in the best interests of GBDC and recommended the Merger to the GBDC Board. Thereafter, based in part upon the unanimous recommendation of the GBDC Independent Directors, the GBDC Board unanimously (1) approved and adopted the Merger Agreement, (2) approved the Merger upon the terms and subject to the conditions set forth in the Merger Agreement, (3) determined that the Merger would satisfy the requirements of Rule 17a-8 under the 1940 Act, and (4) approved the issuance by GBDC of shares of GBDC Common Stock in connection with the Merger. The GBDC Board then directed that such matters be submitted to GBDC stockholders for approval and recommended that GBDC stockholders vote to approve them.

Following the November 27, 2018 meetings of the GBDC Board and the GCIC Board, GBDC, GCIC, Merger Sub, GC Advisors and Golub Capital LLC executed and delivered the Merger Agreement. GBDC and GCIC issued a press release announcing the execution of the Merger Agreement on Wednesday, November 28, 2018.

Reasons for the Merger

GBDC

At various telephonic and in-person Board meetings, the GBDC Board, including each of the GBDC Independent Directors, considered the approval of the Merger with GCIC, including the Merger Agreement and the New Investment Advisory Agreement. In connection with its consideration, the GBDC Independent Directors requested and GC Advisors provided information regarding the proposed Merger, GCIC, and the anticipated effects of the Merger on GBDC and its stockholders, both immediately after the Merger and over the longer-term assuming that some portion of the anticipated benefits of the Merger are realized. The GBDC Board also considered the effect of the New Investment Advisory Agreement on the combined company following the closing of the Merger as well as the effect of the Merger on the Current GBDC Investment Advisory Agreement if no changes were approved. Over the course of its review of the materials and information provided and its consideration of the Merger and the New Investment Advisory Agreement, the GBDC Board, including each of the GBDC Independent Directors, consulted with GBDC's management, GC Advisors and GBDC's legal advisors. In addition, the GBDC Independent Directors were advised by Blank Rome, their independent legal counsel under the 1940 Act, and by KBW, their financial advisor. The GBDC Board considered the nature and adequacy of the information provided, including the terms of the Merger Agreement and their duties under state and federal law in approving the Merger and conflicts of interest present in the transactions provided for in the Merger Agreement. The GBDC Board considered numerous factors, including the ones described below, in connection with its consideration and approval of the Merger. On November 27, 2018, the GBDC Board, including all of the GBDC Independent Directors, unanimously determined that (i) the Merger is in the best interests of GBDC and in the best interests of GBDC's stockholders, and that GBDC stockholders will not suffer any dilution for purposes of Rule 17a-8 of the 1940 Act as a result of the Merger and (ii) that the New Investment Advisory Agreement should be approved and submitted to the GBDC stockholders for approval.

In considering the Merger, the GBDC Board, with the participation throughout of the GBDC Independent Directors, reviewed comparative information about GBDC and GCIC including, among other items: (1) their investment goals, strategies, policies and restrictions; (2) their individual holdings and the quality of such holdings, including, in particular, the holdings of GCIC that were not currently held by GBDC; (3) their valuation policies and procedures; (4) their existing leverage facilities; (5) their short-term and long-term investment performance history and financial results; (6) the amount of past dividends and distributions and the anticipated effect of the Merger on future GBDC earnings and distributions; (7) the current and historical premium at which GBDC trades; and (8) their respective investment advisory agreements and expense ratios. In addition, the GBDC Board, including each of the GBDC Independent Directors, reviewed comprehensive information regarding the anticipated immediate benefits and possible risks to GBDC as a result of the Merger, and the anticipated investment, market and financial synergies to be experienced by the combined company over the shorter and longer-term. The GBDC Board also considered the impact of the changes to the calculation of incentive fees and the incentive fee cap under the New Investment Advisory Agreement on the combined company. See "GBDC Proposal 3: Approval of Advisory Agreement Amendment Proposal—GBDC Board Approval of the New Investment Advisory Agreement" for a description of the information considered by the GBDC Board in approving the New Investment Advisory Agreement. With respect to the potential financial impacts to GBDC as a result of the Merger, the GBDC Board also considered information and analysis from KBW, the financial advisor engaged by the GBDC Independent Directors to provide financial advisory and investment banking services to the GBDC Independent Directors, including an opinion to the GBDC Independent Directors and, at the request of the GBDC Independent Directors, the GBDC Board regarding the fairness, from a financial point of view, to GBDC of the Exchange Ratio.

The GBDC Board and all of the GBDC Independent Directors, separately as a group, weighed various benefits and risks in considering the Merger, both with respect to the immediate effects of the Merger on GBDC and its stockholders and with respect to the potential benefits that could be experienced by the combined company after the Merger. Some of the material factors considered by the GBDC Board, including the GBDC Independent Directors, that assisted it in concluding that the Merger is in the best interests of GBDC and its stockholders included, among others:

Accretive to GBDC NAV per share at Closing. The GBDC Board and all of the GBDC Independent Directors, separately as a group, considered that the Merger would be accretive to stand-alone NAV of GBDC under a range of premiums due to the fact that GBDC shares would be issued at a premium to its NAV based on its current trading price and NAV per share as of September 30, 2018. The GBDC Board noted that the NAV accretion would be locked in under a fixed exchange ratio structure. The GBDC Board and the GBDC Independent Directors considered that the Merger Agreement included a condition to closing that, as of a determination date that is within 48 hours (excluding Sundays and holidays) prior to the closing of the Merger, both (a) the value of the consideration paid by GBDC, measured as the product of the Exchange Ratio and the greater of the closing market price and the NAV per share of GBDC Common Stock, is greater than or equal to the NAV per share of GCIC Common Stock and (b) the product of the Exchange Ratio and the NAV per share of the GBDC Common Stock is less than or equal to the NAV per share of the GCIC Common Stock.

Value Creation from GBDC NAV per share accretion. The GBDC Board and all of the GBDC Independent Directors, separately as a group, considered GBDC’s historical trading history noting that it had consistently traded at an average premium to NAV of 15% over the preceding three years. As a result, given the NAV accretion expected at closing, the GBDC Board considered the potential for future share price accretion resulting from GBDC continuing to trade at a premium similar to its historical trading performance at an increased NAV per share.

Increased Scale and Liquidity. The GBDC Board and all of the GBDC Independent Directors, separately as a group, considered advantages expected to accrue to the combined company as a result of its larger size. The GBDC Board noted that the combined company would be the fourth largest externally managed, publicly traded BDC based on the NAV of GBDC and GCIC as of September 30, 2018. The GBDC Board reviewed analysis that suggests that larger BDCs tend to have higher average daily trading volumes, which would give existing GBDC stockholders more flexibility to manage their investments and would be expected to attract new investors seeking a more liquid vehicle than stand-alone GBDC. The GBDC Board also considered that larger BDCs generally have broader coverage by equity research. This coverage is also expected to expand the potential stockholder base of the combined company, potentially resulting in a higher trading valuation and greater flexibility to raise opportunistic capital on attractive terms.

Acquisition of a Known, Diversified Portfolio of Assets. The GBDC Board and all of the GBDC Independent Directors, separately as a group, noted that over 95% of GCIC’s investments overlap with those of GBDC. Given this overlap, the pro forma portfolio would remain similar to GBDC’s stand-alone portfolio and the acquisition of GCIC at a discount to GBDC's trading price and GCIC's NAV could be seen as the acquisition of more of GBDC at a discount. The GBDC Board also considered the advantages to acquiring immediately known income-producing assets as opposed to the process of raising incremental capital in follow-on offerings, which could result in lower returns for the period after closing a follow-on offering when GBDC holds the invested cash in temporary investments pending the finding of attractive investment opportunities.

Greater Access to Long-Term, Low-Cost, Flexible Debt Capital. The GBDC Board and all of the GBDC Independent Directors, separately as a group, discussed how the combined company may have an opportunity to improve its liability profile because of better access to the securitization market than GBDC would be expected to obtain on its own. The GBDC Board noted that debt securitizations can offer advantages over traditional bank credit facilities including lower interest rates, longer reinvestment periods, longer terms and greater flexibility. The GBDC Board discussed that the size of the combined company should allow it to pursue additional securitizations and create a more flexible balance sheet.

Operational Synergies. The GBDC Board and all of the GBDC Independent Directors, separately as a group, also considered that, as a result of the Merger, certain redundant professional services and other corporate expenses would be eliminated, which would reduce the potential expenses of the combined company as compared to the sum of expenses of GBDC and GCIC on a stand-alone basis. The GBDC Board noted that, although certain one-time costs would be borne by GBDC stockholders in connection with the Merger, the annual operating expense borne by GBDC stockholders on a pro rata basis is expected to be reduced as a percentage of net assets due to the elimination of redundant expenses. The GBDC Board found that the expected decrease in the expenses of the combined entity would benefit GBDC and its stockholders if the Merger is approved.

Investment Strategies and Risks. The GBDC Board and all of the GBDC Independent Directors, separately as a group, reviewed both GBDC's and GCIC's investment program and noted that they have identical investment objectives and substantially similar strategies and risks and that each focuses on primarily investing in one stop and other senior secured loans of U.S. middle-market companies. The GBDC Board and all of the GBDC Independent Directors, separately as a group, took into consideration that GBDC and GCIC are each managed by GC Advisors and, after the merger, the investment experience of GBDC stockholders would likely be comparable in the combined entity.

Tax Consequences. The GBDC Board and all of the GBDC Independent Directors, separately as a group, considered that the Merger is anticipated to be treated as a tax-free reorganization for federal income tax purposes and GBDC stockholders are not expected to recognize any gain or loss for U.S. federal income tax purposes as a result of the Merger.

Opinion of Financial Advisor. The GBDC Board considered an opinion, dated November 27, 2018, of KBW to the GBDC Independent Directors, acting collectively, and, at the request of the GBDC Independent Directors, the GBDC Board as to the fairness, from a financial point of view and as of the date of the opinion, to GBDC of the Exchange Ratio in the proposed Initial Merger, as more fully described below in the section entitled "—Opinion of the Financial Advisor to the GBDC Independent Directors."

Other Considerations. In addition, the GBDC Board and all of the GBDC Independent Directors, separately as a group, considered that the Merger Agreement provides that GCIC will be required to pay a termination fee to GBDC, and GBDC will be required to pay a termination fee to GCIC, in certain circumstances if the Merger is not completed. In addition, the GBDC Board noted that the Merger is not expected to affect the ability of GBDC to comply with its regulatory obligations, including its ability to maintain appropriate leverage and continue to operate in compliance with the asset coverage requirements set forth in the 1940 Act and to pay dividends required of RICs.

The GBDC Board and the GBDC Independent Directors also considered the incentive fees that would be payable to GC Advisors upon termination of the GCIC Investment Advisory Agreement immediately after closing of the Initial Merger based on GCIC's financial statements as of September 30, 2018. The Initial Merger results in the effective sale of GCIC and all of its assets and liabilities to GBDC and the Merger Agreement provides for the termination of the GCIC Investment Advisory Agreement, which would require a final calculation of the capital gain incentive fee as of the termination date. The final calculation of the capital gain incentive fee will treat all of GCIC's investments as being sold at their respective fair values on the date immediately preceding the closing of the Merger. Assuming the Initial Merger had been completed on September 30, 2018, GCIC would have a payment to GC Advisors of a Capital Gain Incentive Fee of $2.3 million pursuant to the GCIC Investment Advisory Agreement upon its termination immediately following the closing of the Initial Merger. The premium to NAV paid for the shares of GCIC Common Stock in the Merger would also require GCIC to pay a Subordinated Liquidation Incentive Fee to GC Advisors in the amount of $6.6 million as a result of the purchase premium paid by GBDC based on the closing market price of GBDC Common Stock on November 26, 2018, the last trading day prior to execution of the Merger Agreement.

When considering the information described above, including all of the anticipated effects of the Merger on GBDC and its stockholders and the related pro forma information, the GBDC Board noted that information based on projections and assumptions may be incorrect, is subject to change, and may fluctuate over time. The GBDC Board acknowledged that the pro forma information and the projections and assumptions on which the potential expenses, earnings, yield, dividend and trading price information is based depends on many factors and variables, including among other things, asset mix, the performance of individual investments, changing cost of service providers, portfolio turnover level, leverage, the cost of leverage, changes in interest rates and general market conditions. The GBDC Board noted that there is no assurance that any of the potential benefits to GBDC or its stockholders as a result of the Merger will be realized, including any anticipated synergies, and that the combined entity could experience detrimental effects that had not been anticipated.

In the course of its deliberations, the GBDC Board and all of the GBDC Independent Directors, separately as a group, also considered a variety of risks and other potentially negative factors, including the following (which are not in any relative order of importance):

- *Failure to Close*. It is possible that the Merger may not be completed or that completion may be unduly delayed for reasons beyond the control of GCIC or GBDC.

- *Management Diversion*. It is possible that the attention of management may be diverted during the period prior to completion of the Merger, which may adversely affect GBDC's business.

- *Restrictions on Conduct of Business*. The restrictions on the conduct of GBDC's business prior to completion of the Merger, requiring GBDC to conduct its business only in the ordinary course of business in all material respects, subject to specific limitations, could delay or prevent GBDC from undertaking business opportunities that may arise pending completion of the Merger.

- *Restrictions on Superior Proposals*. The Merger Agreement includes restrictions on the ability of GBDC to solicit proposals for alternative transactions or engage in discussions regarding such proposals, subject to exceptions and termination provisions, which in some cases requires payment of a termination fee by GBDC (as more fully described in the section entitled "Description of the Merger Agreement—Additional Agreements" beginning on page 134), which could have the effect of discouraging such proposals from being made or pursued.

- *Termination Fee*. If the Merger is not completed, GBDC may be required to pay a termination fee equal to $29 million to GCIC in certain circumstances.

- *Fees Associated with the Merger*. In general, GBDC will be responsible for the expenses incurred by GBDC in connection with the Merger and the completion of the transactions contemplated by the Merger Agreement, whether or not the Merger is consummated, including half of the costs and expenses of any filing and other fees payable by GBDC to the SEC in connection with the Merger.

- *Absence of Appraisal Rights*. GBDC stockholders are not entitled to appraisal rights under Delaware law.

- *Other Risks*. There are various other risks associated with the Merger and the business of GBDC and the combined company described in the section entitled "Risk Factors" beginning on page 19 and in the section entitled "Special Note Regarding Forward-Looking Statements" beginning on page 63.

This discussion of the information and factors that the GBDC Board considered in making its decision is not intended to be exhaustive, but includes the material factors considered by the GBDC Board. Because of the wide variety of factors considered in connection with its evaluation of the Merger and Merger Agreement and the complexity of those matters, the GBDC Board did not find it useful to, and did not attempt to, quantify, rank or otherwise assign relative weights to these factors. In addition, the individual members of the GBDC Board may have given different weights to different factors.

The GBDC Independent Directors consulted with KBW, as its financial advisor, in evaluating the financial terms of the Merger. In addition, the GBDC Board relied on its legal advisors for legal analysis in connection with the Merger transaction.

The GBDC Board and the GBDC Independent Directors considered all of these factors and others as a whole and, on balance, determined the Merger to be in the best interests of GBDC and GBDC's stockholders and unanimously approved the Merger and the Merger Agreement.

GCIC

At various telephonic and in-person Board meetings, the GCIC Board, including the GCIC Independent Directors, considered various alternatives for a Liquidity Event. Each of the GCIC Board and the GCIC Independent Directors (in their capacity as such) sought to complete a careful, methodical process to evaluate potential Liquidity Event options by evaluating, among other things, (a) the value created through each Liquidity Event transaction, (b) the incremental value created through potential share price appreciation following the closing of a Liquidity Event and (c) the degree of liquidity provided by each Liquidity Event alternative in order to make an overall assessment of the value to GCIC stockholders of each Liquidity Event considered. In connection with its consideration of the Merger, the GCIC Independent Directors requested and GC Advisors provided information regarding the proposed Merger, GBDC, and the anticipated effects of the Merger on GCIC and its stockholders, both immediately after the Merger and over the longer-term assuming that some portion of the anticipated benefits of the Merger are realized. The GCIC Board also considered the effect of the New Investment Advisory Agreement on the combined company following the closing of the Merger. Over the course of its review of the materials and information provided and its consideration of the Merger, the GCIC Board, including the GCIC Independent Directors as a group, consulted with GCIC's management, GC Advisors and GCIC's legal and financial advisors. In addition, the GCIC Independent Directors were advised by Blank Rome, their independent legal counsel under the 1940 Act, and UBS, their independent financial advisor. The GCIC Board and the GCIC Independent Directors as a group considered the nature and adequacy of the information provided, including the terms of the Merger Agreement and their duties and statutory standards of conduct under state and federal law in approving the Merger and the conflicts of interest presented by the transactions provided for in the Merger Agreement. The GCIC Board considered numerous factors, including the ones described below, in connection with its consideration and approval of the Merger. On November 27, 2018, the GCIC Board, including all of the GCIC Independent Directors as to the Initial Merger, unanimously determined that the Merger is in the best interests of GCIC and in the best interests of GCIC's stockholders, and that GCIC stockholders will not suffer any dilution for purposes of Rule 17a-8 of the 1940 Act as a result of the Merger.

In considering the Merger, the GCIC Board, with the participation throughout of the GCIC Independent Directors as a group, reviewed comparative information about GBDC and GCIC including, among other items: (1) their investment goals, strategies, policies and restrictions; (2) their individual holdings and the quality of such holdings, including, in particular, where such holdings differed between the companies; (3) their valuation policies and procedures; (4) their existing leverage facilities; (5) their short-term and long-term investment performance history and financial results; (6) the amount of past dividends and distributions and the anticipated effect of the Merger on future earnings and distributions by GBDC; (7) the current and historical premium at which GBDC trades; and (8) their respective investment advisory agreements and expense ratios. In addition, the GCIC Board, including the GCIC Independent Directors as a group, reviewed comprehensive information regarding the anticipated immediate benefits and possible risks to each of GBDC and GCIC as a result of the Merger, the anticipated investment, market and financial synergies to be experienced by the combined company over the shorter and longer-term, and the changes to the calculation of incentive fees and the incentive fee cap under the New Investment Advisory Agreement on the combined company. With respect to the potential impacts to GCIC and its stockholders as a result of the Merger, each of the GCIC Board and the GCIC Independent Directors also considered information and analysis from UBS, the financial advisor engaged by the GCIC Independent Directors to provide an opinion to the GCIC Board regarding the fairness of the Exchange Ratio with respect to the Initial Merger.

The GCIC Board and the GCIC Independent Directors, separately as a group, weighed various benefits and risks in considering the Initial Merger, both with respect to the immediate effects of the Merger on GCIC and its stockholders and with respect to the potential benefits that could be experienced by the combined company after the Merger. Some of the material factors considered by the GCIC Board, including the GCIC Independent Directors as a group with respect to the Initial Merger, that assisted it in concluding that the Merger is in the best interests of GCIC and its stockholders included, among others:

Premium to GCIC's NAV per share. The GCIC Board and the GCIC Independent Directors, separately as a group, considered that the Merger Consideration would be in the form of a fixed exchange ratio reflecting a premium to GCIC's NAV per share based on the trading price of GBDC Common Stock immediately prior to announcement of the Merger. The GCIC Board and the GCIC Independent Directors considered that the Merger Agreement included a condition to closing that, as of a determination date that is within 48 hours (excluding Sundays and holidays) prior to the closing of the Merger, both (a) the value of the consideration paid by GBDC, measured as the product of the Exchange Ratio and the greater of the closing market price and the NAV per share of GBDC Common Stock, is greater than or equal to the NAV per share of GCIC Common Stock and (b) the product of the Exchange Ratio and the NAV per share of the GBDC Common Stock is less than or equal to the NAV per share of the GCIC Common Stock.

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Incremental Value from Accretion to GBDC's NAV per share. The GCIC Board and the GCIC Independent Directors, separately as a group, considered that the GBDC Common Stock has historically traded at a premium to its NAV per share and that the Merger was expected to be accretive to GBDC's NAV per share on the closing of the Merger. The GCIC Board and the GCIC Independent Directors, separately as a group, discussed how GCIC stockholders could benefit from further increases in GBDC's trading price following closing of the Merger if GBDC's share price were to increase to match the premium to NAV per share at which it has historically traded.

Increased Scale and Liquidity. The GCIC Board and the GCIC Independent Directors, separately as a group, considered that the Merger would provide liquidity for the GCIC stockholders as GCIC Common Stock was not currently traded and transfers were restricted by the terms of the subscription agreements executed by GCIC stockholders. In the Merger, GCIC stockholders would receive publicly traded GBDC Common Stock. Additionally, incorporating the assets of GCIC as a result of the Merger would increase GBDC's market capitalization and make it the fourth largest externally managed BDC based on the NAV of GBDC and GCIC as of September 30, 2018. The GCIC Board and the GCIC Independent Directors, separately as a group, considered that the larger size of the combined company creates the potential for greater secondary market liquidity for GBDC Common Stock, which would inure to the benefit of former GCIC stockholders upon their becoming holders of GBDC Common Stock in the Merger. The GCIC Board noted that GBDC's increased profile could result in additional market coverage of GBDC by financial analysts and, potentially, an increased focus by current and potential investors on the combined company, including institutional investors.

Merger with a Known, Diversified Portfolio of Assets. The GCIC Board and the GCIC Independent Directors, separately as a group, noted that the pro forma portfolio of the combined company would remain similar to GCIC's stand-alone portfolio given significant overlap between the current GCIC and GBDC portfolios.

Greater Access to Long-Term, Low-Cost, Flexible Debt Capital. The GCIC Board and the GCIC Independent Directors, separately as a group, considered that GBDC and GCIC have comparable funding structures and available borrowing capacity. The larger scale of the combined company could enhance GBDC's capacity to use securitizations to reduce funding costs and improve flexibility relative to bank facilities. The GCIC Board and the GCIC Independent Directors, separately as a group, discussed how the combined company may have an opportunity to improve its liability profile because of better access to the securitization market than GCIC would be expected to obtain on its own. The GCIC Board and the GCIC Independent Directors, separately as a group, noted that debt securitizations can offer advantages over traditional bank credit facilities including lower interest rates, longer reinvestment periods, longer terms and greater flexibility. The GCIC Board and the GCIC Independent Directors, separately as a group, discussed that the size of the combined company should allow it to pursue additional securitizations and create a more flexible balance sheet.

Potential for Operational Synergies. The GCIC Board and the GCIC Independent Directors, separately as a group, considered that the Merger offered the potential to create operating synergies due to the elimination of redundant professional services and other corporate expenses.

More Favorable Incentive Fee Structure. The GCIC Board and the GCIC Independent Directors, separately as a group, noted that both the Current GBDC Investment Advisory Agreement and the New Investment Advisory Agreement had a higher hurdle rate than the GCIC Investment Advisory Agreement and that the base management fee rate and incentive fee rates under the Current GBDC Investment Advisory Agreement and the New investment Advisory Agreement were the same as the existing post-liquidity event terms under the GCIC Investment Advisory Agreement. The GCIC Board and the GCIC Independent Directors, separately as a group, discussed the New Investment Advisory Agreement and the proposed change to the calculation of incentive fees and the incentive fee cap from the Current GBDC Investment Advisory to exclude any amounts resulting solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger, such as the premium to NAV to be paid for the shares of GCIC common stock in the Merger and revise the calculation of the cap on incentive fees payable to GC Advisors into a per share calculation while maintaining the same 20% cap and look back to GBDC's initial public offering. See "GBDC Proposal 2: Approval of Advisory Agreement Amendment Proposal" for a discussion of the proposed amendments to the Current GBDC Investment Advisory Agreement.

The GCIC Board and the GCIC Independent Directors, separately as a group, also considered the incentive fees that would be payable to GC Advisors upon termination of the GCIC Investment Advisory Agreement immediately after closing of the Initial Merger based on GCIC's financial statements as of September 30, 2018. The Initial Merger results in the effective sale of GCIC and all of its assets and liabilities to GBDC and the Merger Agreement provides for the termination of the GCIC Investment Advisory Agreement, which would require a final calculation of the capital gain incentive fee as of the termination date. The final calculation of the capital gain incentive fee will treat all of GCIC's investments as being sold at their respective fair values on the date immediately preceding the closing of the Merger. Assuming the Initial Merger had been completed on September 30, 2018, GCIC would have a payment to GC Advisors of a Capital Gain Incentive Fee of $2.3 million pursuant to the GCIC Investment Advisory Agreement upon its termination immediately following the closing of the Initial Merger. The premium to NAV paid for the shares of GCIC Common Stock in the Merger would also require GCIC to pay a Subordinated Liquidation Incentive Fee to GC Advisors in the amount of $6.6 million as a result of the purchase premium paid by GBDC based on the closing market price of GBDC Common Stock on November 26, 2018, the last trading day prior to execution of the Merger Agreement.

Investment Strategies and Risks. The GCIC Board and the GCIC Independent Directors, separately as a group, reviewed both GCIC's and GBDC's investment program and noted that they have identical investment objectives and substantially similar strategies and risks and that each focuses on primarily investing in one stop and other senior secured loans of U.S. middle-market companies. The GCIC Board and the GCIC Independent Directors, separately as a group, took into consideration that GCIC and GBDC are each managed by GC Advisors and, after the Merger, GCIC stockholders would be invested in a similarly structured investment vehicle and that their investment experience would likely be comparable in the combined entity.

Continuity of GC Advisors and Management Team. The GCIC Board and the GCIC Independent Directors, separately as a group, considered that the combined company would have the same investment advisor and management team that have already been considered and approved by the GCIC Board and the GCIC Independent Directors. The GCIC Board, including the GCIC Independent Directors, separately as a group, believed that, because there would be no change in the investment advisor, the combined entity and the GCIC stockholders would receive the same quality of services from the GC Advisors as they are currently receiving and would continue to benefit from the experience and expertise of its current portfolio management and credit team. In this regard, the GCIC Board and all of the GCIC Independent Directors, separately as a group, viewed favorably the overall investment and operational performance of GC Advisors, as well as GC Advisors' demonstrated competence in evaluating and effectively arranging for Merger for the benefit of stockholders.

Tax Consequences of the Merger. It is expected that the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code. GCIC stockholders are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of GCIC Common Stock for shares of GBDC Common Stock pursuant to the Merger, except with respect to cash received in lieu of fractional shares of GBDC Common Stock. GCIC stockholders will receive a distribution of their proportionate share of GCIC's undistributed net investment income and net realized gains, if any, prior to or shortly after the completion of the Merger that generally will be taxable to taxable stockholders for U.S. federal, state and local income tax purposes. This distribution may include return of capital which would generally result in a reduction in basis.

Opinion of UBS. UBS rendered an opinion to the GCIC Independent Directors as a group and the GCIC Board on November 27, 2018 as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of GCIC Common Stock (other than shares of GCIC Common Stock held by GBDC or any of its consolidated subsidiaries, including Merger Sub) of the Exchange Ratio provided for in the Initial Merger, as more fully described below in the section entitled "—Opinion of the Financial Advisor to the GCIC Independent Directors."

In the course of its deliberations, the GCIC Board and the GCIC Independent Directors, separately as a group, also considered a variety of risks and other potentially negative factors, including the following (which are not in any relative order of importance):

- *Failure to Close*. It is possible that the Merger may not be completed or that completion may be unduly delayed for reasons beyond the control of GCIC or GBDC.

- *Management Diversion*. It is possible that the attention of management may be diverted during the period prior to completion of the Merger, which may adversely affect GCIC's business.

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- *Restrictions on Conduct of Business*. The restrictions on the conduct of GCIC's business prior to completion of the Merger, requiring GCIC to conduct its business only in the ordinary course of business in all material respects, subject to specific limitations, could delay or prevent GCIC from undertaking business opportunities that may arise pending completion of the Merger.

- *Restrictions on Superior Proposals*. The Merger Agreement includes restrictions on the ability of GCIC to solicit proposals for alternative transactions or engage in discussions regarding such proposals, subject to exceptions and termination provisions, which in some cases requires payment of a termination fee by GCIC (as more fully described in the section entitled "Description of the Merger Agreement—Additional Agreements" beginning on page 134), which could have the effect of discouraging such proposals from being made or pursued.

- *Termination Fee*. If the Merger is not completed, GCIC may be required to pay a termination fee equal to $29 million to GBDC in certain circumstances.

- *Fees Associated with the Merger*. In general, GCIC will be responsible for the expenses incurred by GCIC in connection with the Merger and the completion of the transactions contemplated by the Merger Agreement, whether or not the Merger is consummated, including half of the costs and expenses of any filing and other fees payable by GCIC to the SEC in connection with the Merger.

- *Absence of Appraisal Rights*. GCIC stockholders are not entitled to appraisal rights under Maryland law.

- *Other Risks*. There are various other risks associated with the Merger and the business of GCIC and the combined company described in the section entitled "Risk Factors" beginning on page 19 and in the section entitled "Special Note Regarding Forward-Looking Statements" beginning on page 63.

This discussion of the information and factors that the GCIC Board and the GCIC Independent Directors, separately as a group, considered in making its decision is not intended to be exhaustive, but includes the material factors considered by the GCIC Board and the GCIC Independent Directors, separately as a group. Because of the wide variety of factors considered in connection with its evaluation of the Merger and Merger Agreement and the complexity of those matters, the GCIC Board and the GCIC Independent Directors, separately as a group, did not find it useful to, and did not attempt to, quantify, rank or otherwise assign relative weights to these factors. In addition, the individual members of the GCIC Board may have given different weights to different factors.

The GCIC Independent Directors relied on the experience of UBS, as their financial advisor, for evaluation of the financial terms of the Merger and for its opinion to the GCIC Independent Directors as to the fairness, from a financial point of view, of the Exchange Ratio to the holders of GCIC Common Stock (other than any shares held by GBDC or any of its consolidated subsidiaries). In addition, the GCIC Board relied on its legal advisors for legal analysis in connection with the Merger transaction.

The GCIC Board and the GCIC Independent Directors, separately as a group, with respect to the Initial Merger, considered all of these factors and others as a whole and, on balance, determined the Merger to be in the best interests of GCIC and GCIC's stockholders and unanimously approved the Merger and the Merger Agreement.

GBDC Board Recommendation

The GBDC Board, including, after separate meetings and discussion, all of the GBDC Independent Directors, separately as a group, with respect to the Initial Merger, has unanimously approved (i) the Merger Agreement and related transactions, including the Merger, (ii) the issuance of shares of GBDC Common Stock pursuant to the Merger Agreement and (iii) the amendment of the Current GBDC Investment Advisory Agreement. The GBDC Board, including each of the GBDC Independent Directors, has unanimously approved the amendment to the GBDC certificate of incorporation to increase the authorized capital stock of GBDC, declared such amendment to be advisable and directed that the amendment be submitted to the stockholders of GBDC for approval at the GBDC Special Meeting. The GBDC Board, including each of the GBDC Independent Directors, unanimously recommends that GBDC stockholders vote "FOR" the Certificate of Incorporation Amendment Proposal, "FOR" the Merger Stock Issuance Proposal and "FOR" the Advisory Agreement Amendment Proposal.

GCIC Board Recommendation

The GCIC Board, including, after separate meetings and discussion, all of the Independent Directors, has unanimously approved the Merger Agreement and related transactions, including the Merger, and unanimously recommend that GCIC stockholders vote “FOR” the Merger Proposal.

Opinion of the Financial Advisor to the GBDC Independent Directors

GBDC and the GBDC Independent Directors (in their collective capacity as such) engaged KBW to render financial advisory and investment banking services to the GBDC Independent Directors, including an opinion to the GBDC Independent Directors and, as requested by the GBDC Independent Directors, the GBDC Board as to the fairness, from a financial point of view, to GBDC of the Exchange Ratio in the proposed Initial Merger. The GBDC Independent Directors selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the Merger. As part of its investment banking business, KBW is regularly engaged in the valuation of business development company securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the meeting of the GBDC Board held on November 27, 2018 at which the GBDC Board evaluated the proposed Merger. At this meeting, KBW reviewed the financial aspects of the proposed Merger and rendered an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the Exchange Ratio in the proposed Initial Merger was fair, from a financial point of view, to GBDC. The GBDC Board approved the Merger Agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as **Annex E** to this joint proxy statement/prospectus and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

KBW’s opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the GBDC Independent Directors (in their collective capacity as such) and, as requested by the GBDC Independent Directors, the GBDC Board (in its capacity as such) in connection with their respective consideration of the financial terms of the transaction. The opinion addressed only the fairness, from a financial point of view, of the Exchange Ratio in the Initial Merger to GBDC. It did not address the underlying business decision of GBDC to engage in the transaction or enter into the Merger Agreement or constitute a

recommendation to the GBDC Independent Directors or the GBDC Board in connection with the transaction, and it does not constitute a recommendation to any holder of GBDC Common Stock or any stockholder of any other entity as to how to vote in connection with the transaction or any other matter, nor does it constitute a recommendation as to whether or not any such stockholder should enter into a voting, stockholders', affiliates' or other agreement with respect to the transaction or exercise any dissenters' or appraisal rights that may be available to such stockholder.

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of GBDC and GCIC and bearing upon the transaction, including, among other things:

- a draft of the merger agreement, dated November 27, 2018 (the most recent draft then made available to KBW);
- the audited financial statements and the Annual Reports on Form 10-K for the three fiscal years ended September 30, 2018 of GBDC;

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- the audited financial statements and the Annual Reports on Form 10-K for the three fiscal years ended September 30, 2018 of GCIC;
- certain other interim reports and other communications of GBDC and GCIC to their respective stockholders; and
- other financial information concerning the respective businesses and operations of GBDC and GCIC furnished to KBW by GBDC and GCIC or which KBW was otherwise directed to use for purposes of its analysis.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

- the historical and current financial position and results of operations of GBDC and GCIC;
- the assets and liabilities of GBDC and GCIC;
- the nature and terms of certain other merger transactions and business combinations in the BDC industry;
- a comparison of certain financial and stock market information of GBDC and certain financial information of GCIC with similar information for certain other companies, the securities of which were publicly traded;
- financial and operating forecasts and projections of GCIC that were prepared by GC Advisors management (which acts as the investment adviser to both GBDC and GCIC), provided to and discussed with KBW by such management, and used and relied upon by KBW based on such discussions, at the direction of GBDC and with the consent of the GBDC Independent Directors, acting collectively;
- publicly available consensus "street estimates" of GBDC for fiscal years 2019 through 2020, as well as long-term dividend and book value value assumptions for GBDC provided to KBW by GC Advisors management, all of which information was discussed with KBW by such management and used and relied upon by KBW based on such discussions, at the direction of GBDC and with the consent of the GBDC Independent Directors, acting collectively; and
- estimates regarding certain pro forma financial effects of the transaction on GBDC (including without limitation the cost savings and related expenses expected to result or be derived from the transaction) that were prepared by GC Advisors management, provided to and discussed with KBW by such management, and used and relied upon by KBW based on such discussions, at the direction of GBDC and with the consent of the GBDC Independent Directors, acting collectively.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the BDC industry generally. KBW also participated in discussions with GC Advisors management regarding the past and current business operations, financial condition and future prospects of GBDC and GCIC and such other matters as KBW deemed relevant to its inquiry.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information that was provided to it or that was publicly available and did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon GC Advisors management, with the consent of GBDC and the GBDC Independent Directors, as to the reasonableness and achievability of the financial and operating forecasts and projections of GCIC, the publicly available consensus "street estimates" of GBDC, the long-term dividend and net asset value assumptions for GBDC, and the estimates regarding certain pro forma financial effects of the transaction on GBDC (including, without limitation, the cost savings and related expenses expected to result or be derived from the transaction), all as referred to above (and the assumptions and bases for all such information), and KBW assumed that all such information was reasonably prepared and represented, or in the case of the publicly available consensus "street estimates" referred to above that such estimates were consistent with, the best currently available estimates and judgments of GC Advisors management and that the forecasts, projections and estimates reflected in such information would be realized in the amounts and in the time periods estimated.

It is understood that the portion of the foregoing financial information of GBDC and GCIC that was provided to KBW was not prepared with the expectation of public disclosure and that all of the foregoing financial information, including the publicly available consensus "street estimates" of GBDC referred to above, was based on numerous variables and assumptions that are inherently uncertain (including, without limitation, factors related to general economic and competitive conditions) and, accordingly, actual results could vary significantly from those set forth in all of such information. KBW assumed, based on discussions with GC Advisors management and with the consent of the GBDC Independent Directors, acting collectively, that all such information provided a reasonable basis upon which KBW could form its opinion, and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either GBDC or GCIC since the date of the last financial statements of each such entity that were made available to KBW and that KBW was directed to use. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of GBDC or GCIC, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of GBDC or GCIC under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

At GBDC's direction, KBW assumed the occurrence of anticipated issuances of GCIC Common Stock by drawdowns of capital commitments from GCIC stockholders (the "GCIC Equity Issuances"), the special distribution of $0.12 per share declared by the GBDC Board on November 27, 2018 prior to announcement of the Merger (the "GBDC Special Distribution") and the effectiveness of the New Investment Advisory Agreement for purposes of KBW's analyses. KBW assumed, in all respects material to its analyses:

- the transaction would be completed substantially in accordance with the terms set forth in the Merger Agreement (the final terms of which KBW assumed would not differ in any respect material to its analyses from the draft version of the merger agreement that was reviewed) with no adjustments to the exchange ratio and with no other consideration or payments in respect of the GCIC Common Stock;
- any related transactions (including the GCIC Equity Issuances, the GBDC Special Distribution and the effectiveness of the New Investment Advisory Agreement) would be completed substantially in accordance with the terms set forth in the Merger Agreement or as otherwise described to KBW by representatives of GBDC;
- the representations and warranties of each party in the Merger Agreement and in all related documents and instruments referred to in the Merger Agreement were true and correct;
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- each party to the Merger Agreement or any of the related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

- there were no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the transaction or any related transaction and all conditions to the completion of the transaction and any related transaction would be satisfied without any waivers or modifications to the merger agreement or any of the related documents; and

- in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the transaction and any related transactions, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of GBDC, GCIC or the pro forma entity or the contemplated benefits of the transaction, including without limitation the cost savings and related expenses expected to result or be derived from the transaction.

KBW assumed that the transaction would be consummated in a manner that complied with the applicable provisions of the Securities Act, the Exchange Act, and all other applicable federal and state statutes, rules and regulations. KBW was further advised by representatives of GBDC that GBDC relied upon advice from its advisors (other than KBW) or other appropriate sources as to all legal, financial reporting, tax, accounting and regulatory matters with respect to GBDC, Merger Sub, GCIC, the transaction and any related transaction (including the GCIC Equity Issuances, the GBDC Special Distribution and the New Investment Advisory Agreement), and the Merger Agreement. KBW did not provide advice with respect to any such matters.

At the direction of the GBDC Independent Directors, acting collectively, KBW's opinion addressed only the fairness, from a financial point of view, as of the date of such opinion, of the Exchange Ratio in the Merger to GBDC. KBW expressed no view or opinion as to any other terms or aspects of the transaction or any term or aspect of any related transaction (including the GCIC Equity Issuances, the GBDC Special Distribution and the New Investment Advisory Agreement), including without limitation, the form or structure of the transaction or any such related transaction, any consequences of the transaction to GBDC, its shareholders, creditors or otherwise, or any terms, aspects, merits or implications of any employment, retention, consulting, voting, support, cooperation, shareholder or other agreements, arrangements or understandings contemplated or entered into in connection with the transaction, any such related transaction, or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

- the underlying business decision of GBDC to engage in the transaction or enter into the merger agreement;
- the relative merits of the transaction as compared to any strategic alternatives that are, have been or may be available to or contemplated by GBDC, the GBDC Board or the GBDC Independent Directors;
- any business, operational or other plans with respect to GCIC or the pro forma entity that may be currently contemplated by GBDC, the GBDC Board or the GBDC Independent Directors or that may be implemented by GBDC, the GBDC Board or the GBDC Independent Directors subsequent to the closing of the transaction;
- the fairness of the amount or nature of any compensation to any of GBDC's officers, directors or employees, or any class of such persons, relative to any compensation to the holders of GBDC Common Stock or relative to the exchange ratio;
- the effect of the transaction or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of GBDC, Merger Sub, GCIC or any other party to any transaction contemplated by the merger agreement;
- the actual value of GBDC Common Stock to be issued in connection with the merger;
- the prices, trading range or volume at which GBDC Common Stock would trade following the public announcement of the transaction or the prices, trading range or volume at which GBDC Common Stock would trade following the consummation of the transaction;
- any advice or opinions provided by any other advisor to any of the parties to the transaction or any other transaction contemplated by the merger agreement; or
- any legal, regulatory, accounting, tax or similar matters relating to GBDC, Merger Sub, GCIC, any of their respective shareholders, or relating to or arising out of or as a consequence of the transaction or any related transaction, including whether or not the transaction would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, GBDC and GCIC. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the GBDC Board in making its determination to approve the merger agreement and the transaction. Consequently, the analyses described below should not be viewed as determinative of the decision of the GBDC Board, including the GBDC Independent Directors, with respect to the fairness of the Exchange Ratio. The type and amount of consideration payable in the Merger were determined by the GBDC Independent Directors and the GCIC Independent Directors with respect to GBDC and GCIC, respectively, and the decision of GBDC to enter into the merger agreement was solely that of the GBDC Board.

The following is a summary of the material financial analyses presented by KBW to the GBDC Independent Directors (in their collective capacity) and the GBDC Board in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the GBDC Independent Directors and the GBDC Board, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

Implied Transaction Value for the Merger. KBW calculated an implied transaction value for the Merger of $16.06 per share of GCIC Common Stock based on the 0.865x merger exchange ratio and the closing price of GBDC Common Stock on November 26, 2018. This implied transaction value for the Merger was then compared to the ranges of implied value per share of GCIC Common Stock in the financial analyses described below. For purposes of its analysis, KBW calculated all implied values per share utilizing the number of outstanding shares of GCIC Common Stock, including shares issued in accordance with the GCIC Equity Issuances, and the number of outstanding shares of GBDC Common Stock estimated to be outstanding on the assumed closing date of the Merger based on projections provided by GC Advisors management.

Selected Companies Analysis. Using publicly available information, KBW compared the market performance of GBDC to 15 selected publicly-traded externally managed business development companies with market capitalizations greater than $500 million.

The selected companies were as follows:

Ares Capital Corporation	Bain Capital Specialty Finance, Inc.
Prospect Capital Corporation	Solar Capital Ltd.
Corporate Capital Trust, Inc.	Goldman Sachs BDC, Inc.
FS Investment Corporation	BlackRock TCP Capital Corp.
TPG Specialty Lending, Inc.	Oaktree Specialty Lending Corporation
Apollo Investment Corporation	Barings BDC, Inc.
New Mountain Finance Corporation	PennantPark Investment Corporation
TCG BDC, Inc.	

To perform this analysis, KBW used market price information as of November 26, 2018 and reported net asset value (“NAV”) per share data as of the end of the most recent completed quarterly period available (which in the case of GBDC was September 30, 2018). KBW also used calendar years 2019 and 2020 earnings per share estimates (“EPS”) taken from consensus “street estimates” of GBDC and the selected companies.

KBW’s analysis showed the following concerning the market performance of GBDC and the selected companies (excluding the impact of the price-to-EPS multiples for one of the selected companies, which multiple was considered to be not meaningful):

	GBDC		Selected Companies Minimum		**25th Percentile**		Median		Average		**75th Percentile**		Maximum	
Price / NAV per share	1.15	x	0.69	x	0.78	x	0.87	x	0.90	x	0.99	x	1.24	x
Price / 2019 EPS	14.3	x	7.5	x	8.3	x	9.2	x	9.5	x	10.0	x	14.1	x
Price / 2020 EPS	14.2	x	7.2	x	8.2	x	8.6	x	9.0	x	9.6	x	11.8	x

KBW then applied the minimum and maximum price-to-NAV per share multiples of the selected companies to the estimated NAV per share of GCIC at the assumed closing date of the Merger and the minimum and maximum price-to-estimated EPS multiples of the selected companies to the estimated net investment income of GCIC for the 12-month period following the assumed closing date of the Merger, using financial forecasts and projections of GCIC provided by GC Advisors management. This analysis indicated the following ranges of the implied value per share of GCIC Common Stock, as compared to the implied transaction value for the proposed merger of $16.06 per outstanding share of GCIC Common Stock:

	Implied Value Per Share Ranges of GCIC Common Stock
Based on Estimated NAV per share of GCIC at transaction close	$10.40 to $18.63
Based on Estimated Net Investment Income per share of GCIC for the 12-month period following transaction close	$10.01 to $18.69

KBW then applied the 25th percentile and 75th percentile price-to-NAV per share multiples of the selected companies to the estimated NAV per share of GCIC at the assumed closing date of the Merger and the 25th percentile and 75th percentile price-to-2019 estimated EPS per share multiples of the selected companies to the estimated net investment income of GCIC for the 12 month period following the assumed closing date of the Merger, using financial forecasts and projections of GCIC provided by GC Advisors management. This analysis indicated the following ranges of the implied value per share of GCIC Common Stock, as compared to the implied transaction value for the proposed merger of $16.06 per outstanding share of GCIC Common Stock:

	Implied Value Per Share Ranges of GCIC Common Stock
Based on Estimated NAV per share of GCIC at transaction close	$11.63 to $14.82
Based on Estimated Net Investment Income per share of GCIC for the 12 months following transaction close	$11.06 to $13.29

No company used as a comparison in the above selected companies analysis is identical to GBDC or GCIC. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Selected Transactions Analysis – Business Development Companies. KBW reviewed publicly available information related to six selected acquisitions of business development companies announced since the beginning of 2010, referred to as the selected BDC transactions.

The selected BDC transactions were as follows:

Acquirer	**Acquired Company**
FS Investment Corporation	Corporate Capital Trust, Inc.
Benefit Street Partners LLC; Barings	Triangle Capital Corporation
CĪON Investment Corporation	Credit Suisse Park View BDC, Inc.
MAST Capital Mgmt. LLC; Great Elm Capital Group Inc.	Full Circle Capital Corporation
Ares Capital Corporation	American Capital, Ltd.
PennantPark Floating Rate Capital Ltd.	MCG Capital Corporation

For each selected BDC transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company (including contributions by external managers) and using financial data based on the acquired company's then latest publicly available financial statements prior to the announcement of the respective transaction (adjusted to reflect announced pre-closing adjustments):

- Price to NAV per share of the acquired company; and
- Price to last 12 months ("LTM") net investment income per share of the acquired company

KBW's analysis showed the following concerning the implied transaction statistics of the selected BDC transactions (excluding the impact of the price-to-LTM net investment income per share of one of the selected transactions, which multiple was considered to be not meaningful):

	Selected BDC Transactions					
	Minimum	**25th Percentile**	Median	Average	**75th Percentile**	Maximum
Price / NAV Per Share	83.2%	90.1%	96.6%	95.5%	100.0%	107.8%
Price / LTM Net Investment Income Per Share	7.85x	8.51x	9.57x	9.90x	11.20x	12.37x

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KBW then applied the minimum and maximum price-to-NAV per share multiples of the selected BDC transactions to the estimated NAV per share of GCIC at the assumed closing date of the Merger and the minimum and maximum price-to-LTM net investment income per share multiples of the selected BDC transactions to the net investment income per share of GCIC for the last twelve months prior to the assumed closing date of the Merger, using financial forecasts and projections of GCIC provided by GC Advisors management. This analysis indicated the following ranges of the implied value per share of GCIC Common Stock, as compared to the implied transaction value for the proposed merger of $16.06 per outstanding share of GCIC Common Stock:

	Implied Value Per Share Ranges of GCIC Common Stock
Based on Estimated NAV per share of GCIC at transaction close	$12.48 to 16.17
Based on Estimated Net Investment Income per share of GCIC for the last 12 months prior to transaction close	$8.79 to $13.86

KBW then applied the 25th percentile and 75th percentile price-to-NAV per share multiples of the selected BDC transactions to the estimated NAV per share of GCIC at the assumed closing date of the Merger and the 25th percentile and 75th percentile price-to-LTM net investment income per share multiples of the selected BDC transactions to the net investment income per share of GCIC for the last twelve months prior to the assumed closing date of the Merger, using financial forecasts and projections of GCIC provided by GC Advisors management. This analysis indicated the following ranges of the implied value per share of GCIC Common Stock, as compared to the implied transaction value for the proposed merger of $16.06 per outstanding share of GCIC Common Stock:

	Implied Value Per Share Ranges of GCIC Common Stock
Based on Estimated NAV per share of GCIC at transaction close	$13.51 to $15.00
Based on Estimated Net Investment Income per share of GCIC for the last 12 months prior to transaction close	$9.53 to $12.55

No company or transaction used as a comparison in the above selected transaction analysis is identical to GCIC or the proposed transaction. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Selected Transactions Analysis – Affiliated Regulated Investment Companies. KBW reviewed publicly available information related to eight selected mergers between affiliated companies that had elected to be treated as a RIC under the Code announced since the beginning of 2009, referred to as the selected Affiliated RIC transactions.

The selected Affiliated RIC transactions were as follows:

Acquirer	**Acquired Company**
FS Investment Corporation	Corporate Capital Trust, Inc.
ClearBridge Energy MLP Opportunity Fund Inc.	ClearBridge American Energy MLP Fund Inc.
Kayne Anderson MLP Investment Company	Kayne Anderson Energy Development Company
Kayne Anderson Midstream/Energy Fund	Kayne Anderson Total Return Fund
TCG BDC, Inc.	NF Investment Corp.
Tortoise Energy Infrastructure Corp.	Tortoise North American Energy Corp.
Tortoise Energy Infrastructure Corp	Tortoise Energy Capital Corp.
Highland Credit Strategies Fund	Highland Distressed Opportunities, Inc.

For each selected Affiliated RIC transaction, KBW reviewed the consideration paid for the acquired company and the NAVs per share of both the acquirer and the acquired company based on the then latest publicly available financial statements prior to the announcement of the respective transaction (adjusted to reflect announced pre-closing adjustments). In each case, KBW observed that the consideration paid for the acquired company was based on the ratio of the NAV per share of the acquired company to the NAV per share of the acquirer.

KBW then reviewed the ratio of the NAV per share of GCIC as of September 30, 2018 to the NAV per share of GBDC as of September 30, 2018 and applied that NAV-to-NAV ratio to the closing price of GBDC Common Stock on November 26, 2018. This analysis indicated an implied value per share of GCIC Common Stock of $17.25.

No company or transaction used as a comparison in the above selected transaction analysis is identical to GCIC or the proposed transaction. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

***Relative Contribution Analysis*.** KBW analyzed the relative stand-alone contribution of GBDC and GCIC to various pro forma balance sheet and income statement items of the combined entity. This analysis did not include purchase accounting adjustments. To perform this analysis, KBW used publicly available consensus “street estimates” of GBDC and financial forecasts and projections of GCIC provided by GC Advisors management. The results of KBW’s analysis are set forth in the following table, which also compares the results of KBW’s analysis with the implied pro forma ownership percentages of GBDC and GCIC shareholders in the combined company based on the 0.865x exchange ratio in the proposed merger:

	GBDC as a % of Total		GCIC[(1)] as a % of Total	
Balance Sheet				
Estimated Total Assets at transaction close	51.0	%	49.0	%
Estimated Net Asset Value at transaction close	45.5	%	54.5	%
Income Statement				
Estimated Net Investment Income for the 3 months prior to transaction close	45.3	%	54.7	%
Estimated Net Investment Income for the last 12 months prior to transaction close	47.1	%	52.9	%
Median	46.3	%	53.7	%
Average	47.2	%	52.8	%
Ownership at 0.865x Merger Exchange Ratio	48.5	%	51.5	%

(1) GCIC's stand-alone earnings reflect GCIC's fees payable to GC Advisors under the GCIC Investment Advisory Agreement as of September 30, 2018, net of waivers (management fee of 1.000%, incentive fee of 15.0% and hurdle rate of 6.0%).

Dividend Discount Analysis of GCIC. KBW performed a dividend discount analysis of GCIC on a stand-alone basis to estimate ranges for the implied equity value of GCIC. In this analysis, KBW used financial and operating forecasts and projections of GCIC that were provided by GC Advisors management. KBW assumed discount rates ranging from 7.0% to 11.0%. Ranges of values were derived by adding (i) the present value of the estimated future dividends of GCIC over the period from the assumed closing date of the Merger through September 30, 2023 and (ii) the present value of GCIC’s implied terminal value at the end of such period. KBW derived implied terminal values using two methodologies, one based on September 30, 2023 estimated NAV per share multiples and the other based on fiscal year 2023 estimated dividend yields. Using implied terminal values for GCIC calculated by applying a terminal multiple range of 100.0% to 120.0% to GCIC’s estimated NAV per share as of September 30, 2023, this analysis resulted in a range of implied values per share of GCIC Common Stock of approximately $14.84 to $19.10 per share, as compared to the implied transaction value for the proposed merger of $16.06 per outstanding share of GCIC Common Stock. Using implied terminal values for GCIC calculated by applying a terminal dividend yield range of 6.75% to 7.75% to GCIC’s estimated fiscal year 2023 dividends, this analysis resulted in a range of implied values per share of GCIC Common Stock of approximately $16.76 to $21.05 per share, as compared to the implied transaction value for the proposed merger of $16.06 per outstanding share of GCIC Common Stock.

The dividend discount analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including NAV per share and dividend growth rates, terminal values and discount rates. The analysis did not purport to be indicative of the actual values or expected values of GCIC.

Dividend Discount Analysis of GBDC. KBW performed a dividend discount analysis of GBDC on a stand-alone basis to estimate ranges for the implied equity value of GBDC. In this analysis, KBW used publicly available consensus "street estimates" of GBDC for fiscal years 2019 through 2020 and long-term dividend and NAV assumptions for GBDC that were provided by GC Advisors management. KBW assumed discount rates ranging from 7.0% to 11.0%. Ranges of values were derived by adding (i) the present value of the estimated future dividends of GBDC over the period from the assumed closing date of the Merger through September 30, 2023 and (ii) the present value of GBDC's implied terminal value at the end of such period. KBW derived implied terminal values using two methodologies, one based on September 30, 2023 estimated NAV per share multiples and the other based on fiscal year 2023 estimated dividend yields. Using implied terminal values for GBDC calculated by applying a terminal multiple range of 100.0% to 120.0% to GBDC's estimated NAV per share as of September 30, 2023, this analysis resulted in a range of implied values per share of GBDC Common Stock of approximately $15.41 to $20.00 per share. Using implied terminal values for GBDC calculated by applying a terminal dividend yield range of 6.75% to 7.75% to GBDC's estimated fiscal year 2023 dividends, this analysis resulted in a range of implied values per share of GBDC Common Stock of approximately $15.47 to $19.43 per share.

The dividend discount analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including NAV per share and dividend growth rates, terminal values and discount rates. The analysis did not purport to be indicative of the actual values or expected values of GBDC or the pro forma combined company.

Miscellaneous. KBW acted as financial advisor to the GBDC Independent Directors, acting collectively, in connection with the proposed transaction and did not act as an advisor to or agent of any other person. As part of its investment banking business, KBW is regularly engaged in the valuation of business development company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. In the ordinary course of KBW and its affiliates' broker-dealer businesses, KBW and its affiliates may from time to time purchase securities from, and sell securities to, GBDC, GCIC and GC Advisors. In addition, as a market maker in securities, KBW and its affiliates may from time to time have a long or short position in, and buy or sell, debt or equity securities of GBDC for its and their own respective accounts and for the accounts of its and their respective customers and clients.

Pursuant to the KBW engagement agreement, GBDC agreed to pay KBW a cash fee equal to $1,250,000, $250,000 of which became payable to KBW with the rendering of KBW's opinion and the balance of which is contingent upon the consummation of the Merger. GBDC also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its engagement and to indemnify KBW against certain liabilities relating to or arising out of KBW's engagement or KBW's role in connection therewith. Other than in connection with this present engagement, in the two years preceding the date of KBW's opinion, KBW did not provide investment banking and financial advisory services to GBDC. In the two years preceding the date of KBW's opinion, KBW did not provide investment banking and financial advisory services to GCIC, GC Advisors or Golub Capital LLC. KBW may in the future provide investment banking and financial advisory services to GBDC, GCIC, GC Advisors or Golub Capital LLC and receive compensation for such services.

Opinion of the Financial Advisor to the GCIC Independent Directors

UBS was retained as financial advisor to the GCIC Independent Directors in connection with the evaluation of potential Liquidity Events, including a merger. As part of that engagement, the GCIC Independent Directors requested that UBS evaluate the fairness, from a financial point of view, to the holders of GCIC Common Stock of the Exchange Ratio provided for in the Merger Agreement. On November 27, 2018, at meetings of each of the GCIC Independent Directors as a group and the GCIC Board held to evaluate the proposed Merger, UBS delivered to the GCIC Independent Directors and the GCIC Board an oral opinion, confirmed by delivery of a written opinion, dated November 27, 2018, to the effect that, as of that date and based on and subject to various procedures followed, assumptions made, matters considered and limitations on review described in its opinion, the Exchange Ratio provided for in the Initial Merger was fair, from a financial point of view, to the holders of GCIC Common Stock (other than any shares held by GBDC or any of its consolidated subsidiaries).

The full text of UBS' opinion describes the procedures followed, assumptions made, matters considered and limitations on the review undertaken by UBS. UBS' opinion is attached as Annex D to this joint proxy statement/prospectus and is incorporated by reference herein. UBS' opinion was provided for the benefit of the GCIC Independent Directors and the GCIC Board (in their capacity as such) in connection with, and for the purpose of, their evaluation of the Exchange Ratio provided for in the Initial Merger, and does not address any other aspect of the Initial Merger or any related transaction. UBS' opinion does not address the relative merits of the Initial Merger or any related transaction as compared to other business strategies or transactions that might be available to GCIC or GCIC's underlying business decision to effect the Initial Merger or any related transaction. UBS' opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to the Initial Merger or any related transaction. The following summary of UBS' opinion is qualified in its entirety by reference to the full text of UBS' opinion.

In arriving at its opinion, UBS, among other things:

- reviewed certain publicly available business and financial information relating to GCIC and GBDC;
- reviewed certain internal financial information and other data relating to the business and financial prospects of GCIC that were not publicly available, including financial forecasts and estimates prepared by GC Advisors on behalf of GCIC, that the GCIC Independent Directors directed UBS to utilize for purposes of its analysis;
- reviewed certain internal financial information and other data relating to the business and financial prospects of GBDC that were not publicly available, including financial forecasts and estimates prepared by GC Advisors on behalf of GBDC, that the GCIC Independent Directors directed UBS to utilize for purposes of its analysis;
- reviewed certain estimates of synergies prepared by GC Advisors on behalf of GBDC that were not publicly available that the GCIC Independent Directors directed UBS to utilize for purposes of its analysis;
- conducted discussions with GC Advisors concerning the businesses and financial prospects of each of GCIC and GBDC;
- reviewed publicly available financial and stock market data with respect to certain other companies UBS believed to be generally relevant;
- compared the financial terms of the Initial Merger with the publicly available financial terms of certain other transactions UBS believed to be generally relevant;
- reviewed current and historical market prices of GBDC Common Stock;
- considered certain pro forma effects of the Initial Merger on GBDC's financial statements;
- reviewed the Merger Agreement; and
- conducted such other financial studies, analyses and investigations, and considered such other information, as UBS deemed necessary or appropriate.

In connection with its review, with the consent of the GCIC Independent Directors, UBS assumed and relied upon, without independent verification, the accuracy and completeness in all material respects of the information provided to or reviewed by UBS for the purpose of its opinion. In addition, with the consent of the GCIC Independent Directors, UBS did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of GCIC or GBDC, and UBS was not furnished with any such evaluation or appraisal. In addition, with the consent of the GCIC Independent Directors, UBS assumed that any dividends distributed to GCIC stockholders that are included in GCIC's net asset value per GCIC Common Stock calculated by GCIC and delivered to GBDC on the Determination Date will be paid to GCIC stockholders of record prior to the effective time of the Initial Merger or in connection with the Initial Merger. UBS also assumed, at the direction of the GCIC Independent Directors, that GBDC will pay a special distribution to GBDC shareholders of record prior to the effective time of the Initial Merger of not more than $0.12 per share of GBDC Common Stock. With respect to the financial forecasts, estimates, synergies and pro forma effects referred to above that UBS utilized for its analysis, UBS assumed at the direction of the GCIC Independent Directors, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of GC Advisors on behalf of GCIC and GBDC as to the future financial performance of GCIC and GBDC and such synergies and pro forma effects. In addition, UBS assumed with the approval of the GCIC Independent Directors that the financial forecasts and estimates, including synergies, referred to above will be achieved at the times and in the amounts projected. UBS also assumed, at the direction of the GCIC Independent Directors, that the Merger will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. UBS' opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information available to it as of, the date of its opinion.

At the direction of the GCIC Independent Directors, UBS was not asked to, and it did not, offer any opinion as to the terms, other than the Exchange Ratio to the extent expressly specified in its opinion, of the Merger Agreement or any related documents or the form of the Initial Merger or any related transaction. In addition, UBS expressed no opinion as to the fairness of the amount or nature of any compensation to be received by any officers, directors or employees of any parties to the Merger, or any class of such persons, including GC Advisors, relative to the Exchange Ratio. UBS expressed no opinion as to what the value of GBDC Common Stock will be when issued pursuant to the Initial Merger or the price at which GBDC Common Stock will trade at any time. Nor did UBS express any opinion as to the net asset value per share of the GCIC Common Stock. In rendering its opinion, UBS assumed, with the consent of the GCIC Independent Directors, that (i) the parties to the Merger Agreement will comply with all material terms of the Merger Agreement and (ii) the Initial Merger will be consummated in accordance with the terms of the Merger Agreement without any adverse waiver or amendment of any material term or condition thereof. UBS also assumed that all governmental, regulatory or other consents and approvals necessary, proper or advisable for the consummation of the Merger will be obtained without any adverse effect on GCIC, GBDC or the Merger. The issuance of UBS' opinion was approved by an authorized committee of UBS.

In connection with rendering its opinion to each of the GCIC Independent Directors and the GCIC Board, UBS performed a variety of financial and comparative analyses which are summarized below. The following summary is not a complete description of all analyses performed and factors considered by UBS in connection with its opinion. The preparation of a financial opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. With respect to the selected public companies analysis and the selected transactions analysis summarized below, no company or transaction used as a comparison was identical to GCIC, GBDC or the Initial Merger. These analyses necessarily involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or acquisition values of the companies concerned.

UBS believes that its analyses and the summary below must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, creates a misleading or incomplete view of the processes underlying UBS' analyses and opinion. UBS did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion, but rather arrived at its ultimate opinion based on the results of analyses undertaken by it and assessed as a whole.

The estimates of the future performance of GCIC and GBDC provided by GC Advisors on behalf of each of GCIC and GBDC, in or underlying UBS' analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than those estimates. In performing these analyses, UBS considered industry performance, general business and economic conditions and other matters, many of which were beyond GCIC's and GBDC's control. Estimates of the financial value of companies do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold or acquired.

The decision by the GCIC Independent Directors to recommend that GCIC enter into the Initial Merger was solely that of the GCIC Independent Directors, and the decision by GCIC to enter into the Merger was solely that of the GCIC Board. UBS' opinion and financial analyses were only one of many factors considered by each of the GCIC Independent Directors and the GCIC Board in their evaluation of the Merger and should not be viewed as determinative of the views of the GCIC Independent Directors or the GCIC Board with respect to the Merger or the Exchange Ratio provided for in the Initial Merger.

The following is a brief summary of the material financial analyses performed by UBS and reviewed with each of the GCIC Independent Directors and the GCIC Board on November 27, 2018 in connection with its opinion. **The financial analyses summarized below include information presented in tabular format. In order for UBS' financial analyses to be fully understood, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of UBS' financial analyses.**

For purposes of its analyses, UBS calculated the Exchange Ratio as provided for in the Initial Merger by first applying the 6.25% premium that the GCIC Independent Directors agreed should be the premium for the transaction, to GCIC's most recent NAV of $15.00 per share of GCIC Common Stock as of September 30, 2018 provided by GC Advisors to derive an implied consideration per share of GCIC Common Stock of $15.94. Next, UBS subtracted from the GBDC Common Stock closing market price as of November 26, 2018 of $18.57 a special distribution to GBDC shareholders in the amount of $0.12 per share multiplied by GBDC's P / NAV (as defined below) multiple of 1.15x, at the direction of the GCIC Independent Directors, that GBDC had informed the GCIC Independent Directors it intended to pay to GBDC stockholders prior to the effective time of the Initial Merger to derive a hypothetical trading price of GBDC Common Stock following the payment of the special dividend of $18.43. UBS divided the implied consideration per share of GCIC Common Stock of $15.94 by the hypothetical GBDC Common Stock trading price post-special dividend of $18.43 to derive an adjusted exchange ratio of 0.865. UBS then compared the Exchange Ratio in the Initial Merger to the implied exchange ratios derived from the selected companies analysis and the selected transaction analysis.

Selected Public Companies Analysis

UBS reviewed and compared certain stock market information, the P/NAV ratio and dividend yield for GCIC to corresponding information for the following publicly traded externally managed BDCs (collectively referred to as the selected companies):

- Ares Capital Corporation ("Ares")
- Prospect Capital Corporation ("Prospect")
- Corporate Capital Trust, Inc. ("CCT")
- FS Investment Corporation ("FSIC")
- TPG Specialty Lending, Inc. ("TPG")
- GBDC
- Apollo Investment Corporation ("Apollo")
- New Mountain Finance Corporation ("New Mountain")
- TCG BDC Inc. ("TCG")
- Solar Senior Capital ltd. ("Solar")
- Goldman Sachs BDC, Inc. ("GS BDC")
- BlackRock TCP Capital Corp. ("BlackRock")

The selected companies used in UBS' analysis are publicly traded BDCs with a market capitalization greater than $750 million, and a trading history of at least six months. They were chosen because they were deemed by UBS, based on its professional judgment and expertise, to be relevant.

UBS calculated the closing market price as of November 26, 2018 as a multiple of NAV, which is referred to as "P/NAV". UBS also calculated each selected company's most recently quarterly dividend as a percentage of such company's closing market price as of November 26, 2018, which is referred to as "Dividend Yield", using the companies' most recent quarterly filings. The results of this analysis are shown in the table below.

BDC	**Market Capitalization ($mm)**	Price/NAV		Dividend Yield	
Ares	$ 7,217.2	0.99	x	9.2	%
Prospect	2,492.6	0.73	x	10.6	%
CCT	1,705.4	0.71	x	11.6	%
FSIC	1,432.5	0.69	x	12.7	%
TPG	1,337.1	1.24	x	7.6	%
GBDC	1,117.3	1.15	x	6.9	%
Apollo	1,106.5	0.81	x	11.5	%
New Mountain	1,023.6	0.99	x	10.1	%
TCG	962.3	0.87	x	9.6	%
Solar	883.3	0.95	x	7.8	%
GS BDC	850.0	1.17	x	8.5	%
BlackRock	843.6	0.99	x	10.0	%
Median		0.97	x	9.8	%
Mean		0.94	x	9.7	%

The selected companies analysis indicated that the P/NAV multiples ranged from 0.69x to 1.24x, with a median of 0.97x and a mean of 0.94x. Applying that range to GCIC's NAV of $15.00 per share of GCIC Common Stock as of September 30, 2018 provided by GC Advisors and dividing the result by the GBDC Common Stock closing market price as of November 26, 2018 of $18.57, the selected companies analysis provided a range of implied exchange ratios of 0.560 to 1.003.

The selected companies analysis also indicated that the Dividend Yield ranged from 6.9% to 12.7%, with a median of 9.8% and a mean of 9.7%. Applying that range to GCIC's most recent quarterly net increase in net assets resulting from operations earned by GCIC as determined in accordance with GAAP ("GAAP Net Income") of $0.32 per share given GCIC's dividend policy to distribute 100% of GAAP Net Income, and then dividing the implied share price by GCIC's NAV of $15.00 per share of GCIC Common Stock provided by GC Advisors, the selected companies analysis provided a range of implied P / NAV multiples for GCIC of 0.67x to 1.24x. Dividing the implied share prices of GCIC Common Stock by the GBDC Common Stock closing market price as of November 26, 2018 of $18.57 provided a range of implied exchange ratios of 0.543 to 0.999.

Selected Transactions Analysis

UBS also analyzed certain publicly available information related to two groups of transactions in the BDC space. The first group consisted of mergers and acquisitions since 2013, where the target company was a non-distressed BDC. The second group consisted of IPOs since 2013 of externally-managed BDCs.

With respect to the first group, UBS calculated the target company's P/NAV based on its closing market price one trading day prior to announcement of the transaction as a multiple of that company's NAV.

The following table presents the results of this analysis of the first group of comparable transactions:

Selected Mergers and Acquisitions

Buyer	Target	Date Announced	Deal Value ($mm)	Total Equity ($mm)	% Premium to Price		Implied P/NAV	
FSIC	CCT	July 2018	2,077	2,506	2	%	0.86	x
TCG	NF Investment Corp.	May 2017	156	156	N/A		1.00	x

PennantPark Floating Rate Capital	MCG Capital Corporation	April 2015	176	176	16	%	1.00	x
Average							0.95	x

With respect to the second group, UBS calculated and compared the P/NAV of the company's initial offering price at the IPO as a multiple of such company's NAV.

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The following table presents the results of this analysis of the second group of comparable transactions:

Selected IPOs

Issuer	IPO Date	IPO Size ($mm)	P/NAV at IPO	Current P/NAV
Bain Capital	November 2018	$ 152	1.01 x	0.92 x
TCG	June 2017	175	1.01 x	0.87 x
Goldman Sachs BDC, Inc.	March 2015	138	1.03 x	1.17 x
Alcentra Capital Corporation	May 2014	111	1.02 x	0.57 x
TPG Specialty Lending	March 2014	129	1.04 x	1.24 x
Triple Point Venture Growth BDC Corp.	March 2014	144	1.04 x	0.91 x
CM Finance	February 2014	115	1.02 x	0.63 x
Capitala Finance Corp.	September 2013	80	0.98 x	0.62 x
Oaktree Strategic Income Corporation	July 2013	100	1.00 x	0.84 x
Garrison Capital	March 2013	92	1.00 x	0.67 x
Average		$ 124	1.02 x	0.84 x

While none of the selected transactions or companies that participated in the selected transactions are directly comparable to the Initial Merger or GCIC, each of the selected transactions used in UBS' analysis are BDCs which were either publicly traded or were the subject of an IPO and were effected since 2013. They were chosen because they were deemed by UBS, based on its professional judgment and expertise, to be relevant.

With respect to the first group of selected transactions, analysis indicated that the P/NAV multiples ranged from 0.86x to 1.00x, with an average of 0.95x. Applying that range to GCIC's NAV of $15.00 per share of GCIC Common Stock provided by GC Advisors and dividing the result by the GBDC Common Stock closing market price as of November 26, 2018 of $18.57, the selected transaction analysis of the first group of transactions provided a range of implied exchange ratios of 0.695 to 0.808.

With respect to the second group of selected transactions, the IPOs, selected transactions analysis indicated that the P/NAV multiples ranged from 0.98x to 1.04x, with an average of 1.02x. Applying that range to GCIC's NAV of $15.00 per share of GCIC Common Stock provided by GC Advisors and dividing the result by the GBDC Common Stock closing market price as of November 26, 2018 of $18.57, the selected transaction analysis of the second group of transactions provided a range of implied exchange ratios of 0.791 to 0.844.

Miscellaneous

GCIC has agreed to pay UBS an aggregate fee of $1.25 million for its financial advisory services in connection with the Initial Merger, of which $250,000 was payable upon execution of the engagement letter and the remaining $1.0 million is payable contingent upon consummation of the Initial Merger. In addition, GCIC agreed to reimburse UBS for certain reasonable expenses, including fees, disbursements and other charges of counsel, and indemnify UBS and related parties against liabilities, including liabilities under federal securities laws, relating to, or arising out of, its engagement. In addition, in the event the Merger fails to close, GCIC has agreed to pay UBS a termination fee in an amount not to exceed $250,000 in certain circumstances. In the past, UBS and its affiliates have provided investment banking services to GBDC entities unrelated to the Merger, for which UBS and its affiliates have received or will receive compensation, including having acted as sole underwriter in connection with an offering of shares of GBDC Common Stock to the public in June 2017. Since November 1, 2016, with respect to the foregoing engagements, UBS and its affiliates have received or will receive aggregate compensation of less than $1 million. In the ordinary course of business, UBS, its affiliates and its and their respective employees may hold or trade, for their own accounts and the accounts of their customers loans, debt and/or equity securities of GBDC, and, accordingly, may at any time hold a long or short position in such securities.

The GCIC Independent Directors selected UBS as its financial advisor in connection with the evaluation of a Liquidity Event, including the Initial Merger, because UBS is an internationally recognized investment banking firm with substantial experience in similar transactions. UBS is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities and private placements.

Regulatory Approvals Required for the Merger

The obligations of GBDC and GCIC to complete the Merger are subject to the satisfaction or, where permissible, waiver of certain conditions, including the condition that all regulatory approvals required by law to consummate the transactions contemplated by the Merger Agreement, including the Merger, have been obtained and remain in full force and effect, and all statutory waiting periods required by applicable law in respect thereof have expired (including expiration of the applicable waiting period under the HSR Act). GBDC and GCIC have agreed to cooperate with each other and use their reasonable best efforts to obtain all consents, authorizations, approvals, exemptions or nonobjections from any governmental or regulatory authority necessary to consummate the Merger.

There can be no assurance that such regulatory approvals will be obtained, that such approvals will be received on a timely basis or that such approvals will not impose conditions or requirements that, individually or in the aggregate, would or could reasonably be expected to have a material adverse effect on the financial condition, results of operations, assets or business of the combined company following completion of the Merger.

Third-Party Consents Required for the Merger

Under the Merger Agreement, each of GBDC’s and GCIC’s obligation to complete the Merger is subject to the prior receipt of certain approvals, confirmations and consents required to be obtained from certain agents, lenders, derivative counterparties, noteholders and other parties. As of the date of this joint proxy statement/prospectus, GBDC and GCIC believe that, subject to the satisfaction of certain conditions, they have obtained all necessary third-party consents other than stockholder approval and certain lender and derivative counterparty consents.

GBDC and GCIC have agreed to cooperate with each other and use their reasonable best efforts to take, or cause to be taken, in good faith, all actions, and to do, or cause to be done, all things necessary, including to obtain as promptly as practicable all permits, consents, approvals, confirmations and authorizations of all third parties, in each case, that are necessary or advisable, to consummate the transactions contemplated by the Merger Agreement, including the Merger, in the most expeditious manner practicable. There can be no assurance that any permits, consents, approvals, confirmations or authorizations will be obtained or that such permits, consents, approvals, confirmations or authorizations will not impose conditions or requirements that, individually or in the aggregate, would or could reasonably be expected to have a material adverse effect on the financial condition, results of operations, assets or business of the combined company following the Merger.

DESCRIPTION OF THE MERGER AGREEMENT

The following summary, which includes the material terms of the Merger Agreement, is qualified by reference to the complete text of the Merger Agreement, which is attached as *Annex B* to this joint proxy statement/prospectus and is incorporated by reference in this joint proxy statement/prospectus. This summary does not purport to be complete and may not contain all of the information about the Merger Agreement that is important to you. GBDC and GCIC encourage you to read the Merger Agreement carefully and in its entirety.

Structure of the Merger

Pursuant to the terms of the Merger Agreement, at the Effective Time, Merger Sub will be merged with and into GCIC. GCIC will be the surviving company and will continue its existence as a corporation under the laws of the State of Maryland. As of the Effective Time, the separate corporate existence of Merger Sub will cease. Immediately after the occurrence of the Effective Time, in the Subsequent Combination, the surviving company will merge with and into GBDC in accordance with the MGCL and DGCL, with GBDC as the surviving entity.

Closing; Completion of the Proposed Merger

It is currently expected that the Merger will be completed promptly following receipt of the required stockholder approvals at the GBDC Special Meeting and the GCIC Special Meeting and satisfaction of the other closing conditions set forth in the Merger Agreement. The Subsequent Combination will occur immediately after the Merger is completed.

The Merger will occur no later than five (5) business days after the satisfaction or waiver of the conditions to closing set forth in the Merger Agreement or at another time as may be agreed to in writing by GBDC and GCIC. The Subsequent Combination will occur immediately after the Merger is completed. If the adoption of the Merger Agreement is approved at the GCIC Special Meeting and each of the amendment to the GBDC certificate of incorporation, the issuance of the shares of GBDC Common Stock to be issued pursuant to the Merger Agreement and the New Investment Advisory Agreement is approved at GBDC Special Meeting, and the other conditions to closing the Merger are satisfied or waived, GBDC and GCIC expect to complete the Merger in the first half of calendar year 2019.

Merger Consideration

If the Merger is consummated, each GCIC stockholder will be entitled to receive for each share of GCIC Common Stock, 0.865 shares of GBDC Common Stock, which is the “Exchange Ratio,” and the payment of cash in lieu of fractional shares.

The Exchange Ratio will be appropriately adjusted only if, between the date of the Merger Agreement and the effective time of the Merger, the respective outstanding shares of GBDC Common Stock or GCIC Common Stock shall have been increased or decreased or changed into or exchanged for a different number or kind of shares or securities, in each case, as a result of any reclassification, recapitalization, stock split, reverse stock split, split-up, combination or exchange of shares, or if a stock dividend or dividend payable in any other securities shall be declared with a record date within such period

No fractional shares of GBDC Common Stock will be issued upon the conversion of GCIC Common Stock into GBDC Common Stock, and such fractional share interests will not entitle the owner thereof to vote or to any rights of a holder of GBDC Common Stock. Each holder of shares of GCIC Common Stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of GBDC Common Stock will receive, in lieu thereof, cash (without interest) in an amount equal to the product of (i) such fractional part of a share of GBDC Common Stock multiplied by (ii) the average GBDC stock price.

Dividends and Distributions

No dividends or other distributions with respect to the GBDC Common Stock will be paid to the holder of any unsurrendered shares of GCIC Common Stock with respect to the shares of the GBDC Common Stock represented thereby. Following the closing of the Merger, the record holders of such shares shall be entitled to receive, without interest, (i) the amount of dividends or other distributions with a record date after the Effective Time theretofore payable with respect to the whole shares of GBDC Common Stock represented by such shares of GCIC Common Stock and not paid and/or (ii) at the appropriate payment date, the amount of dividends or other distributions payable with respect to shares of GBDC Common Stock represented by such shares of GCIC Common Stock with a record date after the Effective Time (but before such surrender date) and with a payment date subsequent to the issuance of the GBDC Common Stock issuable with respect to such shares of GCIC Common Stock.

Conversion of Shares; Exchange of Shares

At the Effective Time, each share of GCIC Common Stock issued and outstanding immediately prior to the Effective Time will be converted into the right to receive the Merger Consideration. Each such share of GCIC Common Stock will no longer be outstanding and will be automatically canceled and cease to exist, with the holders of such shares ceasing to have any rights with respect to any GCIC Common Stock other than the right to Merger Consideration upon the surrender of such shares of GCIC Common Stock in accordance with the terms of the Merger Agreement.

After the Effective Time, no registration of transfers on the stock transfer books of GCIC, other than to settle transfers that occurred prior to the Effective Time, will occur. If shares of GCIC Common Stock are presented for transfer to the exchange agent, such shares will be cancelled against delivery of the applicable Merger Consideration.

Withholding

GBDC or the exchange agent, as applicable, will be entitled to deduct and withhold from any amounts payable to any GCIC stockholder such amounts as each determines in good faith are required to be deducted and withheld with respect to the making of such payment under applicable tax laws. If any amounts are withheld and paid over to the appropriate governmental entity, such withheld amounts will be treated as having been paid to the GCIC stockholders from whom they were withheld.

Representations and Warranties

The Merger Agreement contains representations and warranties of GBDC, GCIC and GC Advisors relating to their respective businesses. With the exception of certain representations that must be true and correct in all or virtually all respects, or in all material respects, no representation or warranty will be deemed untrue, and neither party will be deemed to have breached a representation or warranty as a consequence of the existence of any fact, circumstance or event unless such fact, circumstance or event, individually or when taken together with all other facts, circumstances and events inconsistent with any representation made by such party (without considering “materiality” or “material adverse effect” qualifications), has had or is reasonably expected to have a material adverse effect (as defined below). The representations and warranties in the Merger Agreement will not survive after the Effective Time.

The Merger Agreement contains representations and warranties by each of GBDC and GCIC, subject to specified exceptions and qualifications, relating to, among other things:

- corporate organization, including incorporation, qualification and subsidiaries;
- capitalization;
- power and authority to execute, deliver and perform obligations under the Merger Agreement;
- the absence of violations of (1) organizational documents, (2) laws or orders or (3) permits, contracts or other obligations;
- required government filings and consents;
- SEC reports and financial statements;
- internal controls and disclosure controls and procedures;

- broker’s fees;
- absence of certain changes and actions since September 30, 2018;
- compliance with applicable laws and permits;
- state takeover laws;
- the accuracy and completeness of information supplied for inclusion in this document and other governmental filings in connection with the Merger;
- tax matters;
- absence of certain litigation, orders or investigations;
- employment and labor matters, including with respect to any employee benefit plans;
- material contracts and certain other types of contracts;
- insurance coverage;
- intellectual property matters;
- environmental matters;
- no real property ownership or leases;
- investment assets;
- absence of appraisal rights; and
- the value of certain investment assets.

The Merger Agreement contains representations and warranties by GC Advisors, subject to specified exceptions and qualifications, relating to:

- organization and qualification;
- power and authority to execute, deliver and perform obligations under the Merger Agreement;
- the absence of violations of (1) organizational documents, (2) laws or orders or (3) permits, contracts or other obligations;
- compliance with applicable laws and permits;
- absence of certain litigation, orders or investigations;
- the value of investment assets owned by GCIC and GBDC;
- the accuracy of information supplied or to be supplied by GC Advisors for inclusion in this joint proxy statement/prospectus;

- the participation in the Merger by GCIC and GBDC and the impact of the Merger on the existing stockholders of GCIC and GBDC;
- the financial resources of GC Advisors;
- the forbearances applicable to GCIC and GBDC set forth in the Merger Agreement; and
- the representations and warranties made by GCIC and GBDC in the Merger Agreement.

These representations and warranties were made as of specific dates, may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating the terms of the Merger Agreement and may have been included in the Merger Agreement for the purpose of allocating risk between the parties rather than to establish matters as facts. The Merger Agreement is described in, and included as *Annex B* to, this document only to provide you with information regarding its terms and conditions and not to provide any other factual information regarding the parties or their respective businesses. Accordingly, the representations and warranties and other provisions of the Merger Agreement should not be read alone, but instead should be read only in conjunction with the information provided elsewhere in this document.

For purposes of the Merger Agreement, “material adverse effect” with respect to GBDC, GCIC or GC Advisors, as applicable, means, any event, development, change, effect or occurrence that is, or would reasonably be expected to be, individually or in the aggregate, materially adverse to (1) the business, operations, condition (financial or otherwise) or results of operations of such party and its subsidiaries, taken as a whole or (2) the ability of such party to timely perform its material obligations under the Merger Agreement or consummate the Merger and the transactions contemplated thereby. None of the following events, developments, changes, effects or occurrences, among others, will constitute or be taken into account in determining whether a material adverse effect has occurred or is reasonably expected to occur with respect to clause (1) in the immediately preceding sentence:

- changes in general economic, social or political conditions or financial markets in general;
- general changes or developments in the industries in which such party and its subsidiaries operate, including general changes in law across such industries;
- the announcement of the Merger Agreement or the transactions contemplated thereby or the identities of the parties to the Merger Agreement; and
-

any failure to meet internal or published projections or forecasts for any period, or, in the case of GBDC, any decline in the price of shares of GBDC Common Stock on the Nasdaq or trading volume of GBDC Common Stock (provided that the underlying cause of such failure or decline will be considered in determining whether there is a material adverse effect).

The events, developments, changes, effects and occurrences set forth in the first two bullets in the immediately preceding paragraph will otherwise be taken into account in determining whether a material adverse effect has occurred to the extent such events, developments, changes, effects or occurrences have a materially disproportionate adverse impact on such party and its subsidiaries taken as whole relative to other participants in the same industries in which such party conducts its businesses.

Conduct of Business Pending Completion of the Merger

Each of GBDC and GCIC has undertaken covenants that place restrictions on it and certain of its subsidiaries until the completion of the Merger. In general, each of GBDC and GCIC has agreed that before the completion of the Merger, except as may be required by law, as expressly contemplated by the Merger Agreement, as set forth in its disclosure schedules or with the prior written consent of the other parties to the Merger Agreement, it will, and will cause each of its subsidiaries to, conduct its business in the ordinary course of business and consistent with each of GBDC's and GCIC's investment objectives and policies and publicly disclosed, respectively, and use reasonable best efforts to maintain and preserve intact its business organization and existing business relationships.

In addition, before the completion of the Merger, each of GBDC and GCIC has agreed that, except as may be required by law or as expressly contemplated by the Merger Agreement or as set forth in the its disclosure schedules it will not, and will not permit any of its subsidiaries to, directly or indirectly, without the prior written consent of GBDC or GCIC, as applicable:

- other than pursuant to its dividend reinvestment plan or, with respect to GCIC, pursuant to capital calls with respect to subscription agreements entered into by GCIC prior to the date of the Merger Agreement or, with respect to GBDC, in a public or private offering consistent with past practices of GBDC at prices at or above the NAV per share of GBDC Common Stock as of such offering, issue, deliver, sell or grant, or encumber or pledge, or authorize the creation of (i) any shares of its capital stock, (ii) any voting securities or (iii) any securities convertible into or exercisable or exchangeable for, or any other rights to acquire, any such shares or other securities;

- (i) make, authorize, declare, pay or set aside any dividend in respect of, or declare or make any distribution on, any shares of its capital stock, except for (A) the authorization, announcement and payment of regular cash distributions payable on a quarterly basis consistent with past practices and its investment objectives and policies as publicly disclosed, (B) the authorization and payment of any dividend or distribution necessary for it to maintain its qualification as a RIC, (C) dividends payable by any of its direct or indirect wholly owned subsidiaries to GBDC or GCIC, as applicable, or another direct or indirect wholly owned subsidiary or (D) in the case of GCIC, a final tax dividend for the period ending on the date the transactions contemplated by the Merger Agreement are consummated as required by law in order for GCIC to maintain is qualification as a RIC and, in the case of GBDC, the previously declared special distribution of $0.12 per share payable on December 28, 2018 to holders of record of GBDC Common Stock as of December 12, 2018; (ii) adjust, split, combine, reclassify or take similar action with respect to any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock; or (iii) purchase, redeem or otherwise acquire, any shares of its capital stock or any rights, warrants or options to acquire, or securities convertible into, such capital stock;

- sell, transfer, lease, mortgage, encumber or otherwise dispose of any of its assets or properties, except for sales, transfers, leases, mortgages, encumbrances or other dispositions (i) in the ordinary course of business and consistent with its investment objectives and policies as publicly disclosed, or (ii) encumbrances required to secure permitted indebtedness by it or any of its subsidiaries, which includes indebtedness incurred after execution of the Merger Agreement consistent with past practices of GBDC or GCIC, as applicable, pursuant to the terms of such indebtedness;

- acquire or agree to acquire all or any portion of the assets, business or properties of any other person or entity, whether by merger, consolidation, purchase or otherwise or make any other investments, except in a transaction consistent with its investment objectives and policies as publicly disclosed;

- amend any of its governing documents or similar governing documents of any of its subsidiaries (other than, with respect to GBDC, to increase the number of shares of authorized GBDC Common Stock);

- implement or adopt any material change in its tax or financial accounting principles, practices or methods, other than as required by applicable law, GAAP, the SEC or applicable regulatory requirements;

- hire any employees or establish, become a party to or commit to adopt any employee benefit plan;

- take any action or knowingly fail to take any action that would, or would reasonably be expected to (i) materially delay or materially impede the ability of the parties to consummate the Merger or (ii) prevent the Merger from qualifying as a "reorganization" under Section 368(a) of the Code;

- incur any indebtedness or guarantee any indebtedness of another person or entity, except for draw-downs with respect to certain existing financing arrangements and obligations to fund commitments to portfolio companies entered into in the ordinary course of business and other permitted indebtedness;

- make or agree to make any new capital expenditure, except for obligations to fund commitments to portfolio companies entered into in the ordinary course of business and consistent with its investment objectives and policies as publicly disclosed;

- file or amend any material tax return other than in the ordinary course of business and consistent with its investment objectives and policies; make, change or revoke any tax election; or settle or compromise any material tax liability or refund;

- take any action, or knowingly fail to take any action, which action or failure to act is reasonably likely to cause it to fail to qualify or not be subject to tax as a RIC;

- enter into any new line of business (except for any portfolio companies in which it or any of its subsidiaries has made a debt or equity investment that is, would or should be reflected in the schedule of investments included in its quarterly or annual periodic reports that are filed with the SEC);

- other than in the ordinary course of business and consistent with its investment objectives and policies as publicly disclosed enter into any material contract;

- other than in the ordinary course of business and consistent with its investment objectives and policies as publicly disclosed, terminate, cancel, renew or agree to any material amendment of, change in or waiver under any material contract;

- settle any proceeding against it, except for proceedings that (i) are settled in the ordinary course of business consistent with past practice and its investment objectives and policies as publicly disclosed in an amount not in excess of $250,000 in the aggregate (after reduction by any insurance proceeds actually received), (ii) would not impose any material restriction on the conduct of business of it or any of its subsidiaries or, after the Effective Time, GBDC, the surviving company or any of their subsidiaries, and (iii) would not admit liability, guilt or fault;

- other than in the ordinary course of business and consistent with its investment objectives and policies as publicly disclosed, (i) pay, discharge or satisfy any indebtedness for borrowed money, other than the payment, discharge or satisfaction required indebtedness permitted under the terms of the Merger Agreement or (ii) cancel any material indebtedness;

- except as contemplated by the Merger Agreement, merge or consolidate GBDC or GCIC, as applicable, or any of its subsidiaries with any person or entity or enter into any other similar extraordinary corporate transaction with any person or entity, or adopt, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of it or any of its subsidiaries;

- with respect to GCIC, enter into any new subscription agreements for the sale of shares of GCIC Common Stock; or

- agree to take, make any commitment to take, or adopt any resolutions authorizing, any of the foregoing actions.

Additional Agreements

Further Assurances; Regulatory Matters

The Merger Agreement contains covenants relating to the preparation of this document, the holding of the GBDC Special Meeting and the GCIC Special Meeting, access to information of the other party, obtaining certain regulatory and third party consents, publicity, tax matters and takeover statutes and provisions. The Merger Agreement obligates the parties to cooperate with each other and use reasonable best efforts to take all actions, and to do all things necessary to obtain as promptly as practicable all permits of all governmental entities, to effect all applications, notices, petitions and filings, to obtain as promptly as practicable all permits of all governmental entities and all permits, consents, approvals, confirmations and authorizations of all third parties that are necessary or advisable, to consummate the transactions (including the Merger), and to comply with the terms and conditions of all such permits, consents, approvals and authorizations of all such third parties and governmental entities.

The parties are required to file any required applications, notices or other filings under the HSR Act as promptly as practicable. In connection with such filings, the parties are required to cooperate with one another, to keep the other party informed of any communications received from governmental entities and permit the other party to review such communications. The parties must consult with each other with respect to the obtaining of all other permits, consents, approvals and authorizations of all third parties and permits of all governmental entities necessary or advisable to consummate the transactions contemplated by the Merger Agreement (including the Merger), and each party must keep the other reasonably apprised of the status of matters relating to completion of the Merger. The parties are not required to make payments or provide other consideration for the repayment, restructuring or amendment of terms of indebtedness in connection with the Merger, other than the consent fees set forth in the disclosure schedules to the Merger Agreement.

Stockholder Approval

GCIC has agreed to hold the GCIC Special Meeting as promptly as practicable following the effectiveness of this joint proxy statement/prospectus for the purpose of obtaining the approval of GCIC stockholders of the Merger Proposal. GCIC will be required to use its reasonable best efforts to obtain from its stockholders the vote required to approve the Merger Proposal, and such obligations will not be affected by the existence of any takeover proposals or any adverse recommendation change made by GCIC.

Similarly, GBDC has agreed to hold the GBDC Special Meeting as promptly as practicable following the effectiveness of this joint proxy statement/prospectus for the purpose of obtaining the approval of GBDC stockholders of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal. GBDC will be required to use its reasonable best efforts to obtain from its stockholders the vote required to approve the Certificate of Incorporation Amendment Proposal, Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal, and such obligations will not be affected by the existence of any adverse recommendation change made by GBDC.

Nasdaq Listing

GBDC is required to use reasonable best efforts to cause the shares comprising the Merger Consideration to be approved for listing on the Nasdaq at or prior to the Effective Time.

Indemnification; Directors' and Officers' Insurance

GBDC has agreed to indemnify, defend and hold harmless, and advance expenses, to the present and former directors and officers of GCIC or any of its subsidiaries, collectively, the "D&O Indemnified Parties," with respect to all acts or omissions in such capacities at any time prior to the Effective Time (including any matters arising in connection with the Merger Agreement or the transactions contemplated thereby), to the fullest extent permitted by applicable law. If an indemnified liability arises, (i) GBDC has agreed to advance the applicable D&O Indemnified Party, upon request, reimbursement of documented expenses reasonably and actually incurred so long as such D&O Indemnified Party, or someone on his or her behalf, undertakes to repay such advanced expenses if he or she is ultimately determined to be not entitled to indemnification and (ii) GBDC and the applicable D&O Indemnified Party will cooperate in the defense of such matter.

Unless GBDC and GCIC shall otherwise agree, unless GCIC has purchased a "tail" policy prior to the Effective Time as provided below, for at least six (6) years after the Effective Time, GBDC or its successor will be required to pay for and maintain in full force and effect, a "tail" policy for the extension of the directors' and officers' liability coverage of GCIC's existing directors' and officers' insurance policies, with coverage and amounts not less than, and terms and conditions that are not materially less advantageous to the insureds as, GCIC's existing policies with respect to matters existing or occurring at or prior to the Effective Time (provided that GBDC will not be required to pay an annual premium for such insurance in excess of 300% of the aggregate annual premiums currently paid by GCIC on an annualized basis, but in such case will purchase as much of such coverage as possible for such amount). If GBDC or any of its successors or assigns consolidates or merges into another entity and is not the surviving entity, or transfers all or substantially all of its assets to another entity, then GBDC will cause such other entity to assume the foregoing obligations.

No Solicitation

Each of GCIC and GBDC has agreed to, and to cause its affiliates, subsidiaries, and its and each of their respective officers, directors, trustees, managers, employees, consultants, financial advisors, attorneys, accountants and other advisors, representatives and agents to, immediately cease and cause to be terminated all discussions or negotiations with respect to, or that are intended to or could reasonably be expected to lead to, a "Takeover Proposal" (as described below) from a third party and not to directly or indirectly: (i) solicit or take any other action (including by providing information) designed to, or which could reasonably be expected to, facilitate any inquiries or the making or submission or implementation of any proposal or offer (including any proposal or offer to its stockholders) with respect to any Takeover Proposal; (ii) approve, publicly endorse or recommend or enter into any agreement, arrangement, discussions or understandings with respect to any Takeover Proposal or enter into any contract or understanding requiring it to abandon, terminate or fail to consummate, or that is intended to or that could reasonably be expected to result in the abandonment of, termination of or failure to consummate, the Merger or any other transaction contemplated by the Merger Agreement; (iii) initiate or participate in any way in any negotiations or discussions regarding, or furnish or disclose to any person (other than GBDC, GCIC and their respective affiliates) any information with respect to, or take any other action to facilitate or in furtherance of any inquiries or the making of any proposal that constitutes, or could reasonably be expected to lead to, any Takeover Proposal; (iv) publicly propose or publicly announce an intention to take any of the foregoing actions; or (v) (x) grant any approval pursuant to any takeover statute to any person (other than GBDC, GCIC and or its respective affiliates) or with respect to any transaction (other than the transactions contemplated by the Merger Agreement) or (y) waive or release under any standstill or any similar agreement with respect to equity securities of GCIC or GBDC. If GCIC or GBDC receives a Takeover Proposal or similar request for information, it must notify GBDC or GCIC, as applicable, as promptly as reasonably practicable (and in any event within twenty-four (24) hours), provide the other party with copies of any written materials received by it in connection thereto (including the identity of the potential acquirer), and keep the other party informed on a reasonably current basis of the status (including the status of negotiations) of such Takeover Proposal or similar request for information.

GCIC and GBDC Recommendations

GCIC Recommendation

If, prior to the GCIC Special Meeting, (i) GCIC receives a bona fide unsolicited Takeover Proposal from a third party, (ii) the GCIC Board, including a majority of the GCIC Independent Directors, determines in good faith, after consultation with its outside legal counsel that (x) failure to consider such Takeover Proposal would reasonably likely be a breach of the standard of conduct applicable to the directors of GCIC under applicable law and (y) such Takeover Proposal constitutes or is reasonably likely to result in a "GCIC Superior Proposal"; and (iii) GCIC gives GBDC at least two (2) Business Days prior written notice of the identity of the third party making such Takeover Proposal, the terms and conditions of such Takeover Proposal and GCIC's intention to furnish information to, or participate in discussions or negotiations with, such third party, then GCIC may engage in discussions and negotiations with such third party so long as certain notice and other procedural requirements are satisfied, including providing notice to GBDC within twenty-four (24) hours after determining that a Takeover Proposal constitutes a GCIC Superior Proposal.

In addition, GCIC may take other actions if the GCIC Board, including a majority of the GCIC Independent Directors, determines (by a majority of its members), after consultation with its outside counsel, that the continued recommendation of the Merger Proposal to its stockholders would reasonably likely be a breach of the standard of conduct applicable to the directors of GCIC under applicable law as a result of a GCIC Superior Proposal, including withdrawing, qualifying, or modifying the recommendation of the GCIC Board that the stockholders of GCIC approve the Merger or taking any other action inconsistent with such recommendation, a "GCIC Adverse Recommendation Change." GCIC may terminate the Merger Agreement and enter into an agreement with a third party who makes a GCIC Superior Proposal, subject to (1) negotiating in good faith to amend the Merger Agreement so that the GCIC Superior Proposal is no longer deemed a GCIC Superior Proposal and satisfying certain other procedural requirements and (2) the payment of a $29 million termination fee to GBDC. Other than in connection with a Takeover Proposal, nothing in the Merger Agreement will prohibit or restrict the GCIC Board from withdrawing or qualifying or publicly propose to withdraw or qualify the approval, adoption, recommendation or declaration of the Merger Proposal in response to an Intervening Event, subject to the procedures set forth in the Merger Agreement.

GBDC Recommendation

If, prior to the GBDC Special Meeting, (i) GBDC receives a bona fide unsolicited Takeover Proposal from a third party, (ii) the GBDC Board, including a majority of the GBDC Independent Directors, determines in good faith, after consultation with its outside legal counsel that (x) failure to consider such Takeover Proposal would reasonably likely be a breach of the standard of conduct applicable to the directors of GBDC under applicable Law and (y) such Takeover Proposal constitutes or is reasonably likely to result in a “GBDC Superior Proposal”; and (iii) GBDC gives GCIC at least two (2) Business Days prior written notice of the identity of the third party making such Takeover Proposal, the terms and conditions of such Takeover Proposal and GBDC’s intention to furnish information to, or participate in discussions or negotiations with, such third party then GBDC may engage in discussions and negotiations with such third party so long as certain notice and other procedural requirements are satisfied, including providing notice to GCIC within twenty-four (24) hours after determining that a Takeover Proposal constitutes a GBDC Superior Proposal.

In addition, GBDC may take other actions if the GBDC Board, including a majority of the GBDC Independent Directors, determines (by a majority of its members), after consultation with its outside counsel, that the continued recommendation of the Merger Stock Issuance Proposal to its stockholders would reasonably likely be a breach of the standard of conduct applicable to the directors of GBDC as a result of a GBDC Superior Proposal, including withdrawing, qualifying, or modifying the recommendation of the GBDC Board that the stockholders of GBDC approve the Merger Stock Issuance Proposal or taking any other action inconsistent with such recommendation, a “GBDC Adverse Recommendation Change.” GBDC may terminate the Merger Agreement and enter into an agreement with a third party who makes a GBDC Superior Proposal, subject to (1) negotiating in good faith to amend the Merger Agreement so that the GBDC Superior Proposal is no longer deemed a GBDC Superior Proposal and satisfying certain other procedural requirements and (2) the payment of a $29 million termination fee to GCIC. Other than in connection with a Takeover Proposal, nothing in the Merger Agreement shall prohibit or restrict the GBDC Board from withdrawing or qualifying or publicly propose to withdraw or qualify the approval, adoption, recommendation or declaration of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal in response to an Intervening Event, subject to the procedures set forth in the Merger Agreement.

Related Definitions

For purposes of the Merger Agreement:

- “Takeover Proposal” means any inquiry, proposal, discussions, negotiations or offer from any person or group of persons (other than GBDC, GCIC or any of their affiliates) (a) with respect to a merger, consolidation, tender offer, exchange offer, stock acquisition, asset acquisition, share exchange, business combination, recapitalization, liquidation, dissolution, joint venture or similar transaction involving GCIC or GBDC or any of its subsidiaries or (b) relating to any direct or indirect acquisition, in one transaction or a series of transactions, of (i) assets or businesses (including any mortgage, pledge or similar disposition thereof but excluding any bona fide financing transaction) that constitute or represent, or would constitute or represent if such transaction is consummated, 25% or more of the total assets, net revenue or net income of GCIC or GBDC, as applicable, and its respective subsidiaries, taken as a whole, or (ii) 25% or more of the outstanding shares of capital stock of, or other equity or voting interests in, GCIC or GBDC, as applicable, or in any of its subsidiaries, in each case other than the Merger and the other transactions contemplated thereby.

- "GCIC Superior Proposal" means a bona fide written Takeover Proposal that was not knowingly solicited by, or the result of any knowing solicitation by, GCIC or any of its subsidiaries or by any of their respective affiliates or representatives in violation of the Merger Agreement, made by a third party that would result in such third party becoming the beneficial owner, directly or indirectly, of more than 75% of the total voting power of GCIC or more than 75% of the assets GCIC on a consolidated basis (a) on terms which the GCIC Board determines in good faith to be superior for the stockholders of GCIC (in their capacity as stockholders), taken as a group, from a financial point of view as compared to the Merger (after giving effect to the payment of the termination fee to GBDC and any alternative proposed by GBDC), (b) that is reasonably likely to be consummated (taking into account, among other things, all legal, financial, regulatory and other aspects of the proposal, including any conditions, and the identity of the offeror) in a timely manner and in accordance with its terms and (c) in respect of which any required financing has been determined by the GCIC Board (including a majority of the GCIC Independent Directors) to be reasonably likely to be obtained, as evidenced by a written commitment of a reputable financing source.

- "GBDC Superior Proposal" means a bona fide written Takeover Proposal that was not knowingly solicited by, or the result of any knowing solicitation by, GBDC or any of its subsidiaries or by any of their respective affiliates or representatives in violation of the Merger Agreement, made by a third party that would result in such third party becoming the beneficial owner, directly or indirectly, of more than 75% of the total voting power of GBDC or more than 75% of the assets GBDC on a consolidated basis (a) on terms which the GBDC Board determines in good faith to be superior for the stockholders of GBDC (in their capacity as stockholders), taken as a group, from a financial point of view as compared to the Merger (after giving effect to the payment of the termination fee to GCIC and any alternative proposed by GCIC), (b) that is reasonably likely to be consummated (taking into account, among other things, all legal, financial, regulatory and other aspects of the proposal, including any conditions, and the identity of the offeror) in a timely manner and in accordance with its terms and (c) in respect of which any required financing has been determined by the GBDC Board (including a majority of the Independent Directors of GBDC) to be reasonably likely to be obtained, as evidenced by a written commitment of a reputable financing source.

- "Intervening Event" means with respect to any party any event, change or development first occurring or arising after the date of the Merger Agreement that is material to, as applicable, GBDC and its subsidiaries, taken as a whole, or GCIC and its subsidiaries, taken as whole, that was not known to, or reasonably foreseeable by, any member of the party's board of directors, as of or prior to the date of the Merger Agreement and did not result from or arise out of the announcement or pendency of, or any actions required to be taken by such party (or to be refrained from being taken by such party) pursuant to, the Merger Agreement; provided, however, that in no event will the following events, circumstances, or changes in circumstances constitute an Intervening Event: (a) the receipt, existence, or terms of a Takeover Proposal or any matter relating thereto or consequence thereof or any inquiry, proposal, offer, or transaction from any third party relating to or in connection with a transaction of the nature described in the definition of "Takeover Proposal" (which, for the purposes of the Intervening Event definition, shall be read without reference to the percentage thresholds set forth in the definition thereof); (b) any change in the price, or change in trading volume, of the GCIC Common Stock or GBDC Common Stock (provided, however, that the exception to this clause (b) will not apply to the underlying causes giving rise to or contributing to such change or prevent any of such underlying causes from being taken into account in determining whether an Intervening Event has occurred); (c) changes in general economic, social or political conditions or the financial markets in general; or (d) general changes or developments in the industries in which the applicable party and its Consolidated Subsidiaries operate, including general changes in law after the date hereof across such industries.

Other than as described herein, neither GCIC nor the GCIC Board may make any GCIC Adverse Recommendation Change, and no GCIC Adverse Recommendation Change will change the approval of the Merger Proposal or any other approval of the GCIC Board, including in any respect that would have the effect of causing any takeover statue or similar statute to be applicable to the transactions contemplated by the Merger Agreement.

Access to Information

Upon reasonable notice, except as may otherwise be restricted by applicable law, each of GCIC and GBDC will, and will cause its subsidiaries, to afford to the directors, officers, accountants, counsel, advisors and other representatives of the other party, reasonable access, during normal business hours during the period prior to the Effective Time, to its properties, books, contracts, and records and, during such period, such party will, and will cause its subsidiaries to, make available to the other party (including via EDGAR) all other information concerning its business and properties as the other party may reasonably request.

Publicity

GCIC and GBDC each shall consult with the other before issuing or causing the publication of any press release or other public announcement with respect to the transactions contemplated by the Merger Agreement, except as may be required by applicable law, the rules and regulations of the Nasdaq and, to the extent such press release or disclosure is issued or made, GBDC or GCIC, as applicable, shall have used commercially reasonable efforts to advise the other party of, and consult with the other party regarding, the text of such disclosure.

Takeover Statutes and Provisions

Neither GBDC nor GCIC will take any action that would cause the transactions actions contemplated by the Merger Agreement to be subject to the requirements imposed by any takeover statute, and each of GBDC and GCIC shall take all necessary steps within its control to exempt such transactions from any applicable takeover statute.

Tax Matters

GBDC and GCIC shall each obtain an opinion from Dechert LLP, as counsel to GBDC and to GCIC, generally to the effect that the Merger will qualify as a "reorganization," within the meaning of Section 368(a) of the Code.

Stockholder Litigation

The parties to the Merger Agreement shall reasonably cooperate and consult with one another in connection with defense and settlement of any proceeding by GCIC's stockholders or GBDC's stockholders against any of them or any of their respective directors, officers or affiliates with respect to the Merger Agreement or the transactions contemplated thereby, and each of GCIC and GBDC shall keep the other party reasonably informed of any material developments in connections with any such proceeding brought by its stockholders and shall not settle any such proceeding without the prior written consent of the other party.

Section 16 Matters

Prior to the Effective Time, the board of directors of each of GBDC and GCIC shall take all such steps as may be required to cause any dispositions of GCIC Common Stock or acquisitions of GBDC Common Stock resulting from the transactions contemplated by the Merger Agreement by each individual who is subject to the reporting requirements of Section 16(a) for the Exchange Act with respect to GCIC or will become subject to such reporting requirements with respect to GBDC, in each case, to be exempt pursuant to Rule 16b-3.

No Other Representations or Warranties

The parties acknowledge and agree that except for the representations contained in the Merger Agreement, none of GC Advisors, GCIC, GBDC or any of GCIC's or GBDC's subsidiaries or any other person acting on behalf of the foregoing makes any representation or warranty, express or implied.

Termination of GCIC Agreements

Immediately after the occurrence of the Effective Time and prior to the Subsequent Combination, the GCIC Investment Advisory, the GCIC Administration Agreement and the trademark license agreement by and between GCIC and Golub Capital LLC shall be automatically terminated and of no further force and effect. As a result, under the GCIC Investment Advisory Agreement, GCIC would pay to GC Advisors a Capital Gain Incentive Fee as calculated in accordance with the GCIC Investment Advisory Agreement.

The Initial Merger results in the effective sale of GCIC and all of its assets and liabilities to GBDC and the Merger Agreement provides for the termination of the GCIC Investment Advisory Agreement, which would require a final calculation of the capital gain incentive fee as of the termination date. The final calculation of the capital gain incentive fee will treat all of GCIC's investments as being sold at their respective fair values on the date immediately preceding the closing of the Merger. Assuming the Initial Merger had been completed on September 30, 2018, GCIC would have a payment to GC Advisors of a Capital Gain Incentive Fee of $2.3 million pursuant to the GCIC Investment Advisory Agreement upon its termination immediately following the closing of the Initial Merger. The premium to NAV paid for the shares of GCIC Common Stock in the Merger would also require GCIC to pay a Subordinated Liquidation Incentive Fee to GC Advisors in the amount of $6.6 million as a result of the purchase premium paid by GBDC based on the closing market price of GBDC Common Stock on November 26, 2018, the last trading day prior to execution of the Merger Agreement.

Coordination of Dividends

GBDC and GCIC shall coordinate with each other in designating the record and payment dates for any quarterly dividends or distributions to its stockholders declared in accordance with the Merger Agreement in any calendar quarter in which the Closing Date might reasonably be expected to occur, and neither GBDC nor GCIC shall authorize or declare any dividend or distributions to stockholders after the Determination Date at any time on or before the Closing Date; provided, however, that the foregoing shall not prohibit GBDC or GCIC from authorizing, declaring or paying any dividend or distribution to its stockholders solely payable in cash to the extent such dividend or distribution is take into account in determining the GCIC net asset value and/or the GBDC net asset value, as applicable, in each case as of the Determination Date, including a tax dividend.

Conditions to Closing the Merger

Conditions to Each Party's Obligations to Effect the Merger

The obligations of GBDC and GCIC to complete the Merger are subject to the satisfaction or waiver at or prior to the Effective Time of the following conditions:

- the required approvals of GBDC and GCIC stockholders, including, with respect to GBDC, the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal, and, with respect to GCIC, the Merger Proposal, are obtained at their respective stockholder meetings;
- the shares of GBDC stock to be issued in the Merger have been authorized for listing on the Nasdaq, subject to official notice of issuance;
- the registration statement, of which this joint proxy statement/prospectus forms a part, has become effective and no stop order suspending its effectiveness has been issued and no proceedings for that purpose have been initiated by the SEC, and any necessary state securities or "blue sky" authorizations have been received;
- no order issued by any court or agency of competent jurisdiction or other law preventing, enjoining, restraining or making illegal the consummation of the Merger or any of the other transactions contemplated thereby is in effect;

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all regulatory approvals required by applicable law to consummate the Merger have been obtained and remain in full force and effect and all statutory waiting periods required by applicable law in respect thereof have expired (including expiration of the applicable waiting period under the HSR Act);

- no proceeding by any governmental entity of competent jurisdiction is pending that challenges the Merger or any of the other transactions contemplated by the Merger Agreement or that otherwise seeks to prevent, enjoin, restrain or make illegal the consummation of the Merger or any of the other transactions contemplated by the Merger Agreement; and

- the determination of the GCIC NAV and the GBDC NAV, in each case as of the Determination Date, have been completed in accordance with the Merger Agreement, and that, as of the Determination Date, both (a) the product of the Exchange Ratio and the greater of (i) the closing market price and (ii) the NAV per share of the GBDC Common Stock is greater than or equal to the NAV per share of GCIC Common Stock and (b) the product of the Exchange Ratio and the NAV per share of the GBDC Common Stock is less than or equal to the NAV per share of the GCIC Common Stock.

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Conditions to Obligations of GBDC and Merger Sub to Effect the Merger

The obligations of GBDC and Merger Sub to effect the Merger are also subject to the satisfaction, or waiver by GBDC, at or prior to the Effective Time, of the following conditions:

- the representations and warranties of GCIC, pertaining to:

(1) the authorized and outstanding capital stock of GCIC are true and correct in all respects as of the date of the Merger Agreement and the Closing Date other than for *de minimis* inaccuracies (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date);

(2) absence of events reasonably expected to have a material adverse effect with respect to GCIC is true and correct in all respects as of the date of the Merger Agreement and the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date);

(3) authority, no violation, brokers, state takeover laws and appraisal rights, in each case, are true and correct in all material respects as of the date of the Merger Agreement and the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date); and

(4) all other representations contained in the Merger Agreement are true and correct, without giving effect to any materiality or material adverse effect qualifications stated therein, as of the date of the Merger Agreement date and the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date); provided that this condition will be deemed satisfied even if any such representations and warranties of GCIC are not so true and correct, unless the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect with respect to GCIC;

- the representations and warranties of GC Advisors contained in the Merger Agreement are true and correct, without giving effect to any materiality or material adverse effect qualifications stated therein, as of the date of the Merger Agreement and as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty will be true and correct as of such earlier date); provided that this condition will be deemed satisfied even if any such representations and warranties of GC Advisors are not so true and correct, unless the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect with respect to GBDC;

- GCIC has performed in all material respects all obligations required to be performed by it under the Merger Agreement at or prior to the Effective Time, and GBDC has received a certificate signed on behalf of GCIC by an executive officer of GCIC to such effect;

- since the date of the Merger Agreement, there has not occurred any condition, change or event that, individually or in the aggregate, has had or would reasonably be expected to have, a material adverse effect in respect of GCIC;

- GCIC will have delivered a certificate that it is not and has not been within the past five years a “United States real property holding corporation” within the meaning of Section 897 of the Code; and

- GBDC has received the opinion of its counsel substantially to the effect that, on the basis of facts, representations and assumptions set forth in such opinion that are consistent with the state of facts existing at the Closing Date, the Merger and Subsequent Combination will be treated as a reorganization within the meaning of Section 368(a) of the Code; provided that if counsel for GBDC will not render such an opinion, counsel for GCIC may render such opinion to GBDC.

Conditions to Obligations of GCIC to Effect the Merger

The obligation of GCIC to effect the Merger is also subject to the satisfaction, or waiver by GBDC, at or prior to the Effective Time, of the following conditions:

- the representations and warranties of GBDC and Merger Sub, pertaining to:

(1) the authorized and outstanding capital stock of GBDC are true and correct in all respects as of the date of the Merger Agreement and the Closing Date other than for de minimis inaccuracies (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date);

(2) absence of events reasonably expected to have a material adverse effect with respect to GBDC is true and correct in all respects as of the date of the Merger Agreement and the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date);

(3) authority, no violation and brokers, in each case, are true and correct in all material respects as of the date of the Merger Agreement and the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date); and

(4) all other representations contained in the Merger Agreement are true and correct, without giving effect to any materiality or material adverse effect qualifications stated therein, as of the date of the Merger Agreement date and the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date); provided that this condition shall be deemed satisfied even if any such representations and warranties of GBDC are not so true and correct, unless the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect with respect to GBDC;

- the representations and warranties of GC Advisors contained in the Merger Agreement are true and correct, without giving effect to any materiality or material adverse effect qualifications stated therein, as of the date of the Merger Agreement and as of the Closing Date (except to the extent that any such representation and warranty expressly speaks as of an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date); provided, that this condition shall be deemed satisfied even if any such representations and warranties of GC Advisors are not so true and correct, unless the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect with respect to GCIC;

- each of GBDC and Merger Sub has performed in all material respects all obligations required to be performed by it under the Merger Agreement at or prior to the Effective Time, and GCIC has received a certificate signed on behalf of GBDC by an executive officer of GBDC to such effect;

- since the date of the Merger Agreement, there has not occurred any condition, change or event that, individually or in the aggregate, has had or would reasonably be expected to have, a material adverse effect in respect of GBDC; and

- GCIC has received the opinion of its counsel substantially to the effect that, on the basis of facts, representations and assumptions set forth in such opinion that are consistent with the state of facts existing at the Closing Date, the Merger and Subsequent Combination will be treated as a reorganization within the meaning of Section 368(a) of the Code; provided, that if counsel for GCIC will not render such an opinion, counsel for GBDC may render such opinion to GCIC.

Frustration of Closing Conditions

No party to the Merger Agreement may rely on the failure of any condition applicable to the other party to be satisfied to excuse performance by such party of its obligations under the Merger Agreement if such failure was caused by such party's failure to act in good faith or use its commercially reasonable efforts to consummate the Merger and the transactions contemplated thereby.

Termination of the Merger Agreement

Right to Terminate

The Merger Agreement may be terminated at any time prior to the Effective Time, whether before or after approval of the Merger Proposal by the stockholders of GCIC or the Merger Stock Issuance Proposal by the stockholders of GBDC:

· by mutual consent of GCIC and GBDC, including a majority of the Independent Directors of GCIC and GBDC, respectively;

· by either GCIC or GBDC, if:

o any governmental entity takes any final and non-appealable action that permanently restrains, enjoins or prohibits the transactions contemplated by the Merger Agreement;

o the Merger has not been completed on or before November 27, 2019 (the "Termination Date"), provided that the right to terminate the Merger Agreement on this basis shall not be available to any party whose failure to fulfill in any material respect any of its obligations under the Merger Agreement has been the cause of, or resulted in, the event giving rise to the failure to close prior to the Termination Date;

o the requisite GCIC stockholder approval, including approval of the Merger Proposal, is not obtained; or

o the requisite GBDC stockholder approval, including approval of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal, is not obtained, provided, however, that the right to terminate the Merger Agreement pursuant to any of the foregoing will not be available to any party that has breached in any material respect its obligations in any manner that has been the principal cause of or resulted in the failure to consummate the transactions contemplated by the Merger Agreement.

· by GCIC, if:

- o GBDC or Merger Sub breaches or fails to perform any of their respective representations, warranties and covenants under the Merger Agreement, which breach would result in the failure of certain GCIC closing conditions, and such breach is not curable prior to the Termination Date or if curable prior to the Termination Date, has not been cured within thirty (30) days after the giving of notice thereof by GCIC to GBDC (provided that GCIC is not then in material breach so as to result in the failure of a GBDC closing condition);

- o prior to obtaining approval of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal by the stockholders of GBDC (A) a GBDC Adverse Recommendation Change occurs and/or GBDC adopts, approves or recommends a GBDC Takeover Proposal (or publicly proposes to do any of the foregoing), (B) the GBDC Board fails to recommend that GBDC's stockholders vote in favor of the Merger Stock Issuance Proposal, (C) a Takeover Proposal is publicly announced and GBDC fails to issue, within ten (10) business days after such Takeover Proposal is announced, a press release that reaffirms the recommendation of the GBDC Board that GBDC's stockholders vote in favor of the Merger Stock Issuance Proposal or (D) a tender or exchange offer relating to any shares of GBDC Common Stock has been commenced by a third party and GBDC did not send to its stockholders, within ten (10) business days after the commencement of such tender or exchange offer, a statement disclosing that the GBDC Board recommends rejection of such tender or exchange offer;

- GBDC breaches, in any material respect, its no solicitation obligations relating to the solicitation and administration of Takeover Proposals from third parties; or

- prior to obtaining approval of the Merger Proposal by the stockholders of GCIC, (A) GCIC is not in material breach of any of the terms of the Merger Agreement, (B) the GCIC Board, including a majority of the GCIC Independent Directors, properly authorizes GCIC to enter into, and GCIC enters into, a definitive contract with respect to a GCIC Superior Proposal and (C) GCIC prior to such termination pays to GBDC in immediately available funds a termination fee equal to $29 million.

· by GBDC, if:

- GCIC breaches or fails to perform any of its representations, warranties and covenants under the Merger Agreement, which breach would result in the failure of GBDC closing conditions, and such breach is not curable prior to the Termination Date or if curable prior to the Termination Date, has not been cured within thirty (30) days after the giving of notice thereof by GBDC to GCIC (provided that GBDC is not then in material breach so as to result in the failure of a GCIC closing condition);

- prior to obtaining approval of the Merger Proposal by the stockholders of GCIC (A) a GCIC Adverse Recommendation Change occurs and/or GCIC adopts, approves or recommends a GCIC Takeover Proposal, (B) GCIC fails to recommend that the GCIC's stockholders vote in favor of the Merger Proposal, including the Merger, (C) a Takeover Proposal is publicly announced and GCIC fails to issue, within ten (10) business days after such Takeover Proposal is announced, a press release that reaffirms the recommendation of the GCIC Board that GCIC's stockholders vote in favor of the Merger Proposal, including the Merger or (D) a tender or exchange offer relating to any shares of GCIC Common Stock has been commenced by a third party and GCIC did not send to its stockholders, within ten (10) business days after the commencement of such tender or exchange offer, a statement disclosing that the GCIC Board recommends rejection of such tender or exchange offer;

- GCIC breaches, in any material respect, its no solicitation obligations relating to the solicitation and administration of Takeover Proposals from third parties; or

- prior to obtaining approval of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal by the stockholders of GBDC, (A) GBDC is not in material breach of any of the terms of the Merger Agreement, (B) the GBDC Board, including a majority of the GBDC Independent Directors, properly authorizes GBDC to enter into, and GBDC enters into, a definitive contract with respect to a GBDC Superior Proposal and (C) GBDC prior to such termination pays to GCIC in immediately available funds a termination fee equal to $29 million.

Termination Fees

Set forth below are summaries of the termination fees that may be payable if the Merger Agreement is terminated prior to consummation of the Merger. GBDC or GCIC, as applicable, will be the entities entitled to receive any termination fees under the Merger Agreement. The board of directors of each of GBDC and GCIC have approved the amount of the termination fee which may be paid.

GCIC Termination Fee

The Merger Agreement provides for the payment by GCIC to GBDC of a termination fee of $29 million if the Merger Agreement is terminated by GCIC or GBDC, as applicable, under the following circumstances:

- the GCIC Board has changed its recommendation in favor of the Merger Proposal and/or has approved a Takeover Proposal;
- GCIC fails to recommend that GCIC stockholders vote in favor of the Merger Proposal;
- a Takeover Proposal is announced and the GCIC Board fails to reaffirm its recommendation that GCIC stockholders vote in favor of the Merger Proposal;
- a tender or exchange offer for GCIC Common Stock is initiated by a third-party and the GCIC Board does not recommend rejection of such tender or exchange offer;
- GCIC materially breaches any of its no solicitation obligations relating to the solicitation and administration of Takeover Proposals from third parties; or
- (1) the Merger is not completed by the Termination Date, the GCIC stockholders do not approve the Merger Proposal at the GCIC Special Meeting, or GCIC willfully or intentionally breaches its representations, warranties, covenants or agreements in the Merger Agreement, (2) a Takeover Proposal is disclosed after the date of the Merger Agreement and (3) GCIC enters into an agreement with respect to such Takeover Proposal within twelve (12) months after the Merger Agreement is terminated and such takeover is subsequently completed.

GBDC Termination Fee

The Merger Agreement provides for a payment by GBDC to GCIC of a termination fee of $29 million if the Merger Agreement is terminated by GBDC or GCIC, as applicable, under the following circumstances:

- the GBDC Board has changed its recommendation in favor of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal and/or has approved a Takeover Proposal;

- the GBDC Board fails to recommend that GBDC stockholders vote in favor of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal;

- a Takeover Proposal is announced and the GBDC Board fails to reaffirm its recommendation that GBDC stockholders vote in favor of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal;

- a tender or exchange offer for GBDC Common Stock is initiated by a third-party and the GBDC Board does not recommend rejection of such tender or exchange offer;

- GBDC materially breaches any of its no solicitation obligations relating to the solicitation and administration of Takeover Proposals from third parties; or

  - (1) the Merger is not completed by the Termination Date or the GBDC stockholders do not approve the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal at the GBDC Special Meeting, or GBDC willfully or intentionally breaches its representations, warranties, covenants or agreements in the Merger Agreement, (2) a Takeover Proposal is disclosed after the date of the Merger Agreement and (3) GBDC enters into an agreement with respect to such Takeover Proposal within twelve (12) months after the Merger Agreement is terminated and such takeover is subsequently completed.

Effect of Termination

If the Merger Agreement is terminated, it will become void and have no effect, and there will be no liability on the part of GBDC, Merger Sub, GCIC, or their respective affiliates or subsidiaries or any of their respective directors or officers, except that (1) GBDC and GCIC will remain liable to each other for any damages incurred arising out of any willful or intentional breach of the Merger Agreement or a failure or refusal by a party to consummate the Merger when such party was obligated to do so in accordance with the terms of the Merger Agreement and (2) certain designated provisions of the Merger Agreement will survive the termination, including, but not limited to, the termination and termination fee provisions and confidentiality provisions.

Amendment of the Merger Agreement

The Merger Agreement may be amended by the parties, by action taken or authorized by their respective boards of directors, at any time before or after approval of the Certificate of Incorporation Amendment Proposal, the Merger Stock Issuance Proposal and the Advisory Agreement Amendment Proposal by the stockholders of GBDC or the Merger Proposal by the stockholders of GCIC; provided that after any approval of the Merger Stock Issuance Proposal by the stockholders of GBDC or the Merger Proposal by the stockholders of GCIC, there may not be, without further approval of such stockholders, any amendment of the Merger Agreement that requires such further approval under applicable law. The Merger Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties.

Expenses and Fees

In general, all fees and expenses incurred in connection with the Merger, the Merger Agreement and the transactions contemplated thereby will be paid by the party incurring such fees or expenses, whether or not the Merger is consummated, subject to any termination fees that may be payable. Notwithstanding the foregoing, (i) costs and expenses of printing and mailing this joint proxy statement/prospectus and all filing and other fees paid to the SEC in connection with the Merger, (ii) all filing and other fees in connection with any filing under the HSR Act and (iii) fees and expenses for legal services to GCIC, GBDC and Merger Sub in connection with the Merger Agreement and the transactions contemplated thereby, will, in each case, be borne equally by GBDC and GCIC.

ACCOUNTING TREATMENT OF THE MERGER

Management of each of GBDC and GCIC has determined that the Merger will be accounted for under the asset acquisition method of accounting in accordance with ASC 805-50, *Business Combinations—Related Issues*, which we also refer to as "purchase accounting," with GBDC as the accounting survivor. Under asset acquisition accounting, acquiring assets in groups not only requires ascertaining the cost of the asset (or net assets), but also allocating that cost to the individual assets (or individual assets and liabilities) that make up the group. Per ASC 805-50-30-1, assets are recognized based on their cost to the acquiring entity, which generally includes transaction costs of the asset acquisition, and no gain or loss is recognized unless the fair value of noncash assets given as consideration differs from the assets carrying amounts on the acquiring entity's books. ASC 805-50-30-2 goes on to say asset acquisitions in which the consideration given is cash are measured by the amount of cash paid. However, if the consideration given is not in the form of cash (that is, in the form of noncash assets, liabilities incurred, or equity interests issued), measurement is based on either the fair value of the consideration given or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and, thus, more reliably measurable.

The cost of the group of assets acquired in an asset acquisition is allocated to the individual assets acquired or liabilities assumed based on their relative fair values of net identifiable assets acquired other than "non-qualifying" assets (for example cash) and does not give rise to goodwill. To the extent that the consideration paid to GCIC's stockholders exceeds the relative fair values of the net identifiable assets of GCIC acquired other than "non-qualifying" assets, any such premium paid by GBDC will be further allocated to the cost of the GCIC assets acquired by GBDC pro-rata to their relative fair value, other than "non-qualifying" assets. As GCIC does not have any "qualifying" assets, the premium must be allocated to "non-qualifying" assets, which are GCIC's investments in loans and equity securities. Immediately following the closing of the Merger, GBDC, as the surviving company, is required to record its assets at their respective fair values and, as a result, the purchase premium allocated to the cost basis of the GCIC assets acquired would immediately be recognized as unrealized depreciation on the financial statements of GBDC and, assuming no subsequent change to the fair value of the GCIC assets acquired and disposition of the assets at fair value, would be recognized as realized loss with a corresponding reversal of the unrealized depreciation upon disposition of the GCIC assets acquired.

The final allocation of the purchase price will be determined after the Merger is completed and after completion of a final analysis to determine the estimated relative fair values of GCIC's assets and liabilities. Increases or decreases in the estimated fair values of the net assets, commitments, and other items of GCIC as compared to the information shown in this joint proxy statement/prospectus may occur. Accordingly, the final adjustments may be materially different from the pro forma adjustments presented in this joint proxy statement/prospectus.

In accordance with the GCIC Investment Advisory Agreement, the purchase premium paid by GBDC in the Merger will be subject to the Subordinated Liquidation Incentive Fee because such premium represents a liquidation of GCIC in excess of "Adjusted Capital" (as defined in the GCIC Investment Advisory Agreement) as calculated immediately prior to liquidation.

Assuming the Merger and Subsequent Combination had been completed on September 30, 2018 and based on financial statements as of such date for each of GBDC and GCIC, the following sets forth the effect of the purchase accounting adjustments described above:

- based on the closing market price of GBDC Common Stock of $18.57 on November 26, 2018, the last trading day prior to execution of the Merger Agreement, the Exchange Ratio would result in a purchase premium of 7.05% to the NAV per share of GCIC Common Stock;

- The Initial Merger results in the effective sale of GCIC and all of its assets and liabilities to GBDC and the Merger Agreement provides for the termination of the GCIC Investment Advisory Agreement, which would require a final calculation of the capital gain incentive fee as of the termination date. The final calculation of the capital gain incentive fee will treat all of GCIC's investments as being sold at their respective fair values on the date immediately preceding the closing of the Initial Merger. As a result, GCIC would have a payment to GC Advisors of a Capital Gain Incentive Fee of $2.3 million pursuant to the terms of the GCIC Investment Advisory Agreement upon the termination of the GCIC Investment Advisory Agreement immediately following the closing of the Initial Merger;

- GCIC would pay to GC Advisors a Subordinated Liquidation Incentive Fee in the amount of approximately $6.6 million as a result of the purchase premium paid by GBDC. The Subordinated Liquidation Incentive Fee would be payable because the Merger would be a “liquidation” under the GCIC Investment Advisory Agreement for consideration in excess of the Adjusted Capital where “Adjusted Capital” is defined as the NAV of GCIC calculated immediately prior to liquidation in accordance with GAAP less unrealized capital appreciation that would have been subject to the Capital Gain Incentive Fee under the GCIC Investment Advisory Agreement had capital gain been recognized on the transfer of such assets in the liquidation; and

- Following GBDC’s allocation of the purchase premium to the assets acquired from GCIC, GBDC would recognize unrealized depreciation on its consolidated statement of operations of approximately $70.5 million on the write-down to fair value required by GAAP for the acquired assets of GCIC.

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CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER

The following discussion is a general summary of the material U.S. federal income tax consequences of the Merger, including an investment in shares of GBDC Common Stock to a GCIC stockholder. This summary does not purport to be a complete description of the income tax consequences of the Merger applicable to an investment in shares of GBDC Common Stock. For example, GBDC has not described tax consequences that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including stockholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, dealers in securities, traders in securities that elect to mark-to-market their securities holdings for tax purposes, pension plans and trusts, persons that have a functional currency (as defined in Section 985 of the Code) other than the U.S. dollar, and financial institutions. This summary assumes that investors hold GBDC Common Stock as capital assets (within the meaning of Section 1221 of the Code). The discussion is based upon the Code, Treasury regulations, and administrative and judicial interpretations, each as of the date of the filing of this document and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. For purposes of this discussion, references to "dividends" are to dividends within the meaning of the U.S. federal income tax laws and associated regulations, and may include amounts subject to treatment as a return of capital under Section 19(a) of the 1940 Act.

GBDC has not sought and will not seek any ruling from the Internal Revenue Service ("IRS") as to the U.S. federal income tax consequences of the Merger or any related transactions. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if GBDC invested in tax-exempt securities or certain other investment assets. You are urged to consult with your own tax advisors and financial planners as to the particular tax consequences of the Merger to you, as applicable, including the applicability and effect of any state, local or foreign laws and the effect of possible changes in applicable tax laws.

Certain Material U.S. Federal Income Tax Consequences of the Merger

Tax Consequences if the Merger Qualifies as a Reorganization

The obligation of GBDC to consummate the Merger is contingent upon its receipt of an opinion from Dechert LLP, counsel to GBDC, or alternatively from counsel to GCIC, and the obligation of GCIC to consummate the Merger is contingent upon its receipt of an opinion from Dechert LLP, counsel to GCIC, or alternatively from counsel to GBDC, generally to the effect that the Merger will qualify as a "reorganization," within the meaning of Section 368(a) of the Code, with respect to GBDC and GCIC. If the Merger qualifies as a reorganization, then generally for U.S. federal income tax purposes:

- no gain or loss will be recognized by GBDC upon receipt of GCIC's assets in exchange for GBDC Common Stock and the assumption by GBDC of the liabilities of GCIC;

- GBDC's tax basis in the assets of GCIC transferred to GBDC in the Merger will be the same as GCIC's tax basis in the assets immediately prior to the transfer;

- GBDC's holding periods for the assets of GCIC will include the periods during which such assets were held by GCIC;

- no gain or loss will be recognized by GCIC upon the transfer of GCIC's assets to GBDC in exchange for GBDC Common Stock and the assumption by GBDC of the liabilities of GCIC or upon the deemed distribution of GBDC Common Stock by GCIC to its stockholders;

- no gain or loss will be recognized by GCIC's stockholders upon the exchange of their GCIC Common Stock for GBDC Common Stock, except with respect to cash received instead of a fractional share interest as discussed below;

- the tax basis of GBDC Common Stock a GCIC stockholder receives in connection with the Merger will be the same as the tax basis of the GCIC stockholder's GCIC Common Stock exchanged therefor, reduced by any tax basis that is properly allocable to any fractional share interest of GBDC Common Stock that is redeemed for cash, as discussed below;

- a GCIC stockholder’s holding period for its GBDC Common Stock received in the Merger will include the period for which the GCIC stockholder held the GCIC Common Stock exchanged therefor; and

- GBDC will succeed to, and take into account the items of GCIC described in Section 381(c) of the Code, subject to the conditions and limitations specified in the Code and the U.S. Treasury regulations thereunder.

The tax opinions described above will be based on then-existing law, will be subject to certain assumptions, qualifications and exclusions and will be based in part on the truth and accuracy of certain representations by GBDC and GCIC.

Cash in lieu of a Fractional Share

If a GCIC stockholder receives cash instead of a fractional share of GBDC Common Stock, the GCIC stockholder will be treated as having received the fractional share of GBDC Common Stock pursuant to the Merger and then as having sold that fractional share of GBDC Common Stock for cash. As a result, each such GCIC stockholder generally will recognize gain or loss equal to the difference between the amount of cash received and the tax basis in his, her or its fractional share of GBDC Common Stock. This gain or loss generally will be a capital gain or loss and will be long-term capital gain or loss if, as of the Effective Time, the holding period for the shares (including the holding period of GCIC Common Stock surrendered therefor) is greater than one year. The deductibility of capital losses is subject to limitations. U.S. federal backup withholding tax may be imposed on any cash received instead of a fractional share interest.

Utilization of Loss Carryforwards and Unrealized Losses

In general, limitation under the Code potentially will apply to loss carryforwards and unrealized losses of GCIC if GCIC stockholders before the merger hold less than 50% of the outstanding shares of GBDC immediately following the Merger. Similarly, limitation under the Code potentially will apply to loss carryforwards and unrealized losses of GBDC if GBDC stockholders before the merger hold less than 50% of the outstanding shares of GBDC immediately following the Merger.

In this regard, the Merger is expected to result in potential limitations on the ability of GBDC to use its loss carryforwards and potentially to use unrealized capital losses inherent in the tax basis of the assets acquired, once realized and on the ability of GBDC’s taxable subsidiaries to use their net operating loss carryforwards, if any. These potential limitations generally would be imposed on an annual basis. Losses in excess of the limitation may be carried forward indefinitely for capital loss carryforwards and post-2017 net operating loss carryforwards while pre-2018 net operating loss carryforwards are subject to a 20-year expiration from the year incurred. The limitations as to GBDC generally would equal the product of the fair market value of GBDC's equity immediately prior to the Merger and the "long-term tax-exempt rate," as published quarterly by the IRS, in effect at such time. As of December 2018, the long-term tax-exempt rate was 2.54%. However, no assurance can be given as to what long-term tax-exempt rate will be in effect at the time of the Merger. As of September 30, 2018, GBDC estimates that it did not have any capital loss carryforwards available for use in subsequent tax years for U.S. federal income tax purposes. This estimate may change by the date of the Merger and does not reflect the impact of the Merger including, in particular, the application (if any) of the loss limitation rules described herein or the materiality of the loss limitation.

If it turns out that GCIC stockholders before the merger hold less than 50% of the outstanding shares of GBDC immediately following the Merger, the Merger will result in a limitation on the ability of GBDC to use any of GCIC's capital loss carryforwards and, potentially, to use unrealized capital losses inherent in the tax basis of the assets acquired, once realized and in the ability of GCIC's taxable subsidiaries to use their net operating loss carryforwards, if any. As of September 30, 2018, GCIC estimates that it did not have any capital loss carryforwards available or use in subsequent tax years for U.S. federal income tax purposes. This estimate may change by the date of the Merger and does not reflect the impact of the Merger, including, in particular, the application (if any) of the loss limitation rules discussed herein or the materiality of the loss limitation.

GBDC will be prohibited from using its capital loss carryforwards, if any, and unrealized losses (once realized) against the unrealized gains in GCIC's portfolio at the time of the Merger, if any, to the extent such gains are realized within five years following the Merger, if GCIC has a net unrealized built in gain at the time of the Merger. The ability of GBDC to absorb its losses in the future depends upon a variety of factors that cannot be known in advance. Even if GBDC is able to utilize its capital loss carryforwards or unrealized losses, the tax benefit resulting from those losses will be shared by both GCIC and GBDC stockholders following the Merger. Therefore, a GBDC stockholder or GCIC stockholder may pay more taxes, or pay taxes sooner, than such stockholder otherwise would have paid if the Merger did not occur.

GBDC will also be prohibited from using GCIC's capital loss carryforwards, if any, and unrealized losses (once realized) against the unrealized gains in GBDC's portfolio at the time of the Merger, if any, to the extent such gains are realized within five years following the Merger, if GBDC has a net unrealized built in gain at the time of the Merger. The ability of GBDC to use GCIC's losses in the future depends upon a variety of factors that cannot be known in advance. Even if GBDC is able to utilize capital loss carryforwards or unrealized losses of GCIC, the tax benefit resulting from those losses will be shared by both GCIC and GBDC stockholders following the Merger. Therefore, a GCIC stockholder may pay more taxes, or pay taxes sooner, than such stockholder otherwise would have paid if the Merger did not occur.

Further, in addition to the other limitations on the use of losses, under Section 381 of the Code, for the tax year of the Merger, only that percentage of GBDC's capital gain net income for such tax year (excluding capital loss carryforwards), if any, equal to the percentage of its tax year that remains following the Merger can be reduced by GCIC's capital loss carryforwards (as otherwise limited under Sections 382, 383 and 384 of the Code, as described above).

A RIC cannot carry forward or carry back any net operating losses for U.S. federal income tax purposes. Accordingly, GBDC cannot use any net operating losses inherited from GCIC in the Merger.

Status as a Regulated Investment Company

Both GCIC and GBDC believe they have qualified, and expect to continue to qualify, as RICs. Accordingly, both GCIC and GBDC believe that they have not been, and expect to continue not to be, subject to U.S. federal income tax to the extent that they have made or make distributions treated as dividends for U.S. federal income tax purposes to their stockholders, each tax year, generally of an amount at least 90% of their respective "investment company taxable income," which is generally net ordinary income plus the excess, if any, of realized net short-term capital gains over realized net long-term capital losses and determined without regard to any deduction for dividends paid.

If either GBDC or GCIC were unable to qualify for treatment as a RIC and was unable to cure the failure, for example, by disposing of certain investments quickly or raising additional capital to prevent the loss of RIC status, GBDC or GCIC generally would be subject to tax on all of their taxable income at regular corporate rates. The Code provides some relief from RIC disqualification due to failures to comply with the 90% Income Test and the Diversification Tests, although there may be additional taxes due in such cases. Neither GBDC nor GCIC can provide assurances that it would qualify for any such relief should it fail the 90% Income Test or the Diversification Tests.

Should failure occur; not only would all the taxable income of GBDC or GCIC, as applicable, be subject to tax at regular corporate rates, the company would not be able to deduct dividend distributions to stockholders, nor would they be required to be made. Distributions, including distributions of net long-term capital gain, would generally be taxable to the applicable stockholders as ordinary dividend income to the extent of current and accumulated earnings and profits. Subject to certain limitations under the Code, certain corporate stockholders would be eligible to claim dividends received deduction with respect to such dividends and non-corporate stockholders would generally be able to treat such dividends as "qualified dividend income," which is subject to reduced rates of U.S. federal income tax. Distributions in excess of current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain. If GBDC or GCIC fails to qualify as a RIC, it may be subject to regular corporate tax on any net built-in gains with respect to certain of its assets (i.e., the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if GBDC had been liquidated) that it elects to recognize on requalification or when recognized over the next five taxable years.

Distribution of Income and Gains

GCIC's tax year is expected to end as a result of the Merger. GCIC generally will be required to declare to its stockholders of record one or more distributions of all of its previously undistributed net investment income and net realized capital gain (if any), including capital gain realized on any securities disposed of in connection with the Merger, in order to maintain GCIC's treatment as a RIC during its tax year ending with the date of the Merger and to eliminate any U.S. federal income tax on its taxable income in respect of such tax year.

Moreover, if GBDC has net investment income or net realized capital gain, but has not distributed such income or gain prior to the Merger and you acquire shares of GBDC Common Stock in the Merger, a portion of your subsequent distributions from GBDC may, in effect, be a taxable return of part of your investment. Similarly, if you acquire GBDC Common Stock in the Merger when it holds appreciated securities, you may receive a taxable return of part of your investment if and when GBDC sells the appreciated securities and distributes the realized gain.

U.S. Federal Income Taxation of an Investment in GBDC Common Stock

The following discussion summarizes the U.S. federal income taxation of an investment in GBDC Common Stock. This discussion is not intended as a substitute for careful tax planning. You should consult your tax advisor about your specific tax situation.

A "U.S. stockholder" is a beneficial owner of shares of GBDC Common Stock who is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation or other entity treated as a corporation, for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if either a U.S. court can exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or the trust was in existence on August 20, 1996, was

treated as a U.S. person prior to that date, and has made a valid election to be breathed as a U.S. person.

A “Non-U.S. stockholder” is a beneficial owner of shares of GBDC Common Stock that is not a U.S. stockholder.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds shares of GBDC Common Stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A prospective stockholder that is a partner in a partnership holding shares of GBDC Common Stock should consult his, her or its tax advisers with respect to the purchase, ownership and disposition of shares of GBDC Common Stock.

Tax matters are very complicated and the tax consequences to an investor of an investment in shares of GBDC Common Stock will depend on the facts of his, her or its particular situation. GCIC stockholders should consult their own tax advisers regarding the specific consequences of the Merger, including tax reporting requirements, the applicability of federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty and the effect of any possible changes in the tax laws.

Election to be Taxed as a RIC. As a BDC, GBDC has elected to be treated as a RIC under Subchapter M of the Code. As a RIC, GBDC generally will not be subject to corporate-level U.S. federal income taxes on any net ordinary income or capital gains that it timely distributes each tax year to its stockholders as dividends for U.S. federal income tax purposes. To qualify as a RIC, GBDC must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, GBDC must distribute to its stockholders, for each taxable year, dividends for U.S. federal income tax purposes of an amount at least equal to 90% of its "investment company taxable income," which is generally its net ordinary income plus the excess of realized net short-term capital gains over realized net long term capital losses and determined without regard to any deduction for dividends paid (the "Annual Distribution Requirement").

Taxation as a RIC. If GBDC:

- qualifies as a RIC; and
- satisfies the Annual Distribution Requirement

then it will not be subject to U.S. federal income tax on the portion of its investment company taxable income and net capital gain, defined as net long-term capital gains in excess of net short-term capital losses, GBDC distributes (or is deemed to distribute) as dividends for U.S. federal income tax purposes to its stockholders. GBDC will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gains not distributed (or deemed distributed) as distributions to its stockholders.

As a RIC, GBDC will be subject to a 4% nondeductible federal excise tax on certain undistributed income unless it distributes amounts treated as dividends for U.S. federal income tax purposes in a timely manner to its stockholders of an amount at least equal to the sum of (1) 98% of its net ordinary income (taking into account certain deferrals and elections) for the calendar year, (2) 98.2% of its capital gain net income, which is the excess of capital gains in excess of capital losses ("capital gain net income") (as adjusted for certain ordinary losses), for the one-year period ending October 31 of that calendar year and (3) any net ordinary income and capital gain net income for the preceding years that were not distributed during such years and on which it did not incur any U.S. federal income tax, or the excise tax avoidance requirement. Any distribution treated as dividends for U.S. federal income tax purposes declared by GBDC during October, November or December of any calendar year, payable to stockholders of record on a specified date in such a month and actually paid during January of the following calendar year, will be treated as if it had been paid by GBDC, as well as received by its U.S. stockholders, on December 31 of the calendar year in which the distribution was declared.

GBDC has previously incurred, and may incur in the future, such excise tax on a portion of its income and capital gains. While GBDC intends to distribute income and capital gains to minimize exposure to the 4% excise tax, it may not be able to, or may choose not to, distribute amounts sufficient to avoid the imposition of the tax entirely. In that event, GBDC generally will be liable for the excise tax only on the amount by which it does not meet the excise tax avoidance requirement. Under certain circumstances, however, GBDC may, in its sole discretion, determine that it is in GBDC's best interests to retain a portion of its income or capital gains rather than distribute such amount as dividends and accordingly cause GBDC to bear the excise tax burden associated therewith.

In order to qualify as a RIC for U.S. federal income tax purposes, GBDC must, among other things:

- qualify to be treated as a BDC under the 1940 Act at all times during each tax year;

- derive in each tax year at least 90% of its gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale of stock or other securities, net income from certain "qualified publicly traded partnerships" (partnerships that are traded on an established securities market or tradable on a secondary market, other than partnerships that derive 90% of their income from interest, dividends and other permitted RIC income) or other income derived with respect to its business of investing in such stock or other securities, or the 90% Income Test; and

- diversify its holdings so that at the end of each quarter of the tax year:

- o at least 50% of the value of its assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of its assets or more than 10% of the outstanding voting securities of such issuer; and

- o no more than 25% of the value of its assets is invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by it and that are engaged in the same or similar or related trades or businesses or of certain “qualified publicly traded partnerships,” or the Diversification Tests.

GBDC may invest in partnerships, including qualified publicly traded partnerships, which may result in it being subject to state, local or foreign income, franchise or other tax liabilities.

A RIC is limited in its ability to deduct expenses in excess of its investment company taxable income. If GBDC’s deductible expenses in a given tax year exceed its investment company taxable income, GBDC may incur a net operating loss for that tax year. However, a RIC is not permitted to carry forward net operating losses to subsequent tax years and such net operating losses do not pass through to its stockholders. In addition, deductible expenses can be used only to offset investment company taxable income, not net capital gain. A RIC may not use any net capital losses (that is, the excess of realized capital losses over realized capital gains) to offset its investment company taxable income, but may carry forward such net capital losses, and use them to offset future capital gains, indefinitely. Due to these limits on deductibility of expenses and net capital losses, GBDC may for tax purposes have aggregate taxable income for several tax years that it is required to distribute and that is taxable to its stockholders even if such taxable income is greater than the net income GBDC actually earns during those tax years.

For U.S. federal income tax purposes, GBDC may be required to recognize taxable income in circumstances in which it does not receive cash. For example, if GBDC holds debt instruments that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, with increasing interest rates issued with warrants), it must include in income each tax year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by it in the same tax year. GBDC may also have to include in income other amounts that it has not yet received in cash, such as deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. GBDC anticipates that a portion of its income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash. Also, recent tax legislation requires that income by recognized to tax purposes no later than when recognized for financial reporting purposes. Further, GBDC elected to amortize market discount and include such amounts in its taxable income in the current tax year, instead of upon their disposition.

GBDC invests a portion of its net assets in below investment grade instruments. Investments in these types of instruments may present special tax issues for GBDC. U.S. federal income tax rules are not entirely clear about issues such as when GBDC may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken for bad debts or worthless instruments, how payments received on obligations in default should be allocated between principal and income and whether exchanges of debt instruments in a bankruptcy or workout context are taxable. GBDC will address these and other issues to the extent necessary in order to seek to ensure that GBDC distributes sufficient income to avoid any material U.S. federal income or excise tax.

Because any original issue discount or other amounts accrued will be included in its investment company taxable income for the tax year of the accrual, GBDC may be required to make a distribution to its stockholders in order to satisfy the annual distribution requirement, even though it will not have received any corresponding cash amount. As a result, GBDC may have difficulty meeting the annual distribution requirement necessary to maintain RIC tax treatment under Subchapter M of the Code. GBDC may have to sell or otherwise dispose of some of its investments at times and/or at prices it would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If GBDC is not able to obtain cash from other sources, it may fail to qualify for RIC tax treatment and thus become subject to corporate-level income tax. Furthermore, a portfolio company in which GBDC holds equity or debt instruments may face financial difficulty that requires GBDC to work out, modify, or otherwise restructure such equity or debt instruments. Any such restructuring could, depending upon the terms of the restructuring, cause GBDC to incur unusable or nondeductible losses or recognize future non-cash taxable income.

Certain of GBDC investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things, (1) treat dividends that would otherwise constitute qualified dividend income as non-qualified dividend income, (2) treat dividends that would otherwise be eligible for the corporate dividends received deduction as ineligible for such treatment, (3) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (4) convert lower-taxed long-term capital gain into higher-taxed short-term capital gain or ordinary income, (5) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (6) cause GBDC to recognize income or gain without a corresponding receipt of cash, (7) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (8) adversely alter the characterization of certain complex financial transactions and (9) produce income that will not be qualifying income for purposes of the 90% Income Test. GBDC intends to monitor its transactions and may make certain tax elections to mitigate the effect of these provisions and prevent its ability to be subject to tax as a RIC.

Gain or loss realized by GBDC from warrants acquired by GBDC as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. Such gain or loss generally will be long term or short term, depending on how long GBDC held a particular warrant.

If GBDC acquires the equity securities of certain non-U.S. entities classified as a corporation for U.S. federal income tax purposes that earn at least 75% of their annual gross income from passive sources (such as interest, dividends, rents, royalties or capital gain) or hold at least 50% of their total assets in investments producing such passive income, GBDC could be subject to federal income tax and additional interest charges on “excess distributions” received from such passive foreign investment companies, or PFICs, or gain from the sale of stock in such PFICs, even if all income or gain actually received by GBDC is timely distributed to its stockholders. GBDC would not be able to pass through to its stockholders any credit or deduction for such a tax. Certain elections may, if available, ameliorate these adverse tax consequences, but any such election could require GBDC to recognize taxable income or gain without the concurrent receipt of cash. GBDC intends to limit and/or manage its holdings in PFICs to minimize GBDC’s liability for any such taxes and related interest charges.

Although GBDC does not presently expect to do so, it is authorized to borrow funds and to sell or otherwise dispose of assets in order to satisfy distribution requirements. However, under the 1940 Act, GBDC is not permitted to make distributions to its stockholders while its debt obligations and other senior securities are outstanding unless certain “asset coverage” tests are met. See “Regulation—Senior Securities.” Moreover, GBDC’s ability to sell or otherwise dispose of assets to meet the annual distribution requirement may be limited by (1) the illiquid nature of its portfolio and/or (2) other requirements relating to its qualification as a RIC, including the Diversification Tests. If GBDC sells or otherwise disposes of assets in order to meet the annual distribution requirement or the excise tax avoidance requirement, it may make such dispositions at times that, from an investment standpoint, are not advantageous.

A portfolio company in which GBDC invests may face financial difficulties that require GBDC to work-out, modify or otherwise restructure its investment in the portfolio company. Any such transaction could, depending upon the specific terms of the transaction, result in unusable capital losses and future non-cash income. Any such transaction could also result in GBDC receiving assets that give rise to non-qualifying income for purposes of the 90% Income Test or otherwise would not count toward satisfying the Diversification Tests.

Some of the income and fees that GBDC may recognize, such as fees for providing managerial assistance, certain fees earned with respect to its investments, income recognized in a work-out or restructuring of a portfolio investment, or income recognized from an equity investment in an operating partnership, may not satisfy the 90% Income Test. in order to manage the risk that such income and fees might disqualify GBDC as a RIC for a failure to satisfy the 90% Income Test, GBDC may be required to recognize such income and fees indirectly through one or more entities treated as corporations for U.S. federal income tax purposes. Such corporations will be subject to U.S. corporate income as well as state and local tax on their earnings, which ultimately will reduce the yield to GBDC stockholders on such fees and income.

The remainder of this discussion assumes that GBDC maintains its qualification as a RIC and has satisfied the Annual Distribution Requirement.

Taxation of U.S. Stockholders

This subsection applies to U.S. stockholders, only. If you are not a U.S. stockholder, this subsection does not apply to you and you should refer to "—Taxation of Non-U.S. Stockholders" below.

Distributions by GBDC generally are taxable to U.S. stockholders as ordinary income or capital gains. Distributions of GBDC's investment company taxable income (which is generally its net ordinary income plus net short-term capital gains in excess of realized net long-term capital losses) will be taxable as ordinary income to U.S. stockholders to the extent of its current or accumulated earnings and profits, whether paid in cash or reinvested in additional shares of GBDC Common Stock. To the extent such distributions paid by GBDC to non-corporate stockholders (including individuals) are attributable to dividends from U.S. corporations and certain qualified foreign corporations and if certain holding period requirements are met, such distributions generally will be treated as qualified dividend income and generally eligible for a maximum U.S. federal tax rate of either 15% or 20%, depending on whether the individual stockholder's income exceeds certain threshold amounts, and if other applicable requirements are met, such distributions generally will be eligible for the corporate dividends-received deduction to the extent such dividends have been paid by a U.S. corporation. In this regard, it is anticipated that distributions paid by GBDC will generally not be attributable to dividends and, therefore, generally will not qualify for the preferential maximum U.S. federal tax rate applicable to non-corporate stockholders as well as will not be eligible for the corporate dividends-received deduction. Distributions of GBDC's net capital gains (which is generally its realized net long-term capital gains in excess of realized net short-term capital losses) properly designated by GBDC as "capital gain dividends" will be taxable to a U.S. stockholder as long-term capital gains (currently generally at a maximum rate of either 15% or 20%, depending on whether the individual stockholder's income exceeds certain threshold amounts) in the case of individuals, trusts or estates, regardless of the U.S. stockholder's holding period for his, her or its common stock and regardless of whether paid in cash or reinvested in additional common stock. Distributions in excess of GBDC's earnings and profits first will reduce a U.S. stockholder's adjusted tax basis in such stockholder's common stock and, after the adjusted basis is reduced to zero, will constitute capital gains to such U.S. stockholder.

Stockholders receiving dividends or distributions in the form of additional shares of GBDC Common Stock purchased in the market should be treated for U.S. federal income tax purposes as receiving a distribution in an amount equal to the amount of money that the stockholders receiving cash dividends or distributions will receive, and should have a cost basis in the shares received equal to such amount. Stockholders receiving dividends in newly issued shares of GBDC Common Stock will be treated as receiving a distribution equal to the value of the shares received, and should have a cost basis of such amount.

Although GBDC currently intends to distribute any net capital gains at least annual, GBDC may in the future decide to retain some or all of its net capital gains, but designate the retained amount as a “deemed distribution.” In that case, among other consequences, GBDC will pay tax on the retained amount, each U.S. stockholder will be required to include their share of the deemed distribution in income as if it had been distributed to the U.S. stockholder, and the U.S. stockholder will be entitled to claim a credit equal to their allocable share of the tax paid on the deemed distribution by GBDC. The amount of the deemed distribution net of such tax will be added to the U.S. stockholder’s tax basis for their shares of GBDC Common Stock. Since GBDC expects to pay tax on any retained net capital gains at its regular corporate tax rate, and since that rate is in excess of the maximum rate currently payable by individuals on long-term capital gains, the amount of tax that individual stockholders will be treated as having paid and for which they will receive a credit will exceed the tax they owe on the retained net capital gain. Such excess generally may be claimed as a credit against the U.S. stockholder’s other U.S. federal income tax obligations or may be refunded to the extent it exceeds a stockholder’s liability for U.S. federal income tax. A stockholder that is not subject to U.S. federal income tax or otherwise required to file a U.S. federal income tax return would be required to file a U.S. federal income tax return on the appropriate form in order to claim a refund for the taxes GBDC paid. In order to utilize the deemed distribution approach, GBDC must provide written notice to its stockholders prior to the expiration of 60 days after the close of the relevant tax year. GBDC cannot treat any of its investment company taxable income as a “deemed distribution.”

For purposes of determining (1) whether the annual distribution requirement is satisfied for any tax year and (2) the amount of capital gain dividends paid for that tax year, GBDC may, under certain circumstances, elect to treat a distribution that is paid during the following tax year as if it had been paid during the tax year in question. If GBDC makes such an election, the U.S. stockholder will still be treated as receiving the distribution in the tax year in which the distribution is made. However, any distribution declared by GBDC in October, November or December of any calendar year, payable to stockholders of record on a specified date in such a month and actually paid during January of the following calendar year, will be treated as if it had been received by GBDC's U.S. stockholders on December 31 of the calendar year in which the distribution was declared.

If an investor acquires shares of GBDC Common Stock shortly before the record date of a distribution, the price of the shares of GBDC Common Stock will include the value of the distribution and the investor will be subject to tax on the distribution even though it represents a return of their investment.

A stockholder generally will recognize taxable gain or loss if the stockholder sells or otherwise disposes of their shares of GBDC Common Stock. The amount of gain or loss will be measured by the difference between such stockholder's adjusted tax basis in the GBDC Common Stock sold and the amount of the proceeds received in exchange. Any gain arising from such sale or disposition generally will be treated as long-term capital gain or loss if the stockholder has held their shares of GBDC Common Stock for more than one year. Otherwise, it would be classified as short-term capital gain or loss. However, any capital loss arising from the sale or disposition of shares of GBDC Common Stock held for six months or less will be treated as long-term capital loss to the extent of the amount of capital gain dividends received, or undistributed capital gain deemed received, with respect to such shares. In addition, all or a portion of any loss recognized upon a disposition of shares of GBDC Common Stock may be disallowed if other shares of GBDC Common Stock are purchased (whether through reinvestment of distributions or otherwise) within 30 days before or after the disposition. In such case, the basis of the GBDC Common Stock acquired will be increased to reflect the disallowed loss.

In general, individual U.S. stockholders are subject to a maximum U.S. federal income tax rate of either 15% or 20% (depending on whether the individual U.S. stockholder's income exceeds certain threshold amounts) on their net capital gain, *i.e.*, the excess of realized net long-term capital gain over realized net short-term capital loss for a taxable year, including any long-term capital gain derived from an investment in shares of GBDC Common Stock. Such rate is lower than the maximum federal income tax rate on ordinary taxable income currently payable by individuals. Corporate U.S. stockholders currently are subject to U.S. federal income tax on net capital gain at the maximum rate also applied to ordinary income (35% for taxable years beginning before 2018, and 21% thereafter). Non-corporate stockholders incurring net capital losses for a tax year (*i.e.*, net capital losses in excess of net capital gains) generally may deduct up to $3,000 of such losses against their ordinary income each year; any net capital losses of a non-corporate stockholder in excess of $3,000 generally may be carried forward and used in subsequent tax years as provided in the Code. Corporate stockholders generally may not deduct any net capital losses for any tax year, but may carry back such losses for three tax years or carry forward such losses for five tax years.

An additional 3.8% Medicare tax is imposed on certain net investment income (including ordinary dividends and capital gain distributions received from GBDC and net gains from redemptions or other taxable dispositions of shares of GBDC Common Stock) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds certain threshold amounts.

GBDC (or if a U.S. stockholder holds shares through an intermediary, such intermediary) will send to each of its U.S. stockholders, as promptly as possible after the end of each calendar year, a notice detailing, on a per share and per distribution basis, the amounts includible in such U.S. stockholder's taxable income for such year as ordinary income and as long-term capital gain. In addition, the federal tax status of each year's distributions generally will be reported to the IRS (including the amount of distributions, if any, eligible for the preferential maximum rate). Distributions paid by GBDC generally will not be eligible for the corporate dividends received deduction or the preferential tax rate applicable to qualifying dividends because GBDC's income generally will not consist of qualifying dividends. Distributions may also be subject to additional state, local and foreign taxes depending on a U.S. stockholder's particular situation.

The Code requires reporting of adjusted cost basis information for covered securities, which generally include shares of a RIC acquired after January 1, 2012, to the IRS and to taxpayers. Stockholders should contact their financial intermediaries with respect to reporting of cost basis and available elections for their accounts.

GBDC may be required to withhold U.S. federal income tax, or backup withholding, currently at a rate of 24%, from all distributions to any non-corporate U.S. stockholder (1) who fails to furnish GBDC with a correct taxpayer identification number or a certificate that such stockholder is exempt from backup withholding or (2) with respect to whom the IRS notifies GBDC that such stockholder has failed to properly report certain interest and dividend income to the IRS and to respond to notices to that effect. An individual's taxpayer identification number is his or her social security number. Any amount withheld under backup withholding is allowed as a credit against the U.S. stockholder's U.S. federal income tax liability, provided that proper information is provided to the IRS.

Under U.S. Treasury regulations, if a U.S. stockholder recognizes a loss with respect to shares of GBDC Common Stock of $2 million or more in the case of an individual stockholder or $10 million or more in the case of a corporate stockholder in any single tax year (or a greater loss over a combination of tax years), such U.S. stockholder must file with the IRS a disclosure statement on Form 8886. Direct U.S. stockholders of portfolio securities are in many cases excepted from this reporting requirement, but under current guidance, U.S. stockholders of a RIC are not excepted. Future guidance may extend the current exception from this reporting requirement to stockholders of most or all RICs. The fact that a loss is reportable by a taxpayer under these U.S. Treasury regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. U.S. stockholders should consult their tax advisers to determine the applicability of these U.S. Treasury regulations in light of their individual circumstances.

Taxation of Non-U.S. Stockholders

Whether an investment in the shares of GBDC Common Stock is appropriate for a non-U.S. stockholder will depend upon that person's particular circumstances. An investment in the shares of GBDC Common Stock by a Non-U.S. stockholder may have adverse tax consequences. Non-U.S. stockholders of GCIC should consult their tax advisers before approving the Merger and the Merger Agreement.

Certain properly designated dividends received by a Non-U.S. stockholder generally are exempt from U.S. federal withholding tax when they (1) are paid in respect of GBDC's "qualified net interest income" (generally, GBDC's U.S. source interest income, other than certain contingent interest and interest from obligations of a corporation or partnership in which GBDC is at least a 10% stockholder, reduced by expenses that are allocable to such income), or (2) are paid in connection with GBDC's "qualified short-term capital gains" (generally, the excess of GBDC's net short-term capital gain over its long-term capital loss for a tax year) as well as if certain other requirements are satisfied. Nevertheless, it should be noted that in the case of shares of GBDC Common Stock held through an intermediary, the intermediary may have withheld U.S. federal income tax even if GBDC designated the payment as having been derived from qualified net interest income or from qualified short-term capital gains. Moreover, depending on the circumstances, GBDC may designate all, some or none of its potentially eligible dividends as derived from such qualified net interest income or as qualified short-term capital gains, or treat such dividends, in whole or in part, as ineligible for this exemption from withholding.

Distributions of GBDC’s investment company taxable income made to non-U.S. stockholders will not be subject to U.S. withholding tax if (i) the distributions are properly reported in a notice timely delivered to Non-U.S. stockholders as “interest-related dividends” or “short-term capital gain dividends,” (ii) the distributions are derived from sources specified in the Code for such dividends and (iii) certain other requirements are satisfied. No assurance can be given as to whether any amount of GBDC’s distributions will be eligible for this exemption from withholding or, if eligible, will be reported as such by GBDC.

Actual or deemed distributions of GBDC’s net capital gains to a Non-U.S. stockholder, and gains realized by a Non-U.S. stockholder upon the sale of GBDC Common Stock, will not be subject to U.S. federal withholding tax and generally will not be subject to U.S. federal income tax unless (i) the distributions or gains, as the case may be, are effectively connected with a U.S. trade or business of the Non-U.S. stockholder and, if an income tax treaty applies, are attributable to a permanent establishment maintained by the Non-U.S. stockholder in the United States, or (ii) in the case of an individual stockholder, the stockholder is present in the United States for 183 days or more during the year of the sale or capital gain dividend and certain other conditions are met.

If GBDC distributes its net capital gains in the form of deemed rather than actual distributions (which it may do in the future), a Non-U.S. stockholder will be entitled to a U.S. federal income tax credit or tax refund equal to the stockholder's allocable share of the tax GBDC pays on the capital gains deemed to have been distributed. In order to obtain the refund, the Non-U.S. stockholder must obtain a U.S. taxpayer identification number and file a U.S. federal income tax return even if the Non-U.S. stockholder would not otherwise be required to obtain a U.S. taxpayer identification number or file a U.S. federal income tax return. For a corporate Non-U.S. stockholder, distributions (both actual and deemed), and gains realized upon the sale of GBDC Common Stock that are effectively connected to a U.S. trade or business may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate (or at a lower rate if provided for by an applicable treaty).

A Non-U.S. stockholder who is a non-resident alien individual, and who is otherwise subject to withholding of U.S. federal income tax, may be subject to information reporting and backup withholding of U.S. federal income tax on dividends unless the Non-U.S. stockholder provides GBDC or the dividend paying agent with a U.S. nonresident withholding tax certification (*e.g.*, an IRS Form W-8BEN, an IRS Form W-8BEN-E or an acceptable substitute form) or otherwise meets documentary evidence requirements for establishing that it is a Non-U.S. stockholder or otherwise establishes an exemption from backup withholding.

Withholding of U.S. tax (at a 30% rate) is required by the Foreign Account Tax Compliance Act ("FATCA") provisions of the Code with respect to payments of dividends and (effective January 1, 2019) certain capital gain dividends and certain redemption proceeds paid made to certain non-U.S. entities that fail to comply (or be deemed compliant) with extensive reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Stockholders may be requested to provide additional information to enable the applicable withholding agent to determine whether withholding is required.

An investment in shares by a non-U.S. person may also be subject to U.S. federal estate tax. Non-U.S. persons should consult their own tax advisors with respect to the U.S. federal income tax, U.S. federal estate tax, withholding tax, and state, local and foreign tax consequences of acquiring, owning or disposing of GBDC Common Stock.

Failure to Qualify as a RIC

If GBDC fails to satisfy the 90% Income Test or any Diversification Test in any tax year, GBDC may be eligible to avail itself of certain relief provisions under the Code if the failures are due to reasonable cause and not willful neglect, and if a penalty tax is paid with respect to each failure in satisfaction of the applicable requirements. Additionally, relief is provided for certain de minimis failures of the Diversification Tests where GBDC corrects a failure within a specified period. If the applicable relief provisions are not available or cannot be met, all of GBDC's income will be subject to U.S. federal corporate-level income tax as described below. GBDC cannot provide assurance that it would qualify for any such relief should it fail either the 90% Income Test or any Diversification

Test.

If GBDC were unable to qualify for treatment as a RIC, it would be subject to tax on all of its taxable income at regular corporate rates, regardless of whether it makes any distributions to its stockholders. Distributions would not be required, and any distributions would generally be taxable to GBDC stockholders as ordinary dividend income. Subject to certain additional limitations in the Code, such distributions would be eligible for the preferential maximum rate applicable to individual stockholders with respect to qualifying dividends. Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends-received deduction. Distributions in excess of GBDC's current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain. Moreover, if GBDC fails to qualify as a RIC in any tax year, to qualify again to be subject to tax as a RIC in a subsequent tax year, GBDC would be required to distribute its earnings and profits attributable to any of its non-RIC tax years as dividends to its stockholders. In addition, if GBDC fails to qualify as a RIC for a period greater than two consecutive tax years, to qualify as a RIC in a subsequent year GBDC may be subject to regular corporate income tax on any net built-in gains with respect to certain of its assets (that is, the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if GBDC had sold the property at fair market value at the end of the tax year) that it elects to recognize on requalification or when recognized over the next five tax years.

State and Local Taxes

GBDC may be subject to state or local taxes in jurisdictions in which it is deemed to be doing business. In those states or localities, GBDC's entity-level tax treatment and the treatment of distributions made to stockholders under those jurisdictions' tax laws may differ from the treatment under the Code. Accordingly, an investment in shares of GBDC Common Stock may have tax consequences for stockholders that are different from those of a direct investment in GBDC's portfolio investments. Stockholders are urged to consult their own tax advisers concerning state and local tax matters.

GBDC Proposal 1: approval of the Certificate of Incorporation Amendment Proposal

GBDC is asking its stockholders to approve an amendment to its certificate of incorporation to increase the number of authorized shares of capital stock from 101,000,000 shares to 201,000,000 shares, consisting of 200,000,000 shares of GBDC Common Stock and 1,000,000 shares of preferred stock, par value $0.001 per share.

The amendment to the GBDC certificate of incorporation is necessary to complete the Merger, and the approval of the Certificate of Incorporation Amendment Proposal is required for completion of the Merger. If the Certificate of Incorporation Amendment Proposal is approved by the requisite vote of GBDC stockholders, the amendment to the GBDC certificate of incorporation will be filed with the Delaware Secretary of State regardless of the results of the voting on the other proposals at the GBDC Special Meeting.

Purposes and Effects of Increasing the Number of Authorized Shares

As of November 27, 2018, there were 60,165,454 shares of GBDC Common Stock outstanding and, based on the 67,103,001.653 shares of GCIC Common Stock outstanding as of such date, closing of the Merger would require GBDC to issue approximately 58,044,000 additional shares of GBDC Common Stock, which would exceed the authorized number of shares of GBDC Common Stock under GBDC's current certificate of incorporation. The issuance of shares of GBDC Common Stock to GCIC stockholders is necessary to complete the Merger, and the approval of the Certificate of Incorporation Amendment Proposal is required for completion of the Merger. As a result, the GBDC Board believes it is advisable for the GBDC stockholders to approve the amendment to the GBDC certificate of incorporation to increase the authorized shares of GBDC Common Stock so that the Merger and the transactions contemplated by the Merger Agreement may be completed.

In addition, the GBDC Board also believes that it is desirable to have additional authorized shares of GBDC Common Stock available for possible future issuance, including for offerings of shares of GBDC's securities in public offerings registered under the Securities Act, offerings of GBDC's securities in private placements in reliance on an exemption from the registration requirements of the Securities Act as well as for strategic and other transactions that may arise.

If approved, the Certificate of Incorporation Amendment Proposal would allow GBDC to issue the shares of GBDC Common Stock comprising the Merger Consideration at the closing of the Merger. In addition, the GBDC Board would have the ability to issue additional shares of GBDC Common Stock without further GBDC stockholder approval, unless required by applicable law or stock exchange rules. Although, other than the GBDC Common Stock issued at the closing of the Merger, GBDC has no specific plans at this time for use of the additional shares of capital stock, having additional authorized shares of GBDC Common Stock available for issuance in the future would give GBDC greater flexibility and would allow such shares to be issued without the expense and delay of a special stockholders' meeting or waiting until the next annual meeting.

The additional GBDC Common Stock to be authorized will have rights identical to the currently outstanding GBDC Common Stock. This proposal will not affect the par value of the GBDC Common Stock, which will remain at $0.001 per share. Under GBDC's certificate of incorporation, GBDC stockholders do not have preemptive rights to subscribe for additional securities which may be issued by GBDC.

If GBDC issues additional shares of GBDC Common Stock, or other securities convertible into GBDC Common Stock in the future, it could dilute the voting rights of existing holders of GBDC Common Stock and could also dilute earnings per share and NAV per share of existing common stockholders. In addition, if GBDC issues additional shares of GBDC Common Stock, or other securities convertible into GBDC Common Stock in the future, GC Advisors will receive greater fees as result of the increased assets under management.

Certificate of Amendment

If approved, the amendment to the GBDC certificate of incorporation will become effective upon the filing of a certificate of amendment to the GBDC certificate of incorporation with the Secretary of State of Delaware, which GBDC would do promptly after the GBDC Special Meeting. In such event, GBDC's certificate of incorporation would be amended to reflect the increase in the number of authorized shares of GBDC Common Stock.

THE GBDC BOARD, INCLUDING THE GBDC INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT GBDC STOCKHOLDERS VOTE "FOR" THE CERTIFICATE OF INCORPORATION AMENDMENT PROPOSAL

GBDC stockholders may vote "FOR" or "AGAINST," or they may "ABSTAIN" from voting on, the Certificate of Incorporation Amendment Proposal. The affirmative vote of the holders of a majority of the outstanding shares of GBDC Common Stock entitled to vote at the GBDC Special Meeting "**FOR**" the Certificate of Incorporation Amendment Proposal is required for approval of the Certificate of Incorporation Amendment Proposal. Abstentions and broker non-votes will have the effect of a vote "against" this proposal. Proxies received will be voted "FOR" the approval of the Certificate of Incorporation Amendment Proposal unless GBDC stockholders designate otherwise.

GBDC Proposal 2: Approval of the Merger Stock Issuance Proposal

GBDC is asking its stockholders to approve the issuance of the shares of GBDC Common Stock to be issued pursuant to the Merger Agreement. The Merger Stock Issuance Proposal is contingent upon approval by the GBDC stockholders of the Certificate of Incorporation Amendment Proposal. It is a condition to completion of the Merger that GBDC issue shares of GBDC Common Stock to GCIC stockholders pursuant to the Merger Agreement. Upon completion of the Merger, and subject to the terms and conditions of the Merger Agreement, each share of GCIC Common Stock issued and outstanding immediately prior to the Effective Time will be converted into the right to receive, in accordance with the Merger Agreement, the Merger Consideration as described in the section entitled "Description of the Merger Agreement—Merger Consideration."

The issuance of shares of GBDC Common Stock to GCIC stockholders is necessary to complete the Merger, and the approval of the Merger Stock Issuance Proposal is required for completion of the Merger.

Appraisal Rights

Under Delaware law and GBDC's certificate of incorporation, GBDC stockholders will not be entitled to rights of appraisal with respect to the Merger Stock Issuance Proposal. Accordingly, to the extent that a GBDC stockholder objects to the Merger Stock Issuance Proposal, such GBDC stockholder will not have the right to have a court judicially determine (and the GBDC stockholder will not receive) the fair value for its shares of GBDC Common Stock under the provisions of Delaware law governing appraisal rights.

THE GBDC BOARD, INCLUDING THE GBDC INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT GBDC STOCKHOLDERS VOTE "FOR" THE MERGER STOCK ISSUANCE PROPOSAL

GBDC stockholders may vote "FOR" or "AGAINST," or they may "ABSTAIN" from voting on, the Merger Stock Issuance Proposal. The affirmative vote "**FOR**" the Merger Stock Issuance Proposal of at least a majority of all of the votes cast at the GBDC Special Meeting in which a quorum is present is necessary for approval of the Merger Stock Issuance Proposal. Abstentions and broker non-votes will have no effect on the outcome of the Merger Stock Issuance Proposal. Proxies received will be voted "FOR" the approval of the Merger Stock Issuance Proposal unless GBDC stockholders designate otherwise.

GBDC PROPOSAL 3: APPROVAL OF ADVISORY AGREEMENT AMENDMENT PROPOSAL

General

GBDC is seeking approval of the New Investment Advisory Agreement. The New Investment Advisory Agreement would amend the Current GBDC Investment Advisory Agreement in order to incorporate changes to the calculation of the cumulative incentive fee cap as well as the incentive fees but would not change the rates of the incentive fees nor eliminate the look-back to GBDC's IPO for the incentive fee cap. If approved by the GBDC stockholders at the GBDC Special Meeting, the New Investment Advisory Agreement would take effect upon, and be contingent on, closing of the Merger. Under the New Investment Advisory Agreement, (i) the cap on incentive fees paid to GC Advisors would be calculated on a per share, rather than aggregate, basis, and (ii) the calculation of the Income Incentive Fee, the Capital Gain Incentive Fee and incentive fee cap will be adjusted to exclude any amounts resulting solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger, such as the premium to NAV to be paid for the shares of GCIC Common Stock in the Merger. None of the other material terms will change in the New Investment Advisory Agreement as compared to the Current GBDC Investment Advisory Agreement, including the services to be provided and the base management fee.

The 1940 Act requires that an investment advisory agreement be approved by both a majority of an investment company's "non-interested" directors and "a majority of the outstanding voting securities," as such terms are defined under the 1940 Act. The GBDC Board, including, after separate meetings and discussion, all of the GBDC Independent Directors, has unanimously approved the New Investment Advisory Agreement and believes it to be in the best interest of GBDC and its stockholders. The GBDC Board is currently composed of six directors, four of whom are not "interested persons," of GBDC or GC Advisors as defined in Section 2(a)(19) of the 1940 Act. If approved by a majority of the outstanding voting securities of GBDC, the New Investment Advisory Agreement will become effective upon closing of the Merger. If the Merger does not close, then the New Investment Advisory Agreement will not go into effect, even if approved by the GBDC Stockholders.

In reaching its conclusion to approve the New Investment Advisory Agreement, the GBDC Board was provided materials regarding both the Current GBDC Investment Advisory Agreement and the New Investment Advisory Agreement, which materials were discussed at an earlier telephonic meeting of the GBDC Board and at an in person meeting of the GBDC Board on November 27, 2018. The GBDC Board discussed whether it would be in the best interests of GBDC to approve the New Investment Advisory Agreement to take effect upon closing of the Merger. The GBDC Board, including all of the GBDC Independent Directors, unanimously approved the New Investment Advisory Agreement and recommended that the New Investment Advisory Agreement be submitted to the GBDC Stockholders for approval at the GBDC Special Meeting.

A form of the New Investment Advisory Agreement is attached as *Annex C* to this joint proxy statement/prospectus and is marked to show the proposed changes against the Current GBDC Investment Advisory Agreement.

Background

GC Advisors is registered as an investment adviser under the Advisers Act, has served as the investment adviser to GBDC since its IPO and currently serves as GBDC's investment adviser pursuant to the Current GBDC Investment Advisory Agreement. The beneficial interests in GC Advisors are majority owned, indirectly, by two affiliated trusts. The trustees of those trusts are Stephen A. Kepniss and David L. Finegold. Subject to the overall supervision of the GBDC Board and in accordance with the 1940 Act, GC Advisors manages GBDC's day-to-day operations and provides investment advisory services to GBDC. Under the terms of both the New Investment Advisory Agreement and the Current GBDC Investment Advisory Agreement, GC Advisors:

- determines the composition of GBDC's portfolio, the nature and timing of the changes to GBDC's portfolio and the manner of implementing such changes;

- identifies, evaluates and negotiates the structure of the investments GBDC makes;

- executes, closes, services and monitors the investments GBDC makes;

- determines the securities and other assets that GBDC purchases, retains or sells;
- performs due diligence on prospective portfolio companies; and
- provides GBDC with such other investment advisory, research and related services as GBDC may, from time to time, reasonably require for the investment of GBDC's funds.

GC Advisors' services under the New Investment Advisory Agreement and the Current GBDC Investment Advisory Agreement are not exclusive. Subject to the requirements of the 1940 Act, GC Advisors may enter into one or more sub-advisory agreements under which GC Advisors may obtain assistance in fulfilling its responsibilities under the New Investment Advisory Agreement or the Current GBDC Investment Advisory Agreement.

Pursuant to the New Investment Advisory Agreement, GBDC will pay GC Advisors a fee for investment advisory and management services consisting of two components - a base management fee and an incentive fee. The cost of both the base management fee and the incentive fee is ultimately borne by GBDC's stockholders.

GBDC pays GC Advisors an incentive fee, which are calculated as described below and payable quarterly in arrears (or, upon termination of the New Investment Advisory Agreement, as of the termination date).

Description of the New Income and Capital Gains Incentive Fee Calculation

Other than the adjustment to exclude any amounts resulting solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger, the New Income and Capital Gains Incentive Fee Calculation under the New Investment Advisory Agreement is the same as the corresponding calculation of the Current GBDC Income and Capital Gains Incentive Fee Calculation under the Current GBDC Investment Advisory Agreement.

Under the New Investment Advisory Agreement, the New Income and Capital Gains Incentive Fee Calculation consists of two parts: the New Income Incentive Fee component and the New Capital Gain Incentive Fee component. The incentive fee is payable (i) quarterly in arrears or (ii) in the event that the New Investment Advisory Agreement is terminated, as of the termination date (each, a "Performance Period"). The New Income Incentive Fee is calculated and payable in arrears for each Performance Period based on GBDC's Pre-Incentive Fee Net Investment Income for the immediately preceding Performance Period. "Pre-Incentive Fee Net Investment Income" under the New Investment Advisory Agreement is calculated in the same manner as the income component of the incentive fee under the Current GBDC Investment Advisory Agreement, provided that Pre-Incentive Fee Net Investment Income under the New

Investment Advisory Agreement will be determined in the same manner as described above for the Current GBDC Investment Advisory Agreement with the following adjustment: Pre-Incentive Fee Net Investment Income under the New Investment Advisory Agreement will not include any amortization or accretion of any purchase premium or purchase discount to interest income resulting solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger, such as the Merger.

As a result, under the New Investment Advisory Agreement, “Pre-Incentive Fee Net Investment Income” means, with respect to any Performance Period, 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 GBDC receives from portfolio companies but excluding fees for providing managerial assistance) accrued during such period, minus operating expenses for such period (including the Base Management Fee, taxes, any expenses payable under the New Investment Advisory Agreement and the Administration Agreement, and any interest expense and dividends paid on any outstanding preferred stock, but excluding the Pro Forma Incentive Fee, if any). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities, accrued income that GBDC has not yet received in cash. Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation or any amortization or accretion of any purchase premium or purchase discount to interest income resulting solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger, such as the premium to NAV to be paid for the shares of GCIC Common Stock in the proposed Merger.

Once calculated, Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of the net assets of GBDC at the end of the immediately preceding calendar quarter, will be compared to a fixed “hurdle rate” of 2.0% quarterly. For purposes of this calculation, net assets for any period equals total assets less indebtedness of GBDC, before taking into account any Pro Forma Incentive Fees payable during such period. Pre-Incentive Fee Net Investment Income used to calculate the income component of the Pro Forma Incentive Fee are also included in the amount of the total assets of GBDC used to calculate the Base Management Fee. For purposes of this calculation, total assets of GBDC exclude cash and cash equivalents and include assets purchased with borrowed funds.

The New Income Incentive Fee under the New Investment Advisory Agreement is calculated for each Performance Period, in arrears, as follows:

- zero in any Performance Period in which the Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate;

- 100.0% of the Pre-Incentive Fee Net Investment Income of GBDC 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 Performance Period; and

- 20.0% of the amount of the Pre-Incentive Fee Net Investment Income of GBDC, if any, that exceeds 2.5% in any Performance Period.

The portion of the Pre-Incentive Fee Net Investment Income which exceeds the hurdle rate but is less than 2.5% is the “catch-up” provision. These calculations will be appropriately adjusted for any share issuances or repurchases during the Performance Period (based on the actual number of days elapsed relative to the total number of days in such Performance Period).

The sum of these calculations yields the New Income Incentive Fee. This amount is appropriately adjusted for any share issuances or repurchases during the Performance Period.

The following is a graphical representation of the New Income Incentive Fee calculation:

Quarterly Income Component of New Income and Capital Gains Incentive Fee Calculation Based on Net Income

Pre-Incentive Fee Net Investment Income
(Expressed as a Percentage of the Value of Net Assets)

Percentage of Pre-Incentive Fee Net Investment Income Allocated to Income Component of the New Income and Capital Gains Incentive Fee Calculation

The second component of the New Income and Capital Gains Incentive Fee Calculation, the New Capital Gain Incentive Fee, equals 20.0% of GBDC’s New Capital Gain Incentive Fee Base calculated in arrears as of the end of each calendar year (or upon termination of the New 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 to GC Advisors since April 13, 2010. The “New Capital Gain Incentive Base” equals (1) the sum of (i) GBDC’s realized capital gains, if any, on a cumulative positive basis from April 13, 2010 through the end of each calendar year (or upon termination of the New Investment Advisory Agreement, as of the termination date), (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 gains of GBDC is calculated as the sum of the differences, if positive, between (a) the net sales price of each investment in GBDC's portfolio when sold and (b) the adjusted cost basis (as defined below) of such investment. The cumulative aggregate realized capital losses of GBDC is calculated as the sum of the amounts by which (a) the net sales price of each investment in GBDC's portfolio when sold is less than (b) the adjusted cost basis of such investment. The aggregate unrealized capital depreciation of GBDC is calculated as the sum of the differences, if negative, between (a) the valuation of each investment in GBDC's portfolio as of the applicable Capital Gain Incentive Fee calculation date and (b) the adjusted cost basis of such investment.

The "adjusted cost basis" of an investment is equal to the accreted or amortized cost basis of such investment adjusted to exclude amounts, if any, recognized solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger.

Description of the New GBDC Incentive Fee Cap

Under the New Investment Advisory Agreement, each quarterly incentive fee payable under the New Investment Advisory Agreement will be subject to the New GBDC Incentive Fee Cap. The New GBDC Incentive Fee Cap in any Performance Period is equal to the difference between (a) 20.0% of Cumulative Pre-Incentive Fee Net Income Per Share (as defined below) and (b) Cumulative Incentive Fees Paid Per Share (as defined below). To the extent the New GBDC Incentive Fee Cap is zero or a negative value in any Performance Period, no Incentive Fee would be paid under the New Investment Advisory Agreement in that Performance Period.

"Cumulative Pre-Incentive Fee Net Income Per Share" equals the "Pre-Incentive Fee Net Income Per Share" (as defined below) for each Performance Period since April 13, 2010, the effective date of GBDC's election to be treated as a business development company. "Pre-Incentive Fee Net Income Per Share" equals (a) the sum of (i) Pre-Incentive Fee Net Investment Income and (ii) Adjusted Capital Returns (as defined below) for the Performance Period divided by (b) the weighted average number of shares of GBDC Common Stock outstanding during such Performance Period. "Adjusted Capital Returns" for any Performance Period is the sum of the realized aggregate capital gains, realized aggregate capital losses, aggregate unrealized capital depreciation and aggregate unrealized capital appreciation for such Performance Period; provided that the calculation of realized aggregate capital gains, realized aggregate capital losses, aggregate unrealized capital depreciation and aggregate unrealized capital appreciation shall be calculated based on the adjusted cost basis (as defined above) of each investment of GBDC. "Cumulative Incentive Fees Paid Per Share" is equal to the sum of Incentive Fees Paid Per Share for each Performance Period since April 13, 2010. "Incentive Fees Paid Per Share" for any Performance Period is equal to the Incentive Fees accrued and/or payable by GBDC for such Performance Period divided by the weighted average number of shares of common stock of GBDC outstanding during such Performance Period.

If, for any relevant Performance Period, the New GBDC Incentive Fee Cap calculation results in GBDC paying less than the amount of the New Incentive Fee calculated above, then the difference between (a) the New Incentive Fees accrued and/or payable by GBDC for such Performance Period and (b) the New GBDC Incentive Fee Cap multiplied by the weighted average number of shares of GBDC Common Stock outstanding during such Performance Period will not be paid by GBDC, and will not be received by GC Advisors, as an incentive fee, either at the end of such relevant Performance Period or at the end of any future Performance Period.

Base Management Fee

The base management fee is calculated under both the New Investment Advisory Agreement and the Current GBDC Investment Advisory Agreement at an annual rate equal to 1.375% of GBDC's average adjusted gross assets at the end of the two most recently completed calendar quarters (excluding cash and cash equivalents but including assets purchased with borrowed funds and securitization-related assets). Additionally, GC Advisors is voluntarily excluding assets funded with secured borrowing proceeds from the management fee. For services rendered under the New Investment Advisory Agreement and the Current GBDC Investment Advisory Agreement, the base management fee is payable quarterly in arrears. The base management fee is calculated based on the average value of GBDC's gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during a current calendar quarter. Base management fees for any partial month or quarter are appropriately pro-rated. For purposes of the New Investment Advisory Agreement and the Current GBDC Investment Advisory Agreement, cash equivalents means U.S. government securities and commercial paper instruments maturing within 270 days of purchase. To the extent that GC Advisors or any of its affiliates provides investment advisory, collateral management or other similar services to a subsidiary of GBDC, the base management fee shall be reduced 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, including membership interests and any class of notes not exclusively held by one or more third parties, that is owned, directly or indirectly, by GBDC. For the fiscal years ended September 30, 2018, 2017 and 2016, GBDC paid GC Advisors base management fees of $24.1 million, $23.5 million and $21.7 million, respectively, pursuant to the Current GBDC Investment Advisory Agreement.

Except as set forth above, no other material provisions of the Current GBDC Investment Advisory Agreement will change as a result of the New Investment Advisory Agreement. See “Golub Capital BDC, Inc. Management Agreements” for a summary description of the other provisions of the Current GBDC Investment Advisory Agreement.

Examples of Quarterly Incentive Fee Calculation under the New Investment Advisory Agreement

Example 1 - New Income Incentive Fee[(1)]

Assumptions

Hurdle rate[(2)] = 2.00%

Management fee[(3)] = 0.344%

Other expenses (legal, accounting, custodian, transfer agent, etc.)[(4)] = 0.35%

(1) The hypothetical amount of Pre-Incentive Fee Net Investment Income shown is based on a percentage of total net assets. In addition, the example assumes that during the most recent four full calendar quarter period ending on or prior to the date the payment set forth in the example is to be made, the sum of (a) GBDC’s aggregate distributions to its stockholders and (b) GBDC’s change in net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) is at least 8.0% of GBDC’s net assets at the beginning of such period (as adjusted for any share issuances or repurchases).

(2) Represents a quarter of the 8.0% annualized hurdle rate.

(3) Represents a quarter of the 1.375% annualized management fee.

(4) Excludes offering expenses.

Alternative 1

Additional Assumptions

Investment income (including interest, dividends, fees, etc.) = 1.25%

Pre-Incentive Fee Net Investment Income (investment income adjusted to exclude amortization of purchase premium - (management fee + other expenses)) = 0.556%

Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate, therefore there is no Incentive Fee.

Alternative 2

Additional Assumptions

Investment income (including interest, dividends, fees, etc.) = 2.80%

Pre-Incentive Fee Net Investment Income (investment income adjusted to exclude amortization of purchase premium - (management fee + other expenses)) = 2.106%

Pre-Incentive Fee Net Investment Income exceeds hurdle rate, therefore there is an Incentive Fee.

Incentive Fee = 100% × "catch-up" + the greater of 0% AND (20% × (Pre-Incentive Fee Net Investment Income - 2.50%))
= (100% × (2.106% - 2.00%)) + 0%
= 100% × 0.106%
= 0.106%

Alternative 3

Additional Assumptions

Investment income (including interest, dividends, fees, etc.) = 3.50%

Pre-Incentive Fee Net Investment Income (investment income adjusted to exclude amortization of purchase premium - (management fee + other expenses)) = 2.806%

Pre-Incentive Fee Net Investment Income exceeds hurdle rate, therefore there is an Incentive Fee.

Incentive Fee = 100% × "catch-up" + the greater of 0% AND (20% × (Pre-Incentive Fee Net Investment Income - 2.50%))
= (100% × (2.50% - 2.00%)) + (20% × (2.806% - 2.50%))
= 0.50% + (20% × 0.306%)
= 0.561%

Example 2 - New Capital Gain Incentive Fee:

Alternative 1

Assumptions

Year 1:	$20 million investment made in Company A (“Investment A”) and an investment in Company B acquired in a merger (“Investment B”); Investment B is allocated consideration paid of $31.5 million in accordance with GAAP with a fair market value (“FMV”) of $30.0 million at the time of the closing of the merger, resulting in an adjusted cost basis of $30 million in Investment B under the New Investment Advisory Agreement
Year 2:	Investment A is sold for $15 million and FMV of Investment B determined to be $29 million
Year 3:	FMV of Investment B determined to be $27 million
Year 4:	Investment B sold for $25 million

The Capital Gain Incentive Fee, if any, would be:

Year 1: None (No sales transactions)
Year 2: None (Sales transaction resulted in a realized capital loss on Investment A)
Year 3: None (No sales transactions)
Year 4: None (Sales transaction resulted in a realized capital loss on Investment B)

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Each quarterly incentive fee payable on the New Income and Capital Gains Incentive Fee Calculation is subject to the New Incentive Fee Cap. Below are the necessary adjustments to the Incentive Fee payable to adhere to the New Incentive Fee Cap.

Additional Assumptions

Year 1:	GBDC has 10,000,000 shares of Common Stock issued and outstanding
Year 2:	GBDC has 10,000,000 shares of Common Stock issued and outstanding
Year 3:	GBDC issues 1,000,000 shares of Common Stock and has 11,000,000 shares of Common Stock issued and outstanding
Year 4:	GBDC has 11,000,000 shares of Common Stock issued and outstanding

Year 1:	No adjustment; no realized capital losses or unrealized capital depreciation.
Year 2:	Investment A sold at a $5 million loss. Investment B has unrealized capital depreciation of $1 million. Therefore, GC Advisors would not be paid on the $0.60 per share realized/unrealized loss which would result in a lower Incentive Fee by $0.12 per share.
Year 3:	Investment B has unrealized capital depreciation of $2 million. Therefore, GC Advisors would not be paid on the $0.18 per share unrealized capital depreciation, which would result in a lower Incentive Fee by $0.04 per share.
Year 4:	Investment B sold at a $5 million loss. Investment B was previously marked down by $3 million; therefore, GBDC would realize a $5 million loss on Investment B and reverse the previous $3 million in unrealized capital depreciation. The net effect would be a loss of $2 million. GC Advisors would not be paid on the $0.18 per share loss which would result in a lower Incentive Fee by $0.04 per share.

Alternative 2

Assumptions

Year 1:	$20 million investment made in Company A ("Investment A"), and an investment in Company B acquired in a merger ("Investment B"); Investment B is allocated consideration paid of $31.5 million in accordance with GAAP with a fair market value ("FMV") of $30.0 million at the time of the closing of the merger, resulting in an adjusted cost basis of $30 million in Investment B under the New Investment Advisory Agreement and $25 million investment made in Company C ("Investment C").
Year 2:	FMV of Investment A determined to be $18 million, FMV of Investment B determined to be $25 million and FMV of Investment C determined to be $25 million.

Year 3:	Investment A sold for $18 million. FMV of Investment B determined to be $24 million and FMV of Investment C determined to be $25 million.
Year 4:	FMV of Investment B determined to be $22 million. Investment C sold for $24 million.
Year 5	Investment B sold for $20 million

The Capital Gain Incentive Fee, if any, would be:

Year 1:	None (No sales transactions)
Year 2:	None (No sales transactions)
Year 3:	None (Sales transaction resulted in a realized capital loss on Investment A)
Year 4:	None (Sales transaction resulted in a realized capital loss on Investment C)
Year 5	None (Sales transaction resulted in a realized capital loss on Investment B)

Each quarterly Incentive Fee payable on the New Income and Capital Gains Incentive Fee Calculation is subject to the New Incentive Fee Cap. Below are the necessary adjustments to the Incentive Fee payable to adhere to the New Incentive Fee Cap.

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Additional Assumptions

Year 1:	GBDC has 10,000,000 shares of Common Stock issued and outstanding
Year 2:	GBDC has 10,000,000 shares of Common Stock issued and outstanding
Year 3:	GBDC issues 1,000,000 shares of Common Stock and has 11,000,000 shares of Common Stock issued and outstanding
Year 4:	GBDC has 11,000,000 shares of Common Stock issued and outstanding
Year 5	GBDC has 11,000,000 shares of Common Stock issued and outstanding

Year 1:	No adjustment; no realized capital losses or unrealized capital depreciation.
Year 2:	Investment A has unrealized capital depreciation of $2 million. Investment B has unrealized capital depreciation of $5 million. Therefore, GC Advisors would not be paid on the $0.70 per share unrealized capital depreciation which would result in a lower Incentive Fee by $0.14 per share.
Year 3:	Investment A sold at a $2 million loss. Investment A was previously marked down by $2 million; therefore, GBDC would realize a $2 million loss on Investment A and reverse the previous $2 million in unrealized capital depreciation. Investment B has additional unrealized capital depreciation of $1 million. The net effect would be a loss of $1 million. GC Advisors would not be paid on the $0.09 per share loss, which would result in a lower Incentive Fee by $0.02 per share.
Year 4:	Investment B has additional unrealized capital depreciation of $2 million. Investment C sold at a $1 million realized loss. The net effect would be a loss of $3 million. GC Advisors would not be paid on the $0.27 per share loss, which would result in a lower Incentive Fee by $0.05 per share.
Year 5	Investment B sold at a $10 million loss. Investment B was previously marked down by $8 million; therefore, GBDC would realize a $10 million loss on Investment B and reverse the previous $8 million in unrealized capital depreciation. The net effect would be a loss of $2 million. GC Advisors would not be paid on the $0.18 per share loss, which would result in a lower Incentive Fee by $0.04 per share.

Alternative 3

Assumptions

Year 1:	$25 million investment made in Company A (“Investment A”) and an investment in Company B acquired in a merger (“Investment B”); Investment B is allocated consideration paid of $31.5 million in accordance with GAAP with a fair market value (“FMV”) of $30.0 million at the time of the closing of the merger, resulting in an adjusted cost basis of $30 million in Investment B under the New Investment Advisory Agreement
Year 2:	Investment A is sold for $30 million, FMV of Investment B determined to be $31 million and $2 million of unamortized deferred financing costs

Year 3:	FMV of Investment B determined to be $33 million and $1 million of unamortized deferred financing costs
Year 4:	Investment B sold for $33 million and $0 of unamortized deferred financing costs

The Capital Gain Incentive Fee, if any, would be:

Year 1:	None (No sales transactions)
Year 2:	$800,000 (20% multiplied by (i) $5 million realized capital gain on sale of Investment A less (ii) $1 million unamortized deferred financing costs ($2 million of unamortized deferred financing costs less $1 million of unrealized gain))
Year 3:	$200,000 (20% multiplied by $5 million realized capital gains on sale of Investment A) less $800,000 (Capital Gain Incentive Fee paid in year 2)
Year 4:	$600,000 (20% multiplied by $8 million realized capital gains on sale of Investment A and Investment B less Capital Gain Incentive Fee paid in years 2 and 3).

Each quarterly Incentive Fee payable on the New Income and Capital Gains Incentive Fee Calculation is subject to the New GBDC Incentive Fee Cap. Below are the necessary adjustments to the Incentive Fee payable to adhere to the Incentive Fee Cap.

Additional Assumptions

Year 1:	GBDC has 10,000,000 shares of Common Stock issued and outstanding
Year 2:	GBDC has 10,000,000 shares of Common Stock issued and outstanding
Year 3:	GBDC issues 1,000,000 shares of Common Stock and has 11,000,000 shares of Common Stock issued and outstanding
Year 4:	GBDC has 11,000,000 shares of Common Stock issued and outstanding

Year 1:	No adjustment necessary
Year 2:	No adjustment necessary. GC Advisors would not be paid on the $1 million unrealized gain on Investment B.

Year 3: No adjustment necessary. GC Advisors would not be paid on the $3 million unrealized gain on Investment B.
Year 4: No adjustment necessary

Effect of the New Investment Advisory Agreement on Advisory Fees

As described more fully above, the New Investment Advisory Agreement would (i) change the calculation of the Incentive Fee Cap from an aggregate calculation under the Current GBDC Investment Advisory Agreement to a per share calculation under the New Investment Advisory Agreement and (ii) exclude any amounts resulting solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger, such as the premium to NAV to be paid for the shares of GCIC Common Stock in the proposed Merger, from the New Income and Capital Gain Incentive Fee Calculation and the Incentive Fee Cap. While the per share Incentive Fee Cap will lead to a higher incentive fee cap on a gross basis, this adjustment appropriately reflects the larger size of the combination of GBDC and GCIC after the Merger while retaining the same percentage cap applicable prior to the Merger and retaining the same "look back" to GBDC's inception for the incentive fee cap that ensures that GC Advisors' incentives are aligned with the long-term growth of GBDC following the Merger.

If the New Investment Advisory Agreement had been in effect at GBDC even without the closing of the Merger, there would have been no change to the advisory fees payable to GC Advisors for the year ended September 30, 2018, or for any prior fiscal period, as a result of the New GBDC Incentive Fee Cap as compared to the incentive fee cap under the Current GBDC Investment Advisory Agreement.

As of September 30, 2018, under the Current GBDC Investment Advisory Agreement, GBDC had a capital gain incentive fee accrual under GAAP of $7.2 million and would have to experience approximately $36 million of realized losses before GC Advisors would have to forego receipt of any Capital Gain Incentive Fee. As of September 30, 2018, GCIC had a capital gain incentive fee accrual under GAAP of $2.3 million. Under the GCIC Investment Advisory Agreement, the Initial Merger results in the termination of the GCIC Investment Advisory Agreement requiring a final calculation of the capital gain incentive fee and the effective sale of GCIC and all of its assets to GBDC at their respective fair values on the date immediately preceding the closing of the Initial Merger. As a result, GCIC would be required to pay GC Advisors a $2.3 million Capital Gain Incentive Fee. Assuming the Merger had been completed on September 30, 2018 and based on the financial statements as of such date for GCIC and GBDC, GBDC would hold the former GCIC assets with a cost basis at the fair value at the time of the Initial Merger plus the purchase premium allocation and recognize unrealized depreciation on its consolidated statement of operations of approximately $70 million on the write-down to fair value required by GAAP. Assuming the Merger closed on September 30, 2018 with The New Investment Advisory Agreement in effect at GBDC, GC Advisors would only earn a capital gain incentive fee from GBDC on the former GCIC assets to the extent those assets are subsequently sold at a value greater than their fair value at the closing of the Initial Merger. In addition, there would be no change to the $7.2 million capital gain incentive fee accrual under GAAP at GBDC or the $36 million of realized losses GBDC would have to experience before GC Advisors would have to forego receipt of any Capital Gain Incentive Fee.

Reasons for the New Investment Advisory Agreement

GBDC believes that New Investment Advisory Agreement is equitable for GBDC stockholders, GBDC, former GCIC stockholders and GC Advisors and preserves the intent of the incentive fee cap under the Current GBDC Investment Advisory Agreement. Under the Current GBDC Investment Advisory Agreement, any incentive fees payable to GC Advisors are subject to a cap equal to 20% of the Cumulative Pre-Incentive Fee Net Income of GBDC since April 13, 2010. The closing of the Merger will result in a combined company that includes the assets of both GBDC and GCIC, which is a substantial increase to the assets of GBDC prior to closing, as well as a substantial increase in the number of shares of GBDC Common Stock outstanding. The intent of the New GBDC Incentive Fee Cap is to retain a 20% cap on all incentive fees paid to GC Advisors since April 13, 2010, while adjusting the cap to account for the substantial increase in assets and shares of GBDC Common Stock outstanding of the combined company as a result of the Merger.

In addition, exclusion of any unrealized depreciation and realized losses resulting from purchase accounting for the premium paid for the shares of GCIC Common Stock in the Merger from the New GBDC Incentive Fee Cap accords with the economic results experienced by the GBDC stockholders following the Merger. The merger of Merger Sub with and into GCIC will be accounted for using the asset acquisition method of accounting. See "Accounting Treatment of the Merger." Accordingly, the merger consideration paid by GBDC in connection with the Merger and Subsequent Combination will be allocated to acquired assets and assumed liabilities of GCIC at their relative fair values estimated by GBDC as of the closing of the Merger. The excess fair value of the merger consideration paid by GBDC over the fair value of the net assets of GCIC acquired will be allocated against the assets acquired and liabilities assumed of GCIC by GBDC. Immediately following the Merger, however, GBDC is required to carry its assets and liabilities at fair value, and, as a result, any allocations of purchase premium to the net assets acquired in excess of fair value as a result of the purchase accounting described above must be immediately recognized as unrealized depreciation on GBDC's financial statements such that the acquired net assets are carried at fair value by GBDC. Such unrealized depreciation resulting from such purchase accounting would, assuming no subsequent change to the fair value of the GCIC assets acquired and disposition of such assets at fair value, eventually be recognized as a realized loss upon such disposition of the net assets of GCIC acquired by GBDC. While recognition of this unrealized depreciation and realized loss is required by GAAP, it does not affect the tax basis of the assets acquired from GCIC and, as a result, has no effect on any gain or loss ultimately recognized by GBDC and, indirectly, GBDC stockholders upon disposition of the assets.

GBDC Board Approval of the New Investment Advisory Agreement

At a meeting of the GBDC Board held on November 27, 2018, the GBDC Board, including all of the GBDC Independent Directors, voted unanimously to approve the New Investment Advisory Agreement. The GBDC Board then approved the submission of the New Investment Advisory Agreement to the GBDC's stockholders for approval with the GBDC Board's recommendation that the GBDC stockholders vote to approve the New Investment Advisory Agreement.

In reaching a decision to approve the New Investment Advisory Agreement, the GBDC Board reviewed a significant amount of information and considered, among other things:

- the nature, extent and quality of services provided to GBDC by GC Advisors;
- the relative investment performance of GBDC since its inception;
- the effect of the Merger on the calculation of incentive fees and the incentive fee cap;
- the effect of purchase accounting for the premium paid for the shares of GCIC Common Stock in the Merger on the financial statements of GBDC after the Merger and the resulting effects on the calculation of incentive fees payable and the incentive fee cap;
- the fees paid by other comparable BDCs; and
- various other matters.

The GBDC Board noted that the terms of the New Investment Advisory Agreement did not change the management or incentive fee rates and that the proposed changes, as compared to the Current GBDC Investment Advisory Agreement, consisted of revisions to (i) exclude the impact of purchase accounting resulting from a merger, including the Merger, from income subject to incentive fees payable under the New Investment Advisory Agreement and (ii) convert the cumulative incentive fee cap into per share calculation.

The GBDC Board referred to the materials provided by GC Advisors to the GBDC Independent Directors in response to a request for information from Blank Rome on behalf of the GBDC Independent Directors. In considering the nature, extent and quality of services to be provided to GBDC under the New Investment Advisory Agreement, the GBDC Board noted that the New Investment Advisory Agreement did not provide for any change in the nature and extent of services to be provided by GC Advisors as compared to the Current GBDC Investment Advisory Agreement. Furthermore, the materials provided to the GBDC Board did not describe any material changes to the personnel of GC Advisors from the individuals currently providing investment advisory services. The GBDC Board considered the performance of GC Advisors in its capacity as investment adviser to GBDC both since its initial public offering in 2010 as well as a comparison of this performance against an index of BDCs and against the S&P 500.

The GBDC Board discussed that the New Investment Advisory Agreement would not be effective until closing of the Merger and discussed the effects of the Merger on GBDC and on the advisory fees to be paid following the closing of the Merger. The GBDC Board noted that GBDC was one of a limited number of BDCs to have an incentive fee cap with a look-back, or total return hurdle, to its IPO. The GBDC Board discussed how the cumulative look-back to GBDC’s IPO provided an incentive for long-term investment success by requiring the adviser to “earn back” any losses from poor investment performance before receiving further incentive fees rather than simply allowing a shorter look-back period to expire. The effect of the Merger on the cumulative look-back was discussed noting that calculation of the incentive fee cap on an aggregate basis, as is provided for in the Current GBDC Investment Advisory Agreement, may not retain the full look-back to GBDC’s IPO in an effective manner but that converting the calculation to a per share basis as proposed in the New Investment Advisory Agreement could accomplish the goals of the cumulative look-back to GBDC’s IPO while accounting for the larger size of the combined company following closing of the Merger.

The GBDC Board also discussed the effect of purchase accounting on the financial statements of the combined company as well the effects on the calculation of incentive fees under the Current GBDC Investment Advisory Agreement and under the New Investment Advisory Agreement. The GBDC Board considered that the New Investment Advisory Agreement’s exclusion of amounts recognized solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger, such as the Merger, would provide for incentive fees to GC Advisors for investment results achieved while the assets were held by GBDC rather than gains or losses resulting solely from purchase accounting.

Based on the information reviewed and the considerations detailed above, the GBDC Board, including all of the GBDC Independent Directors, all of whom are not “interested persons,” as that term is defined in the 1940 Act, of GBDC or GC Advisors, concluded that the investment advisory fee rates and terms are fair and reasonable in relation to the services provided and approved the New Investment Advisory Agreement for an initial two-year term commencing upon closing of the Merger.

In its deliberations, the GBDC Board did not identify any single factor or group of factors as all-important or controlling, but considered all factors together. The material factors and conclusions that formed the basis for the GBDC Board’s determinations are discussed above.

Appraisal Rights

Under Delaware law and GBDC's certificate of incorporation, GBDC stockholders will not be entitled to rights of appraisal with respect to the Advisory Agreement Amendment Proposal. Accordingly, to the extent that a GBDC stockholder objects to the Advisory Agreement Amendment Proposal, such GBDC stockholder will not have the right to have a court judicially determine (and the GBDC stockholder will not receive) the fair value for its shares of GBDC Common Stock under the provisions of Delaware law governing appraisal rights.

THE GBDC BOARD UNANIMOUSLY RECOMMENDS THAT GBDC STOCKHOLDERS VOTE "FOR" THE ADVISORY AGREEMENT AMENDMENT PROPOSAL.

GBDC stockholders may vote "FOR" or "AGAINST," or they may "ABSTAIN" from voting on, the Advisory Agreement Amendment Proposal. The affirmative vote by the stockholders of GBDC holding a majority of the outstanding voting securities of GBDC is necessary for approval of the Advisory Agreement Amendment Proposal. For purposes of the Advisory Agreement Amendment Proposal, the 1940 Act defines "a majority of outstanding voting securities" of a company as the lesser of: (1) 67% or more of the voting securities present at a stockholder meeting if the holders of more than 50% of the outstanding voting securities of the company are present or represented by proxy; or (2) more than 50% of the outstanding voting securities of the company. GBDC stockholders may vote for or against or abstain on the Advisory Agreement Amendment Proposal. Abstentions and broker non-votes will have the same effect as votes against the Advisory Agreement Amendment Proposal. Proxies received will be voted "FOR" the approval of the Advisory Agreement Amendment Proposal unless GBDC stockholders designate otherwise.

GCIC PROPOSAL 1: APPROVAL OF THE MERGER AGREEMENT AND THE MERGER

GCIC is asking its stockholders to approve the adoption of the Merger Agreement pursuant to which Merger Sub will merge with and into GCIC, with GCIC as the surviving company, followed immediately by the merger of GCIC with and into GBDC, with GBDC surviving the Merger. Upon completion of the Merger, and subject to the terms and conditions of the Merger Agreement, each share of GCIC Common Stock issued and outstanding immediately prior to the Effective Time will be converted into the right to receive, in accordance with the Merger Agreement, the Merger Consideration as described in the section entitled "Description of the Merger Agreement—Merger Consideration." For more information on the GCIC stockholder vote required for approval of the Merger Proposal, see "The GCIC Special Meeting—Vote Required."

Approval of the Merger Proposal is required for the completion of the Merger.

Appraisal Rights

Under Maryland law and GCIC's articles of amendment and restatement (the "GCIC Charter"), GCIC stockholders will not be entitled to rights of appraisal with respect to the Merger Proposal. Accordingly, to the extent that a GCIC stockholder objects to the Merger Proposal, such GCIC stockholder will not have the right to have a court judicially determine (and the GCIC stockholder will not receive) the fair value for its shares of GCIC Common Stock under the provisions of Maryland law governing appraisal rights.

THE GCIC BOARD, INCLUDING THE GCIC INDEPENDENT DIRECTORS, UNANIMOUSLY RECOMMENDS THAT GCIC STOCKHOLDERS VOTE "FOR" THE MERGER PROPOSAL.

GCIC stockholders may vote "FOR" or "AGAINST," or they may "ABSTAIN" from voting on, the Merger Proposal. The affirmative vote of the holders of a majority of the outstanding shares of GCIC Common Stock entitled to vote at the GCIC Special Meeting "**FOR**" the Merger Proposal is required to approve the Merger Proposal. Abstentions and broker non-votes will have the effect of a vote "against" this proposal. Proxies received will be voted "FOR" the approval of the Merger Proposal unless GCIC stockholders designate otherwise.

MARKET PRICE, DIVIDEND AND DISTRIBUTION INFORMATION

GBDC

Price Range of Common Stock

GBDC 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 sets forth: (i) the net asset value per share of GBDC Common Stock as of the applicable period end, (ii) the range of high and low closing sales prices of GBDC Common Stock as reported on the Nasdaq during the applicable period, (iii) the closing high and low sales prices as a premium (discount) to net asset value during the appropriate period, and (iv) the dividends and distributions per share of GBDC Common Stock declared during the applicable period.

Period	NAV per **Share**[(1)]	Closing Sales Price High	Closing Sales Price Low	Premium of High Sales Price to **NAV**[(2)]	Premium /(Discount) of Low Sales Price to **NAV**[(2)]	Dividends and Distributions Declared	
Fiscal Year Ended September 30, 2019							
First quarter (through December 18, 2018)	N/A	$ 19.01	$ 16.91	N/A	N/A	$ H.44	(3)
Fiscal Year Ended September 30, 2018							
Fourth quarter	$ 16.10	$ 19.14	$ 18.40	18.9 %	14.3 %	0.32	
Third quarter	16.15	18.67	17.83	15.6	10.4	0.32	
Second quarter	16.11	18.44	17.62	14.5	9.4	0.32	
First quarter	16.04	19.41	18.20	21.0	13.5	0.40	(4)
Fiscal Year Ended September 30, 2017							
Fourth quarter	$ 16.08	$ 19.71	$ 18.24	22.6 %	13.4 %	$ 0.32	
Third quarter	16.01	20.44	19.10	27.7	19.3	0.32	
Second quarter	15.88	19.88	18.38	25.2	15.7	0.32	
First quarter	15.74	18.76	17.55	19.2	11.5	0.57	(5)

(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 27, 2018, the GBDC Board declared a quarterly distribution of $0.32 per share and a special distribution of $0.12 per share both of which are payable on December 28, 2018 to holders of record of GBDC Common Stock as of December 12, 2018.

(4) Includes a special distribution of $0.08 per share.

(5) Includes a special distribution of $0.25 per share.

The last reported price for GBDC Common Stock on December 18, 2018 was $17.04 per share. As of December 18, 2018, GBDC had 382 stockholders of record.

Pursuant to GBDC's dividend reinvestment plan, GBDC reinvests all cash dividends or distributions declared by the GBDC Board on behalf of stockholders who do not elect to receive their distributions in cash. As a result, if the GBDC Board declares a distribution, then stockholders who have not elected to "opt out" of the GBDC dividend reinvestment plan automatically reinvest their distributions in additional shares of GBDC Common Stock. See "Golub Capital BDC, Inc. Dividend Reinvestment Plan" for additional information regarding GBDC's dividend reinvestment plan.

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GCIC

GCIC Common Stock is not listed on a national stock exchange, and there is no established public trading market for GCIC Common Stock. Because shares of GCIC Common Stock have been acquired by investors in one or more transactions “not involving a public offering,” they are “restricted securities” and may be required to be held indefinitely. Such shares of GCIC Common Stock may not be sold, transferred, assigned, pledged or otherwise disposed of unless (i) GCIC’s consent is granted, and (ii) the shares are registered under applicable securities laws or specifically exempted from registration (in which case the stockholder may, at GCIC’s option, be required to provide GCIC with a legal opinion, in form and substance satisfactory to us, that registration is not required). No sale, transfer, assignment, pledge or other disposition, whether voluntary or involuntary, of shares of GCIC Common Stock may be made except by registration of the transfer on GCIC’s books. Each transferee is required to execute an instrument agreeing to be bound by these restrictions and the other restrictions imposed on the shares and to execute such other instruments or certifications as are reasonably required by GCIC.

As of December 18, 2018, GCIC had 310 stockholders of record.

The following table summarizes GCIC’s dividend declarations and distributions during the years ended September 30, 2018 and 2017:

Date Declared	Record Date	Payment Date	Shares Outstanding	Amount Per Share	Total Distributions Declared ($ in thousands)
Year ended September 30, 2017					
08/03/2016	10/24/2016	12/30/2016	41,087,178.250	$ 0.0729	$ 2,993
11/14/2016	11/18/2016	12/30/2016	41,087,178.250	0.1469	6,034
11/14/2016	12/26/2016	02/27/2017	41,442,374.044	0.1340	5,553
11/14/2016	01/23/2017	02/27/2017	41,769,495.016	0.0902	3,769
02/07/2017	02/20/2017	05/19/2017	41,769,495.016	0.1050	4,385
02/07/2017	03/24/2017	05/19/2017	42,104,997.486	0.1078	4,540
02/07/2017	04/30/2017	07/28/2017	44,292,283.019	0.1067	4,727
05/04/2017	05/18/2017	07/28/2017	46,515,568.552	0.0982	4,566
05/04/2017	06/16/2017	07/28/2017	46,829,343.936	0.1050	4,917
05/04/2017	07/21/2017	09/25/2017	46,829,343.936	0.1102	5,158
08/02/2017	08/31/2017	11/27/2017	49,551,036.707	0.0600	2,976
08/02/2017	09/22/2017	11/27/2017	49,551,036.707	0.1062	5,263
Total distributions declared for year ended September 30, 2017					$ 54,881

Year ended September 30, 2018					
08/02/2017	10/23/2017	12/28/2017	51,214,683.496	$ 0.1122	$ 5,745
11/17/2017	11/24/2017	12/28/2017	51,214,683.496	0.1045	5,353
11/17/2017	12/26/2017	02/26/2018	53,729,533.382	0.1250	6,716
11/17/2017	01/23/2018	02/26/2018	54,122,735.354	0.1202	6,509
02/06/2018	02/24/2018	05/23/2018	55,530,517.674	0.1005	5,579
02/06/2018	03/30/2018	05/23/2018	57,819,693.450	0.1491	8,620
02/06/2018	04/27/2018	07/24/2018	57,819,693.450	0.1351	7,812
05/04/2018	05/18/2018	07/24/2018	57,819,693.450	0.1046	6,047
05/04/2018	06/15/2018	07/24/2018	58,325,385.782	0.1135	6,617
05/04/2018	07/21/2018	09/25/2018	58,037,388.381	0.1194	6,931
08/07/2018	08/31/2018	11/27/2018	58,755,211.413	0.0754	4,427
08/07/2018	09/21/2018	11/27/2018	60,780,608.940	0.1244	7,413
Total distributions declared for year ended September 30, 2018					$ 77,769

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Pursuant to GCIC's dividend reinvestment plan, GCIC reinvests all cash dividends or distributions declared by the GCIC Board on behalf of stockholders who do not elect to receive their distributions in cash. As a result, if the GCIC Board declares a distribution, then stockholders who have not elected to "opt out" of the GCIC dividend reinvestment plan automatically reinvest their distributions in additional shares of GCIC Common Stock. See "Golub Capital Investment Corporation Dividend Reinvestment Plan" for additional information regarding GCIC's dividend reinvestment plan.

BUSINESS OF GOLUB CAPITAL BDC, INC.

General

GBDC is 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, GBDC has elected to be treated as a RIC under Subchapter M of the Code. GBDC was formed in November 2009 to continue and expand the business of its predecessor, Golub Capital Master Funding LLC, which commenced operations in July 2007. GBDC makes investments primarily in one stop and other senior secured loans of middle-market companies that are, in most cases, sponsored by private equity firms. GC Advisors structures GBDC's one stop loans as senior secured loans, and GBDC obtains 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, GBDC together with its affiliates are the sole lenders of one stop loans, which can afford GBDC additional influence over the borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.

GBDC's investment objective is to generate current income and capital appreciation by investing primarily in one stop and other senior secured loans of U.S. middle-market companies. GBDC may also selectively invest in second lien and subordinated loans of, and warrants and minority equity securities in U.S. middle-market companies. GBDC intends to achieve its investment objective by (1) accessing the established loan origination channels developed by Golub Capital, a leading lender to middle-market companies with over $25.0 billion in capital under management as of September 30, 2018, (2) selecting investments within its 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, 2018 and 2017, GBDC's portfolio at fair value was comprised of the following:

	As of September 30, 2018			As of September 30, 2017		
Investment Type	Investments at Fair Value (In thousands)	Percentage of Total Investments		Investments at Fair Value (In thousands)	Percentage of Total Investments	
Senior secured	$ 231,169	13.0	%	195,029	11.6	%
One stop	1,430,196	80.2		1,334,084	79.2	
Second lien	9,435	0.5		9,434	0.6	
Subordinated debt	251	0.0	*	59	0.0	*
LLC equity interests in GBDC SLF[(1)]	71,084	4.0		95,015	5.6	

Equity	40,706	2.3		51,394	3.0	
Total	$ 1,782,841	100.0	%	1,685,015	100.0	%

*Represents an amount less than 0.1%.

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

GBDC seeks to create a portfolio that includes primarily one stop and other senior secured 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. GBDC may also selectively invest more than $30.0 million in some of its portfolio companies and generally expects that the size of its individual investments will vary proportionately with the size of its capital base.

GBDC generally invests 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 GBDC’s 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 GBDC’s risk of losing part or all of its investment.

One stop loans include loans to technology companies undergoing strong growth due to new services, increased adoption and/or entry into new markets. GBDC refers 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, GBDC may adjust its characterization of the earnings of such borrowers for a reduction or elimination of such discretionary expenses, if appropriate. As of September 30, 2018 and 2017, one stop loans included $169.4 million and $138.6 million, respectively, of late stage lending loans at fair value.

GBDC's Adviser

GBDC's investment activities are managed by its 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 GBDC's investments and monitoring GBDC's 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 Current GBDC Investment Advisory Agreement, GBDC pays GC Advisors a base management fee and an incentive fee for its services. See "Golub Capital BDC, Inc. Management Agreements—Current GBDC 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 GBDC to GC Advisors. Unlike most closed-end funds whose fees are based on assets net of leverage, GBDC's base management fee is based on its 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 GBDC incurs debt or uses leverage. For purposes of the Current GBDC 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. The GBDC Board is charged with protecting GBDC's 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, the GBDC Independent Directors periodically review GC Advisors' services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, GBDC's independent directors consider whether its fees and expenses (including those related to leverage) remain appropriate. See "Golub Capital BDC, Inc. Management Agreements—Current GBDC Investment Advisory Agreement—Board Approval of the Current GBDC 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 GBDC's investment adviser, GC Advisors is obligated to allocate investment opportunities among GBDC and its other clients fairly and equitably over time in accordance with its allocation policy. See “Certain Relationships and Related Party Transactions of Golub Capital BDC, Inc.” However, there can be no assurance that such opportunities will be allocated to GBDC 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

An affiliate of GC Advisors, the Administrator, provides the administrative services necessary for GBDC to operate. See “Golub Capital BDC, Inc. Management Agreements—Administration Agreement” for a discussion of the fees and expenses (subject to the review and approval of the GBDC Independent Directors) GBDC is required to reimburse the Administrator. The Administrator furnishes GBDC with office facilities and equipment and provides GBDC clerical, bookkeeping, recordkeeping and other administrative services at such facilities. Under the Administration Agreement, the Administrator performs, or oversees the performance of, GBDC’s required administrative services, which include, among other things, being responsible for the financial records GBDC is required to maintain and preparing its reports to its stockholders and reports filed with the SEC. In addition, the Administrator also assists GBDC in determining and publishing its GBDC’s net asset value, oversees the preparation and filing of its tax returns, printing and disseminating reports to its stockholders and generally oversees the payment of its expenses and the performance of administrative and professional services rendered to GBDC by others. The Administrator may retain third parties to assist in providing administrative services to GBDC. To the extent that the Administrator outsources any of its functions, GBDC pays the fees associated with such functions on a direct basis without profit to the Administrator. GBDC reimburses the Administrator for the allocable portion (subject to the review and approval of the GBDC Board) 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 GBDC’s allocable portion of the cost of GBDC’s chief financial officer and chief compliance officer and their respective staffs. The Administrator also provides on GBDC behalf significant managerial assistance to those portfolio companies to which GBDC is 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, 2018, Golub Capital had over $25.0 billion of capital under management. Since its inception, Golub Capital has closed deals with over 260 middle-market sponsors and repeat transactions with over 170 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, 2018, Golub Capital’s more than 100 investment professionals had an average of over 12 years of investment experience and were supported by more than 250 administrative and back office personnel that focus on operations, finance, legal and compliance, accounting and reporting, marketing, information technology and office management.

Market Trends

GBDC has identified the following trends that may affect its business:

Market. GBDC believes 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 GBDC believes that this market segment will continue to produce significant investment opportunities for GBDC.

Specialized Lending Requirements. GBDC believes 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 GBDC's 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. GBDC believes there is a large pool of uninvested private equity capital for middle-market companies. GBDC expects 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 GBDC.

Competition from Bank Lenders. GBDC believes 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. GBDC believes these factors may result in opportunities for alternative funding sources to middle-market companies and therefore more market opportunities for GBDC.

Market Environment. GBDC believes 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. Increased competition for direct lending to middle market businesses may result in less favorable pricing terms for GBDC's potential investments. If GBDC matches its competitors' pricing, terms and structure, GBDC may experience decreased net interest income, lower yields and increased risk of credit loss. However, GBDC believes that its scale, product suite, entrenched relationships and strong market position will continue to allow GBDC to find investment opportunities with attractive risk-adjusted returns.

Competitive Strengths

Deep, Experienced Management Team. GBDC is managed by GC Advisors, which, as of September 30, 2018, had access through the Staffing Agreement to the resources and expertise of Golub Capital's more than 350 employees, led by GBDC's chairman, Lawrence E. Golub, and its chief executive officer, David B. Golub. As of September 30, 2018, the more than 100 investment professionals of Golub Capital had an average of over 12 years of investment experience and were supported by more than 250 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 and GBDC 3, each a Maryland corporation and a closed-end, non-diversified management investment company 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.

Golub Capital has won multiple industry awards for its public BDC, direct lending business and CLO management. Awards received since 2015 include [1]:

- Private Debt Investor named Golub Capital "Senior Lender of the Year, Americas" (2015, 2016, 2017), "Business Development Company of the Year" (2015, 2016, 2017), "Lender of the Year, Americas" (2015, 2016) and "CLO Manager of the Year, Americas" (2016)
- The M&A Advisor Awards recognized Golub Capital as "Lender Firm of the Year" (2017, 2018)
- Mergers & Acquisitions named Golub Capital "Lender of the Year" (2016)
- The M&A Atlas Awards recognized Golub Capital as "Lender of the Year" (2015)
-

Creditflux awarded Golub Capital "Best Middle Market CLO" (2017), "Best U.S. CLO Redeemed" (2016) and "Best Business Development Company" (2015)

[1] Note that the parentheticals above reflect the years to which each award pertained, not necessarily the years in which they were received.

Leading U.S. Debt Platform Provides Access to Proprietary Relationship-Based Deal Flow. GC Advisors gives GBDC 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 to 2018 for senior secured loans of up to $500.0 million for leveraged buyouts (according to Thomson Reuters LPC and internal data; based on number of deals completed). Since its inception, Golub Capital has closed deals with over 260 middle-market sponsors and repeat transactions with over 170 sponsors. GBDC believes 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 GBDC's focus on the middle-market, GBDC understands the following general characteristics of middle-market lending:

- middle-market companies are generally less leveraged than large companies and, GBDC believes, offer more attractive investment returns in the form of upfront fees, prepayment penalties and higher interest rates;

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- 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

GBDC's investment objective is to generate current income and capital appreciation by investing primarily in one stop and other senior secured loans of U.S. middle market companies. GBDC seeks to generate strong risk-adjusted net returns by assembling a portfolio of investments across a broad range of industries and private equity investors.

GBDC primarily targets U.S. middle-market companies controlled by private equity investors that require capital for growth, acquisitions, recapitalizations, refinancings and leveraged buyouts. GBDC may also make opportunistic loans to independently owned and publicly held middle-market companies. GBDC seeks 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 less than $100.0 million annually;
- sustainable leading positions in their respective markets;
- scalable revenues and operating cash flow;
- 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 GBDC's 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 GBDC believes 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

GBDC views its 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. GBDC believes those originators' strength and breadth of relationships across a wide range of markets generate numerous financing opportunities, which GBDC believes enables GC Advisors to be highly selective in recommending investments to GBDC.

Underwriting. GBDC utilizes 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 GBDC considers 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 GBDC's investment and (3) a conclusion that overall "downside" risk is manageable. While the size of GBDC's equity cushion will vary over time and across industries, the equity cushion generally sought by GC Advisors today is between 35% and 50% of total portfolio capitalization. GBDC generally focuses on the criteria developed by Golub Capital for evaluating prospective portfolio companies, and GBDC puts more emphasis on credit considerations (such as (1) loan-to-value ratio (which is the amount of GBDC's loan divided by the enterprise value of the company in which GBDC is 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. GBDC's 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;

- 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

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Execution. In executing transactions for GBDC, 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. GBDC views active portfolio monitoring as a vital part of its investment process. GBDC considers board observation rights, where appropriate, regular dialogue with company management and sponsors and detailed, internally generated monitoring reports to be critical to its 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 GBDC's investment plan.

As part of the monitoring process, GC Advisors regularly assesses the risk profile of each of GBDC's 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 GBDC's industry or used by GBDC's competitors. It is based on the following categories, which GBDC refers to as GC Advisors' internal performance rating:

Internal Performance Ratings

Rating	**Definition**
5	Involves the least amount of risk in GBDC's 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 1due (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 GBDC will reduce the fair market value of the loan to the amount GBDC anticipates will be recovered.

GBDC's 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 its 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 GBDC's portfolio. In connection with GBDC's valuation process, GC Advisors and the GBDC Board review these internal performance ratings on a quarterly basis.

The following table shows the distribution of GBDC's investments on the 1 to 5 internal performance rating scale at fair value as of September 30, 2018 and 2017:

Internal Performance Rating	September 30, 2018 Investments at Fair Value (In thousands)	Percentage of Total Investments		September 30, 2017 Investments at Fair Value (In thousands)	Percentage of Total Investments	
5	$113,873	6.4	%	$91,525	5.5	%
4	1,455,754	81.6		1,378,316	81.8	
3	195,414	11.0		212,629	12.6	
2	17,250	1.0		249	0.0	*
1	550	0.0	*	2,296	0.1	
Total	$1,782,841	100.0	%	$1,685,015	100.0	%

*Represents an amount less than 0.1%.

Investment Committee

GC Advisors' investment committee, which is comprised of officers of GC Advisors, evaluates and approves all of GBDC's investments, subject to the oversight of the GBDC Board. 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 GBDC's 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. GBDC believes 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 GBDC's 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 GBDC has determined that a prospective portfolio company is suitable for investment, GBDC works with the management of that company and its other capital providers to structure an investment. GBDC negotiates among these parties to agree on how GBDC's investment is expected to perform relative to the other capital in the portfolio company's capital structure.

GBDC structures its investments, which typically have maturities of three to seven years as described below. GBDC's 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 GBDC structures investments in senior secured loans, GBDC 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. GBDC structures its one stop loans as senior secured loans. GBDC obtains 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, GBDC is the sole lender, or GBDC together with its affiliates are the sole lenders, of one stop loans, which can afford GBDC 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. GBDC refers 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, GBDC may adjust its characterization of the earnings of such borrowers for a reduction or elimination of such discretionary expenses, if appropriate.

Second Lien Loans. GBDC structures these investments as junior, secured loans. GBDC obtains 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.

S*ubordinated Loans.* GBDC structures these investments as unsecured, subordinated loans that provide for relatively high, fixed interest rates that provide GBDC with significant current interest income. Subordinated loans rank senior only to a borrower's equity securities and rank junior to all of such borrower's other indebtedness in priority of payment. These loans typically have interest-only payments (often representing a combination of cash pay and or PIK interest) in the early years. 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, GBDC may purchase minority equity interests or receive nominally priced warrants or options to buy a minority equity interest in the portfolio company in connection with a loan, which can allow GBDC to achieve additional investment return from this equity interest. GBDC may structure such warrants to include provisions protecting its 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. GBDC has invested in GBDC SLF, which as of September 30, 2018, consisted of a portfolio of loans to different borrowers in industries similar to the companies in GBDC's portfolio. GBDC SLF invests primarily in senior secured loans of middle market companies, which debt securities are expected to be 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 GBDC's senior secured and one stop loans. GBDC SLF may also invest in more liquid senior secured loans.

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

- selecting investments that GBDC believes have a very low probability of loss;
- requiring a total return on GBDC's investments that GBDC believes will compensate it appropriately for credit risk; and

- negotiating covenants in connection with GBDC’s investments that afford its portfolio companies as much flexibility in managing their businesses as possible, consistent with the preservation of GBDC’s capital. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control provisions and board rights.

GBDC expects to hold most of its investments to maturity or repayment, but GBDC may sell some of its investments earlier if a liquidity event occurs, such as a sale, recapitalization or worsening of the credit quality of the portfolio company.

Investments

GBDC seeks to create a portfolio that includes primarily one stop and other senior secured 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 GBDC’s ten largest portfolio company investments as of September 30, 2018, as well as the top ten industries in which GBDC was invested as of September 30, 2018, in each case excluding GBDC SLF, calculated as a percentage of GBDC’s total investments as of such date.

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Portfolio Company	Fair Value of Investments (In thousands)	Percentage of Total Investments	
Transaction Data Systems, Inc.	$ 39,066	2.2	%
Diligent Corporation	38,848	2.2	
MRI Software LLC	38,474	2.2	
Massage Envy, LLC	36,735	2.1	
Appriss Holdings, Inc.	36,005	2.0	
DCA Investment Holding, LLC	35,783	2.0	
Captive Resources Midco, LLC	34,706	1.9	
Integration Appliance, Inc.	34,406	1.9	
eSolutions, Inc.	31,483	1.8	
Vendavo, Inc.	30,268	1.7	
Total	$ 355,774	20.0	%

Industry	Fair Value of Investments (In thousands)	Percentage of Total Investments	
Diversified/Conglomerate Service	$ 466,037	26.1	%
Healthcare, Education and Childcare	333,736	18.7	
Electronics	130,472	7.3	
Retail Stores	112,738	6.3	
Beverage, Food and Tobacco	99,608	5.6	
Diversified/Conglomerate Manufacturing	96,663	5.4	
Leisure, Amusement, Motion Pictures, Entertainment	81,907	4.6	
Personal and Non Durable Consumer Products (Mfg. Only)	69,912	3.9	
Buildings and Real Estate	65,255	3.7	
Aerospace and Defense	47,891	2.7	
Total	$ 1,504,219	84.3	%

Managerial Assistance

As a business development company, GBDC offers, and must provide upon request, managerial assistance to its 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 GBDC’s behalf to portfolio companies that request this assistance. GBDC 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 the GBDC Board, including its independent directors.

Competition

GBDC's 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 GBDC's competitors are substantially larger and have considerably greater financial, technical and marketing resources than GBDC does. For example, GBDC believes some competitors may have access to funding sources that are not available to it. In addition, some of GBDC's 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 GBDC. Furthermore, many of GBDC's competitors are not subject to the regulatory restrictions that the 1940 Act imposes on GBDC as a business development company or to the source-of-income, asset diversification and distribution requirements GBDC must satisfy to maintain its qualification as a RIC.

GBDC uses the expertise of the investment professionals of Golub Capital and its affiliates to which GBDC has access to assess investment risks and determine appropriate pricing for GBDC's investments in portfolio companies. In addition, the relationships of the senior members of Golub Capital and its affiliates enable GBDC to learn about, and compete effectively for, financing opportunities with attractive middle-market companies in the industries in which GBDC invests.

Administration

GBDC does not have any direct employees, and GBDC's day-to-day investment operations are managed by GC Advisors. GBDC has a chief executive officer, chief financial officer, chief compliance officer, managing director and director of corporate strategy, and to the extent necessary, the GBDC Board may elect to hire additional personnel going forward. GBDC's officers are officers and/or employees of Golub Capital LLC, an affiliate of GC Advisors, and GBDC's allocable portion of the cost of its chief financial officer and chief compliance officer and their respective staffs is paid by GBDC pursuant to the Administration Agreement with the Administrator. See "Golub Capital BDC, Inc. Management Agreements—Administration Agreement."

Properties

GBDC does not own any real estate or other physical properties materially important to its operation. GBDC's headquarters are located at 666 Fifth Avenue, 18th Floor, New York, NY 10103 and are provided by the Administrator pursuant to the Administration Agreement. GBDC believes that its office facilities are suitable and adequate to its business.

Legal Proceedings

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

management's discussion and analysis of financial condition and results of operations of Golub Capital BDC, Inc.

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. You should read the following discussion in conjunction with the audited consolidated financial statements and related notes thereto and other financial information appearing elsewhere in this joint proxy statement/prospectus. Many of the amounts and percentages presented in this section have been rounded for convenience of presentation and all amounts are presented in thousands (unless otherwise indicated), except share and per share amounts.

GBDC cannot assure you that the Merger will be consummated as scheduled, or at all. See "Risk Factors—Risks Related to the Merger" for a description of the risks associated with a failure to consummate the Merger and a description of the risks that the combined company may face if the Merger is consummated.

Overview

GBDC is 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, GBDC has elected to be treated as a RIC under Subchapter M of the Code. As a business development company and a RIC, GBDC is also subject to certain constraints, including limitations imposed by the 1940 Act and the Code.

GBDC's shares are currently listed on The Nasdaq Global Select Market under the symbol "GBDC."

GBDC's investment objective is to generate current income and capital appreciation by investing primarily in one stop (a loan that combines characteristics of traditional first lien senior secured loans and second lien or subordinated loans and that are often referred to by other middle-market lenders as unitranche loans) and other senior secured loans of U.S. middle-market companies. GBDC may also selectively invest in second lien and subordinated loans of, and warrants and minority equity securities in U.S. middle-market companies. GBDC intends to achieve its 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 $25.0 billion in capital under management as of September 30, 2018, (2) selecting investments within GBDC's 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.

GBDC's investment activities are managed by GC Advisors and supervised by the GBDC Board of which a majority of the members are independent of GBDC, GC Advisors and its affiliates.

Under the Current GBDC Investment Advisory Agreement, which was most recently reapproved by the GBDC Board in May 2018, GBDC has agreed to pay GC Advisors an annual base management fee based on GBDC's average adjusted gross assets as well as an incentive fee based on GBDC's investment performance. Under the Administration Agreement, GBDC is provided with certain administrative services by the Administrator, which is currently Golub Capital LLC. Under the Administration Agreement, GBDC has agreed to reimburse the Administrator for GBDC's allocable portion (subject to the review and approval of the GBDC Independent Directors) of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement.

GBDC seeks to create a portfolio that includes primarily one stop and other senior secured 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. GBDC may also selectively invest more than $30.0 million in some of its portfolio companies and generally expects that the size of its individual investments will vary proportionately with the size of its capital base.

GBDC generally invests 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 GBDC’s 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 GBDC’s risk of losing part or all of its investment.

As of September 30, 2018 and 2017, GBDC’s portfolio at fair value was comprised of the following:

	As of September 30, 2018			As of September 30, 2017		
Investment Type	**Investments at Fair Value (In thousands)**	Percentage of Total Investments		**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**	
Senior secured	$ 231,169	13.0	%	$ 195,029	11.6	%
One stop	1,430,196	80.2		1,334,084	79.2	
Second lien	9,435	0.5		9,434	0.6	
Subordinated debt	251	0.0	*	59	0.0	*
LLC equity interests in GBDC SLF[1]	71,084	4.0		95,015	5.6	
Equity	40,706	2.3		51,394	3.0	
Total	$ 1,782,841	100.0	%	$ 1,685,015	100.0	%

* Represents an amount less than 0.1%.

(1) Proceeds from the LLC equity interests invested in GBDC SLF were utilized by GBDC 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. GBDC refers 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, GBDC may adjust its characterization of the earnings of such borrowers for a reduction or elimination of such discretionary expenses, if appropriate. As of September 30, 2018 and 2017, one stop loans included $169.4 million and $138.6 million, respectively, of late stage lending loans at fair value.

As of September 30, 2018, 2017 and 2016, GBDC had debt and equity investments in 199, 185 and 183 portfolio companies, respectively, and an investment in GBDC SLF.

The following table shows the weighted average income yield and weighted average investment income yield of GBDC's earning portfolio company investments, which represented nearly 100% of its debt investments, as well as the total return based on its average net asset value, and the total return based on the change in the quoted market price of its stock and assuming distributions were reinvested in accordance with its dividend reinvestment plan, in each case for the years ended September 30, 2018, 2017 and 2016 was as follows:

	For the years ended September 30,					
	2018		2017		2016	
Weighted average income yield(1)(2)	8.3	%	7.8	%	7.6	%
Weighted average investment income yield(1)(3)	8.9	%	8.4	%	8.2	%
Total return based on average net asset value(4)	8.5	%	9.1	%	8.4	%
Total return based on market value(5)	7.7	%	10.2	%	25.4	%

(1) For the years ended September 30, 2018 and 2017, the weighted average income yield and weighted average investment income yield do not reflect interest income from subordinated notes in GBDC SLF, which were redeemed on December 30, 2016.

(2) Represents income from interest, including subordinated notes in GBDC SLF, and fees, excluding amortization of capitalized fees and discounts, divided by the average fair value of earning portfolio company investments, and does not represent a return to any investor in GBDC.

(3) Represents income from interest, including subordinated notes in GBDC SLF, fees and amortization of capitalized fees and discounts divided by the average fair value of earning portfolio investments, and does not represent a return to any investor in GBDC.

(4) Total return based on average net asset value is calculated as (a) the net increase in net assets resulting from operations divided by (b) the daily average of total net assets. Total return does not include sales load.

(5) Total return based on market value assumes distributions are reinvested in accordance with the dividend reinvestment plan. Total return does not include sales load.

Revenues: GBDC generates revenue in the form of interest and fee income on debt investments and capital gains and distributions, if any, on portfolio company investments that it originates or acquires. GBDC's 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, GBDC receives payments on its debt investments based on scheduled amortization of the outstanding balances. In addition, GBDC receives repayments of some of its debt investments prior to their scheduled maturity date. The frequency or volume of these repayments fluctuates significantly from period to period. GBDC's portfolio activity also reflects the proceeds of sales of securities. In some cases, GBDC's 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, GBDC 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 GBDC accretes or amortizes such amounts as interest income. GBDC records prepayment premiums on loans as fee income. For additional details on revenues, see "—Critical Accounting Policies—Revenue Recognition."

GBDC recognizes realized gains or losses on investments based on the difference between the net proceeds from the disposition and the amortized cost basis of the investment or derivative instrument, without regard to unrealized gains or losses previously recognized. GBDC records 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: GBDC's primary operating expenses include the payment of fees to GC Advisors under the Current GBDC Investment Advisory Agreement and interest expense on its outstanding debt. GBDC bears all other out-of-pocket costs and expenses of its operations and transactions, including:

- calculating GBDC's 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 GBDC and in monitoring GBDC's investments and performing due diligence on GBDC's 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 GBDC Common Stock and other securities;

- administration fees and expenses, if any, payable under the Administration Agreement (including payments based upon GBDC's 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 GBDC's chief compliance officer, chief financial officer and their respective staffs);

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- 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 GBDC's 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;
- GBDC's 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 GBDC or the Administrator in connection with administering GBDC's business.

GBDC expects its 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.

Prior to the redemption of the 2010 Notes and termination of the documents governing the 2010 Debt Securitization on July 20, 2018, GC Advisors served as collateral manager for the 2010 Issuer, under a collateral management agreement (the "2010 GBDC Collateral Management Agreement") and was 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 was payable in arrears on each payment date. Under the 2010 Collateral GBDC Management Agreement, the term "collection period" referred 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. Following the redemption of the 2010 Notes on July 20, 2018, the 2010 GBDC Collateral Management Agreement was terminated.

GC Advisors, as collateral manager for the 2014 Issuer, GBDC's wholly-owned subsidiary, under the 2014 GBDC 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 GBDC 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 were paid directly by the 2010 Issuer and are paid by the 2014 Issuer to GC Advisors and are offset against the management fees payable under the Current GBDC 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 subsequent amendments to the 2010 Debt Securitization and the initial structuring of the 2014 Debt Securitization. Term debt securitizations are also known as collateralized loan obligations and are a form of secured financing incurred by GBDC, which is consolidated by GBDC and subject to its overall asset coverage requirement. The 2010 Issuer, the 2014 Issuer and 2018 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 2010 Debt Securitization, the 2014 Debt Securitization, and 2018 Debt Securitization, and collectively the Debt Securitizations, as applicable.

GBDC believes that these administrative expenses approximate the amount of ongoing fees and expenses that it would be required to pay in connection with a traditional secured credit facility. GBDC's common stockholders indirectly bear all of these expenses.

Recent Developments

On November 1, 2018, the 2018 Issuer entered into a purchase agreement (the "Purchase Agreement") with Golub Capital BDC CLO III Depositor LLC, as depositor, and Morgan Stanley & Co. LLC, as the initial purchaser (the "Initial Purchaser") pursuant to which the 2018 Issuer agreed to sell the Class A, B and C-1, C-2 and D 2018 Notes to the Initial Purchaser as part of the 2018 Debt Securitization. Term debt securitizations are also known as CLOs and are a form of secured financing incurred by GBDC, which are consolidated by GBDC and subject to its overall asset coverage requirement.

On November 1, 2018, GBDC entered into an amendment to the documents governing the MS Credit Facility. The MS Credit Facility amendment increased the borrowing capacity under the MS Credit Facility from $300.0 million to $450.0 million. The other material terms of the MS Credit Facility were unchanged.

On November 16, 2018, GBDC completed the 2018 Debt Securitization. The 2018 Notes were issued by the 2018 Issuer and are backed by a diversified portfolio of senior secured and second lien loans. The transaction was executed through a private placement of approximately $327.0 million of AAA/AAA Class A 2018 Notes, which bear interest at the three-month LIBOR plus 1.48%; $61.2 million of AA Class B 2018 Notes, which bear interest at the three-month LIBOR plus 2.10%; $20.0 million of A Class C-1 2018 Notes, which bear interest at the three-month LIBOR plus 2.80%; $38.8 million of A Class C-2 2018 Notes, which bear interest at the three-month LIBOR plus 2.65%; $42.0 million of BBB- Class D 2018 Notes, which bear interest at the three-month LIBOR plus 2.95%; and $113.4 million of Subordinated 2018 Notes which do not bear interest. GBDC indirectly retained all of the Class C-2, Class D and Subordinated 2018 Notes. The Class A, B, C-1, C-2 and D 2018 Notes are scheduled to mature on January 20, 2031. The Subordinated 2018 Notes are scheduled to mature on December 13, 2118.

A portion of the proceeds of the private placement of the 2018 Notes, net of expenses, was used to repay all amounts outstanding under the MS Credit Facility, following which the agreements governing the MS Credit Facility were terminated.

GBDC entered into two loan sale agreements which govern the 2018 Debt Securitization. Under the terms of the loan sale agreement entered into upon the Closing Date Loan Sale Agreement, which provides for the sale of assets on the Loan Closing Date to satisfy risk retention requirements, (1) GBDC transferred to GC Advisors a portion of its ownership interest in the portfolio company investments securing the 2018 Debt Securitization for the purchase price and other consideration set forth in the Closing Date Loan Sale Agreement and (2) immediately thereafter, GC Advisors sold to the 2018 Issuer all of its ownership interest in such portfolio loans for the purchase price and other consideration set forth in the Closing Date Loan Sale Agreement. Under the terms of the other loan sale agreement governing the 2018 Debt Securitization Depositor Loan Sale Agreement, which provides for the sale of assets on the Loan Closing Date as well as future sales from GBDC to the 2018 Issuer through CLO Depositor, (3) GBDC sold and/or contributed to the CLO Depositor the remainder of its ownership interest in the portfolio company investments securing the 2018 Debt Securitization and participations for the purchase price and other consideration set forth in the Depositor Loan Sale Agreement and (4) CLO Depositor, in turn, sold to the 2018 Issuer all of its ownership interest in such portfolio loans and participations for the purchase price and other consideration set forth in one of the loan sale agreements. Following these transfers, the 2018 Issuer, and neither GC Advisors, the CLO Depositor nor GBDC, held all of the ownership interest in such portfolio company investments and participations. GBDC made customary representations, warranties and covenants in these loan sale agreements.

The 2018 Notes are the secured obligations of the 2018 Issuer, and an indenture governing the 2018 Notes includes customary covenants and events of default. The 2018 Notes have not been, and will not be, registered under the Securities Act or any state "blue sky" laws and may not be offered or sold in the United States absent registration with the SEC or an applicable exemption from registration.

GC Advisors will serve as collateral manager to the 2018 Issuer under a collateral management agreement and will receive a fee for providing these services in an amount equal to 0.35% of the principal balance of the portfolio loans held by the 2018 Issuer at the beginning of the collection period relating to each payment date, which is payable in arrears on each payment date. Pursuant to the Current GBDC Investment Advisory Agreement, the total fees paid to GC Advisors for rendering collateral management services, which are less than the management fee payable under the Current GBDC Investment Advisory Agreement, will be offset against such management fee.

Under the 2018 GBDC Collateral Management Agreement, the term "collection period" generally refers to a quarterly period commencing on the day after the end of the prior collection period to the tenth business day prior to the payment date. Pursuant to the Current GBDC Investment Advisory Agreement, the total fees paid to GC Advisors for rendering these collateral management services, which are less than the management fee payable under the Current GBDC Investment Advisory Agreement, will be offset against such management fee. In addition, the 2018 Issuer paid Morgan Stanley & Co. LLC structuring and placement fees for its services in connection with the structuring of the 2018 Debt Securitization.

The pool of loans in the 2018 Debt Securitization must meet certain requirements, including asset mix and concentration, collateral coverage, term, agency rating, minimum coupon, minimum spread and sector diversity requirements.

On November 27, 2018, the GBDC Board recommended that GBDC seeks shareholder approval to reduce its asset coverage requirement to 150.0% at its annual meeting of stockholders currently scheduled for February 5, 2019. To the extent stockholder approval is received, GBDC currently intends to target a GAAP debt-to-equity ratio of about 1.0x.

On November 27, 2018, GBDC entered into a definitive agreement to merge with GCIC with GBDC as the surviving entity. The GBDC Board and the GCIC Board, including all of the respective independent directors, have approved the Merger Agreement and the transactions contemplated therein. Under the terms of the proposed Merger, stockholders of GCIC will receive 0.865 shares of GBDC's stock for each share of GCIC, subject to adjustment only in the event of reclassification, recapitalization, or similar transaction by either company. The combined company will remain externally managed by GC Advisors and GBDC's officers and directors will remain in their current roles. The combined company will continue to trade under the ticker "GBDC" on the Nasdaq Global Select Market. Consummation of the proposed Merger is subject to GBDC's and GCIC stockholder approvals, customary regulatory approvals and other closing conditions. Assuming satisfaction of these conditions, the transaction is expected to close in the first half of 2019.

As a result of the Merger, GBDC will be subject to certain additional risks. See “Risk Factors.”

In connection with the closing of the merger, it is the GBDC Board’s intention to increase the dividend per quarter to $0.33 per share; provided that the GBDC Board reserves the right to revisit this intention if market conditions or GBDC’s prospects meaningfully change.

On November 27, 2018, the GBDC Board declared a quarterly distribution of $0.32 per share and a special distribution of $0.12 per share both of which are payable on December 28, 2018 to holders of record as of December 12, 2018.

Market Trends

GBDC has identified the following trends that may affect its business:

Target Market. GBDC believes 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 GBDC believes that this market segment will continue to produce significant investment opportunities for GBDC.

Specialized Lending Requirements. GBDC believes 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 GBDC's 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. GBDC believes there is a large pool of uninvested private equity capital for middle-market companies. GBDC expects 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 GBDC.

Competition from Bank Lenders. GBDC believes 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. GBDC believes these factors may result in opportunities for alternative funding sources to middle-market companies and therefore more market opportunities for GBDC.

Market Environment: GBDC believes 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, GBDC believes that its scale and strong market position will continue to allow it to find investment opportunities with attractive risk-adjusted returns.

Consolidated Results of Operations

Consolidated operating results for the years ended September 30, 2018, 2017 and 2016 are as follows:

	For the years ended September 30,			Variances	
	2018	2017	2016	2018 vs. 2017	2017 vs. 2016
	(In thousands)				
Interest income	$131,274	$119,313	$106,184	$11,961	$ 13,129
Income from accretion of discounts and origination fees	9,660	9,497	8,662	163	835
Interest and dividend income from investments in GBDC SLF[1]	8,099	6,568	11,038	1,531	(4,470)
Dividend income	624	629	539	(5)	90
Fee income	2,514	1,757	1,448	757	309
Total investment income	152,171	137,764	127,871	14,407	9,893
Total expenses	76,150	68,201	62,558	7,949	5,643
Net investment income - before excise tax	76,021	69,563	65,313	6,458	4,250
Excise tax	—	17	333	(17)	(316)
Net investment income - after excise tax	76,021	69,546	64,980	6,475	4,566
Net realized gain (loss) on investments and foreign currency transactions	17,536	9,402	6,254	8,134	3,148
Net change in unrealized appreciation (depreciation) on investments, foreign currency translation and secured borrowings	(11,587)	3,340	(2,030)	(14,927)	5,370
Net increase in net assets resulting from operations	$81,970	$82,288	$69,204	$(318)	$ 13,084
Average earning debt investments, at fair value[2]	$1,602,119	$1,554,527	$1,417,547	$47,592	$ 136,980
Average investments in subordinated notes of GBDC SLF, at fair value	—	19,267	82,703	(19,267)	(63,436)
Average earning portfolio company investments, at fair value[2]	$1,602,119	$1,573,794	$1,500,250	$28,325	$ 73,544

(1) For the year ended September 30, 2018, the investment in GBDC SLF represents the investment in LLC equity interests in GBDC SLF. For the years ended September 30, 2017 and 2016, the investments in GBDC SLF include GBDC's investments in both subordinated notes (prior to their redemption by GBDC SLF on December 30, 2016) and LLC equity interests in GBDC SLF.

(2) Does not include GBDC's investment in LLC equity interests in GBDC SLF.

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, 2017 to the year ended September 30, 2018 by $14.4 million primarily as a result of an increase in the average earning debt investments balance, which is the average balance of accruing loans in GBDC's investment portfolio, of $47.6 million, an increase in LIBOR and an increase in income from GBDC's investments in GBDC SLF attributable to increase in income from GBDC's investments in GBDC SLF. Investment income increased from the year ended September 30, 2016 to the year ended September 30, 2017 by $9.9 million primarily as a result of an increase in the average earning investment balance, which is the annual average balance of accruing loans in GBDC's investment portfolio, of $137.0 million. These increases were partially offset by a decline in income from GBDC's investments in GBDC SLF of $4.5 million that was attributable to a decline in the credit performance of GBDC SLF's portfolio.

The income yield by debt security type for the years ended September 30, 2018, 2017 and 2016 was as follows:

	For the years ended September 30,					
	2018		2017		2016	
Senior secured	7.1	%	6.4	%	6.3	%
One stop	8.5	%	7.9	%	7.7	%
Second lien	10.1	%	10.3	%	9.9	%
Subordinated debt	15.0	%	8.8	%	5.2	%
Subordinated notes in GBDC SLF[1]	N/A		8.5	%	8.4	%

(1) GBDC SLF's proceeds from the subordinated notes were utilized by GBDC SLF to invest in senior secured loans. GBDC SLF redeemed the outstanding balance on the subordinated notes on December 30, 2016.

Income yields on one stop and senior secured loans increased for the year ended September 30, 2018 primarily due to the rise in LIBOR. As of September 30, 2018, GBDC has one second lien investment and two subordinated debt investments as shown in the Consolidated Schedule of Investments. Due to the limited number of second lien and subordinated debt investments, annual income yields on second lien and subordinated debt investments can be significantly impacted by the addition, subtraction or refinancing of one investment.

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 GBDC's expenses for the years ended September 30, 2018, 2017 and 2016:

	For the years ended September 30,			Variances	
	2018	2017	2016	2018 vs. 2017	2017 vs. 2016
	(In thousands)				
Interest and other debt financing expenses	$29,859	$28,245	$23,540	$1,614	$ 4,705
Amortization of debt issuance costs	3,315	3,289	4,184	26	(895)
Base management fee	24,214	23,815	22,020	399	1,795
Income incentive fee	11,652	4,741	6,022	6,911	(1,281)
Capital gain incentive fee	1,458	2,819	1,244	(1,361)	1,575
Professional fees	2,721	2,396	2,814	325	(418)
Administrative service fee	2,456	2,340	2,209	116	131
General and administrative expenses	475	556	525	(81)	31
Total expenses	$76,150	$68,201	$62,558	$7,949	$ 5,643
Average debt outstanding[1]	$822,823	$872,980	$826,366	$(50,157)	$ 46,614

(1) As of September 30, 2018 and 2017, there were no secured borrowings outstanding. For the year ended September 30, 2016, GBDC has excluded $0.5 million 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.

Interest Expense

Interest and other debt financing expenses increased by $1.6 million from the year ended September 30, 2017 to the year ended September 30, 2018 primarily due to the increase in LIBOR which was partially offset by a decrease in the weighted average of outstanding borrowings from $873.0 million for the year ended September 30, 2017 to $822.8 million for the year ended September 30, 2018. The decrease in GBDC's debt was primarily driven by a decrease in the weighted average of outstanding borrowings on the GBDC Credit Facility from $138.8 million as of September 30, 2017 to $103.0 million as of September 30, 2018. The effective average interest rate on GBDC's outstanding debt increased to 4.0% for the year ended September 30, 2018 from 3.6% for the year ended September 30, 2017 primarily due to the increase in LIBOR.

Interest and other debt financing expenses increased by $4.7 million from the year ended September 30, 2016 to the year ended September 30, 2017 primarily due to the increase in the weighted average of outstanding borrowings from $826.4 million for the year ended September 30, 2016 to $873.0 million for the year ended September 30, 2017 and an increase in the effective annual interest rate. The effective average interest rate on GBDC's outstanding debt increased to 3.6% for the year ended September 30, 2017 from 3.4% for the year ended September 30, 2016 primarily due to the increase in LIBOR.

Amortization of debt issuance costs remained relatively stable from the year ended September 30, 2017 to the year ended September 30, 2018 as new debt issuance costs associated with the new or amended debt facilities were offset by the full amortization of previous costs incurred. Amortization of debt issuance costs declined from the year ended September 30, 2016 to the year ended September 30, 2017 as initial debt issuance costs associated with $125.0 million of SBIC IV debentures fully amortized.

Management Fee

The base management fee increased as a result of a sequential increase in average adjusted gross assets from 2016 to 2018.

Incentive Fees

The incentive fee payable under the Current GBDC Investment Advisory Agreement consists of two parts: (1) the GBDC Income Incentive Fee and (2) the GBDC Capital Gain Incentive Fee. The GBDC Income Incentive Fee increased by $6.9 million from the year ended September 30, 2017 to the year ended September 30, 2018, primarily as a result of the increase in net investment income. As GBDC remains in the “catch-up” provision of the GBDC Income Incentive Fee calculation, the increase in net investment income causes a corresponding increase in the GBDC Income Incentive Fee until GBDC is fully through the “catch-up” provision. The GBDC Income Incentive Fee decreased by $1.3 million from the year ended September 30, 2016 to the year ended September 30, 2017 as the interest rate compression on new investments and the decline of second lien and subordinated debt investments in GBDC’s portfolio caused a decline in GBDC’s Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of its net assets. For the year ended September 30, 2018, while still not fully through the “catch-up” provision in any quarter of the GBDC Income Incentive Fee calculation, the GBDC Income Incentive Fee as a percentage of GBDC’s Pre-Incentive Fee Net Investment Income increased to 18.7% compared to 6.1% for the year ended September 30, 2017 and 8.3% for the year ended September 30, 2016.

The GBDC Capital Gain Incentive Fee payable as calculated under the Current GBDC Investment Advisory Agreement for each of the years ended September 30, 2018, 2017, and 2016 was $2.3 million, $0.4 million and $0.0 million, respectively. However, in accordance with GAAP, GBDC is 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 Current GBDC Investment Advisory Agreement. The capital gain incentive fee accrual which was calculated in accordance with GAAP as of September 30, 2018 and 2017 was $7.2 million and $6.9 million, respectively. Any payment due under the terms of the Current GBDC Investment Advisory Agreement is calculated in arrears at the end of each calendar year, and GBDC paid a $1.2 million GBDC Capital Gain Incentive Fee calculated in accordance with the Current GBDC Investment Advisory Agreement as of December 31, 2017. GBDC did not pay any GBDC Capital Gain Incentive Fee calculated under the Current GBDC Investment Advisory Agreement as of any date prior to December 31, 2017.

The accrual for capital gain incentive fee under GAAP was $1.5 million, or $0.02 per share, for the year ended September 30, 2018, $2.8 million, or $0.05 per share, for the year ended September 30, 2017, and $1.2 million, or $0.03 per share, for the year ended September 30, 2016. The decrease in accruals for a capital gain incentive fee under GAAP for the year ended September 30, 2018 from the year ended September 30, 2017 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, 2017 from the year ended September 30, 2016 was primarily the result of unrealized appreciation of debt and equity investments. For additional details on unrealized appreciation and depreciation of investments, refer to the “—Net Realized and Unrealized Gains and Losses” section below.

Professional Fees, Administrative Service Fee, and General and Administrative Expenses

In total, professional fees, the administrative service fee, and general and administrative expenses increased by $0.4 million from the year ended September 30, 2017 to the year ended September 30, 2018 and decreased by $0.2 million from the year ended September 30, 2016 to the year ended September 30, 2017. In general, GBDC expects certain of its operating expenses, including professional fees, the administrative service fee, and other general and administrative expenses to decline as a percentage of its total assets during periods of growth and increase as a percentage of its total assets during periods of asset declines.

The Administrator pays for certain expenses incurred by GBDC. These expenses are subsequently reimbursed in cash. Total expenses reimbursed by GBDC to the Administrator for the years ended September 30, 2018, 2017 and 2016 were $2.4 million, $2.3 million and $2.4 million, respectively.

As of September 30, 2018 and 2017, included in accounts payable and accrued expenses were $0.4 million and $0.8 million, respectively, for accrued expenses paid on behalf of GBDC by the Administrator.

Excise Tax Expense

GBDC has 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, GBDC is required to meet certain source of income and asset diversification requirements, as well as timely distribute to GBDC's stockholders' dividends for U.S. federal income tax purposes of an amount generally at least equal to 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. GBDC has made and intend to continue to make the requisite distributions to its stockholders that will generally relieve it from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, GBDC 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 U.S. federal income tax under Subchapter M of the Code. GBDC may then be required to incur a 4% excise tax on such income. To the extent that GBDC determines that its estimated current year annual taxable income may exceed estimated current year distributions, GBDC accrues excise tax, if any, on estimated excess taxable income as taxable income is earned. For the years ended September 30, 2018, 2017 and 2016, GBDC incurred a net expense of $0, $17,000 and $333,000, respectively, for U.S. federal excise tax.

Net Realized and Unrealized Gains and Losses

The following table summarizes GBDC's net realized and unrealized gains (losses) for the years ended September 30, 2018, 2017 and 2016:

	For the years ended September 30,			Variances	
	2018	2017	2016	2018 vs. 2017	2017 vs. 2016
	(In thousands)				
Net realized gain (loss) on investments	$17,454	$9,402	$6,254	$8,052	$ 3,148
Foreign currency transactions	82	—	—	82	—
Net realized gain (loss) on investments and foreign currency transactions	$17,536	$9,402	$6,254	$8,134	$ 3,148
Unrealized appreciation on investments	25,126	28,008	32,943	(2,882)	(4,935)
Unrealized (depreciation) on investments	(34,832)	(26,640)	(31,411)	(8,192)	4,771
Unrealized appreciation on investments in GBDC SLF[1]	—	1,969	—	(1,969)	1,969
Unrealized (depreciation) on investments in GBDC SLF[1]	(1,881)	—	(3,562)	(1,881)	3,562

Unrealized appreciation on secured borrowings	—	3	—	(3)	3
Net change in unrealized appreciation (depreciation) on investments, investments in GBDC SLF, secured borrowings and foreign currency	$(11,587)	$3,340	$(2,030)	$(14,927)	$ 5,370

(1) Unrealized appreciation (depreciation) on investments in GBDC SLF includes GBDC's investment in subordinated notes and LLC equity interests in GBDC SLF.

For the year ended September 30, 2018, GBDC had a net realized gain on investments and foreign currency transactions of $17.5 million primarily due to realized gains on the sale of equity securities in more than 20 portfolio company investments, partially offset by the realized loss on the sale or disposition of three under-performing debt investments.

For the year ended September 30, 2018, GBDC had $25.1 million in unrealized appreciation on 158 portfolio company investments, which was offset by $34.8 million in unrealized depreciation on 169 portfolio company investments. Unrealized appreciation during the year ended September 30, 2018 resulted from an increase in fair value primarily due to the rise in market prices of portfolio company investments. Unrealized depreciation primarily resulted from the reversal of the net unrealized appreciation associated with the sales of portfolio company investments, the amortization of discounts, and negative credit related adjustments that caused a reduction in fair value.

For the year ended September 30, 2018, GBDC had $1.9 million in unrealized depreciation on its investment in GBDC SLF LLC equity interests, which was primarily driven by net negative credit related adjustments associated with GBDC SLF's investment portfolio.

For the year ended September 30, 2017 GBDC had a net realized gain on investments of $9.4 million primarily due to net realized gains on the sale of equity securities in 18 portfolio company investments and net gains on the sale of debt investments to GBDC SLF, which was partially offset by a net realized loss on the sale of a debt and equity investment in a single portfolio company.

For the year ended September 30, 2017, GBDC had $28.0 million in unrealized appreciation on 186 portfolio company investments, which was partially offset by $26.6 million in unrealized depreciation on 192 portfolio company investments. Unrealized appreciation during the year ended September 30, 2017 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, 2017, GBDC had $2.0 million in unrealized appreciation on its investment in GBDC SLF LLC equity interests. Unrealized appreciation on the GBDC SLF LLC equity interests was primarily driven by increased net investment income at GBDC SLF.

For the year ended September 30, 2016, GBDC 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, GBDC had $6.3 million in net realized gains on investments, primarily due to the sale of, or capital gain distributions received from, several equity investments and the sale of debt investments to GBDC 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, 2016, GBDC had $3.6 million in unrealized depreciation on its investments in GBDC SLF LLC equity interests. Unrealized depreciation on the GBDC SLF LLC equity interests was driven by negative credit related adjustments associated with GBDC SLF's investment portfolio that was primarily driven by one portfolio company investment taken to non-accrual status.

Liquidity and Capital Resources

For the year ended September 30, 2018, GBDC experienced a net decrease in cash, cash equivalents, foreign currencies and restricted cash and cash equivalents of $16.9 million. During the period, cash used in operating activities was $8.6 million, primarily as a result of fundings of portfolio investments of $646.6 million, partially offset by the proceeds from principal payments and sales of portfolio investments of $558.7 million and net investment income of $76.0 million. Lastly, cash used in financing activities was $8.3 million, primarily driven by borrowings on debt of $760.5 million that were partially offset by repayments of debt of $695.9 million and distributions paid of $71.1 million.

For the year ended September 30, 2017, GBDC experienced a net decrease in cash, cash equivalents, foreign currencies and restricted cash and cash equivalents of $27.0 million. During the period, cash provided by operating activities was $62.2 million, primarily as a result of fundings of portfolio investments of $588.2 million, partially offset by the proceeds from principal payments and sales of portfolio investments of $588.2 million and net investment income of $69.5 million. Lastly, cash used in financing activities was $89.2 million, primarily driven by borrowings on debt of $545.0 million and net proceeds of an aggregate of $74.0 million from two equity offerings that were offset by repayments of debt of $628.6 million and distributions paid of $76.8 million.

For the year ended September 30, 2016, GBDC experienced a net decrease in cash, cash equivalents, foreign currencies and restricted cash and cash equivalents of $7.9 million. During the period, cash used in operating activities was $56.1 million, primarily as a result of fundings of portfolio investments of $654.8 million, partially offset by the proceeds from principal payments and sales of portfolio investments of $538.6 million and net investment income of $65.0 million. Lastly, cash used in financing activities was $48.1 million, primarily due to net proceeds of an aggregate $58.6 million from one equity offering and one private placement and net borrowings on debt of $51.5 million, partially offset by distributions paid of $59.5 million.

As of September 30, 2018 and 2017, GBDC had cash and cash equivalents of $5.9 million and $4.0 million, respectively. In addition, GBDC had foreign currencies of $0.2 million as of September 30, 2018 and restricted cash and cash equivalents of $39.7 million and $58.6 million as of September 30, 2018 and 2017, respectively. Cash and cash equivalents are available to fund new investments, pay operating expenses and pay distributions. As of September 30, 2018, $14.7 million of GBDC's restricted cash and cash equivalents will be used for the payment of principal and interest expense on the notes issued in the 2014 Debt Securitization, which is described in further detail in Note 6 to GBDC's consolidated financial statements. As of September 30, 2018, $5.8 million of GBDC's restricted cash and cash equivalents could be used to fund investments that meet the guidelines under the GBDC Credit Facility as well as for the payment of interest expense and revolving debt of the GBDC Credit Facility. As of September 30, 2018, $8.1 million of GBDC's restricted cash and cash equivalents could be used to fund investments that meet the guidelines under the MS Credit Facility as well as for the payment of interest expense and revolving debt of the MS Credit Facility. As of September 30, 2018, $11.1 million of GBDC's restricted cash and cash equivalents could be used to fund new investments that meet the regulatory and investment guidelines established by the SBA for GBDC's SBICs, which are described in further detail in Note 6 to GBDC's consolidated financial statements, and for interest expense and fees on GBDC's outstanding SBA debentures.

As of September 30, 2018 and 2017, the GBDC Credit Facility allowed GBDC Funding to borrow up to $170.0 million and $225.0 million, respectively, at any one time outstanding, subject to leverage and borrowing base restrictions. As of September 30, 2018 and 2017, GBDC had $136.0 million and $63.1 million outstanding under the GBDC Credit Facility, respectively. As of September 30, 2018 and 2017, subject to leverage and borrowing base restrictions, GBDC had approximately $34.0 million and $161.9 million, respectively, of remaining commitments and $34.0 million and $95.0 million, respectively, of availability on the GBDC Credit Facility.

As of September 30, 2018, the MS Credit Facility allowed 2010 Issuer to borrow up to $300.0 million at any one time outstanding, subject to leverage and borrowing base restrictions. As of September 30, 2018, GBDC had $234.7 million outstanding under the MS Credit Facility. As of September 30, 2018, subject to leverage and borrowing base restrictions, GBDC had approximately $65.3 million of remaining commitments and $6.7 million of availability on the MS Credit Facility.

On June 22, 2016, GBDC entered into an unsecured revolving credit facility with GC Advisors (the "Adviser Revolver"), which permits GBDC to borrow up to $20.0 million at any one time outstanding. GBDC entered into the

Adviser Revolver in order to have the ability to borrow funds on a short-term basis and have in the past repaid, and generally intend in the future to repay, borrowings under the Adviser Revolver within the same quarter in which they are drawn. As of September 30, 2018 and 2017, GBDC had no amounts outstanding on the Adviser Revolver.

On July 16, 2010, GBDC completed the 2010 Debt Securitization, which was subsequently increased to $350.0 million. On October 20, 2016, GBDC further 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 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 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, Golub Capital BDC 2010-1 Holdings LLC, GBDC’s wholly-owned subsidiary, retained the Class B-Refi 2010 Notes.

As of September 30, 2017, the 2010 Notes consisted of $205.0 million of Class A-Refi 2010 Notes, which bore interest at a rate of three-month LIBOR plus 1.90%, $10.0 million of Class B-Refi 2010 Notes, which bore interest at a rate of three-month LIBOR plus 2.40%, and $135.0 million face amount of Subordinated 2010 Notes that did not bear interest. The Class A-Refi 2010 Notes are included in the September 30, 2017 Consolidated Statement of Financial Condition as GBDC’s debt and the Class B-Refi 2010 Notes and Subordinated 2010 Notes were eliminated in consolidation. As of September 30, 2017, GBDC had outstanding debt under the 2010 Debt Securitization of $205.0 million. On July 20, 2018, the 2010 Notes were redeemed and, following such redemption, the agreements governing the 2010 Debt Securitization were terminated.

On June 5, 2014, GBDC completed the 2014 Debt Securitization in which the 2014 Issuer issued an aggregate of $402.6 million of 2014 Notes, including, prior to their redemption on March 23, 2018, $191.0 million of Class A-1 2014 Notes, which bore 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 1.95%, $35.0 million of Class B 2014 Notes, which bore interest at a rate of three-month LIBOR plus 2.50%, $37.5 million of Class C 2014 Notes, which bore 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. GBDC 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. On March 23, 2018, GBDC amended the 2014 Debt Securitization to, among other things, (a) refinance the issued Class A-1 notes issued by the 2014 Issuer by redeeming in full the $191.0 million of Class A-1 2014 Notes and issuing new Class A-1-R 2014 Notes in an aggregate principal amount of $191.0 million that bear interest at a rate of three-month LIBOR plus 0.95%, (b) refinance the Class A-2 2014 Notes by redeeming in full the $20.0 million of Class A-2 2014 Notes and issuing new Class A-2-R 2014 Notes in an aggregate principal amount of $20.0 million that bear interest at a rate of three-month LIBOR plus 0.95%, (c) refinance the Class B 2014 Notes by redeeming in full the $35.0 million of Class B 2014 Notes and issuing new Class B-R 2014 Notes in an aggregate principal amount of $35.0 million that bear interest at a rate of three-month LIBOR plus 1.40%, (d) refinance the Class C 2014 Notes by redeeming in full the $37.5 million of Class C 2014 Notes and issuing new Class C-R 2014 Notes in an aggregate principal amount of $37.5 million that bear interest at a rate of three-month LIBOR plus 1.55%. The Class C-R 2014 Notes were retained by GBDC, and GBDC remains the sole owner of the equity of the 2014 Issuer.

The Class A-1-R, Class A-2-R and Class B-R 2014 Notes are included in the September 30, 2018 Consolidated Statements of Financial Condition as GBDC's debt and the Class C-R 2014 Notes and LLC equity interests in the 2014 Issuer were eliminated in consolidation. As of September 30, 2018, GBDC had outstanding debt under the 2014 Debt Securitization of $197.5 million. The Class A-1, Class A-2 and Class B 2014 Notes are included in the September 30, 2017 Consolidated Statements of Financial Condition as GBDC's debt and the Class C 2014 Notes and LLC equity interests in the 2014 Issuer were eliminated in consolidation. As of September 30, 2017, GBDC had outstanding debt under the 2014 Debt Securitization of $246.0 million.

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 and the maximum amount that a single SBIC licensee may issue is $175.0 million. As of September 30, 2018, SBIC IV, SBIC V and SBIC VI, had $115.0 million, $150.0 million and $12.5 million, respectively, of outstanding SBA-guaranteed debentures that mature between September 2021 and March 2028, leaving incremental debenture commitments of $0.0 million, $0.0 million and $37.5 million for SBIC IV, SBIC V and SBIC VI, respectively, under present SBIC regulations. As of September 30, 2017, SBIC IV, SBIC V and SBIC VI had $125.0 million, $133.0 million and $9.0 million, respectively, of outstanding SBA-guaranteed debentures that mature between September 2021 and September 2027 leaving incremental debenture commitments of $0.0 million, $17.0 million and $41.0 million for SBIC IV, SBIC V and SBIC VI, respectively, under present SBIC regulations. The original amount committed to SBIC IV by the SBA was $150.0 million. In March 2018 and September 2017, SBIC IV repaid $10.0 million and $25.0 million, respectively, of the aggregate principal amount of the SBA-guaranteed debentures outstanding at the time and $10.0 million and $25.0 million, respectively, of debenture commitments were terminated.

In August 2018, the GBDC Board reapproved a share repurchase program (the "Program"), which allows GBDC to repurchase up to $75.0 million of its outstanding common stock on the open market at prices below the NAV per share as reported in its 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. GBDC did not make any repurchases of GBDC Common Stock during the years ended September 30, 2018, 2017 and 2016.

On July 18, 2016, GBDC entered into a securities purchase agreement with a third party institutional investor for the sale of 1,433,486 shares of GBDC 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, GBDC priced a public offering of 1,750,000 shares of GBDC 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, GBDC sold an additional 136,970 shares of GBDC 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.

On March 21, 2017, GBDC priced a public offering of 1,750,000 shares of GBDC Common Stock at a public offering price of $19.03 per share, raising approximately $33.3 million in gross proceeds. On March 24, 2017, the transaction closed, the shares were issued and proceeds, net of offering costs but before expenses, of $32.3 million were received. On April 6, 2017, GBDC sold an additional 262,500 shares of GBDC Common Stock at a public offering price of $19.03 per share pursuant to the underwriter's exercise of the option granted in connection with the March 2017 offering. On June 6, 2017, GBDC entered into an agreement to sell 1,750,000 shares of GBDC Common Stock pursuant to an underwritten, public offering at a price to GBDC of $18.71 per share. On June 12, 2017, the transaction closed, the shares were issued and proceeds, net of offering costs but before expenses, of $32.7 million were received. On July 5, 2017, GBDC sold an additional 220,221 shares of GBDC Common Stock pursuant to the underwriter's partial exercise of the option GBDC granted in connection with the sale of shares in June 2017.

In accordance with the 1940 Act, with certain limited exceptions, GBDC is currently allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. The SBCAA, which was signed into law on March 23, 2018, among other things, amended Section 61(a) of the 1940 Act to add a new Section 61(a)(2) that reduces the asset coverage requirement applicable to business development companies from 200% to 150% so long as the business development company meets certain disclosure requirements and obtains certain approvals. The reduced asset coverage requirement would permit a business development company to have a ratio of total consolidated assets to outstanding indebtedness of 2:1 as compared to a maximum of 1:1 under the 200% asset coverage requirement. Effectiveness of the reduced asset coverage requirement to a business development company requires approval by either (1) a "required majority," as defined in Section 57(o) of the 1940 Act, of such business development company's board of directors with effectiveness one year after the date of such approval or (2) a majority of votes cast at a special or annual meeting of such business development company's stockholders at which a quorum is present, which is effective the day after such stockholder approval. On November 27, 2018, the GBDC Board recommended that GBDC seek shareholder approval to reduce its asset coverage requirement to 150.0% at its annual meeting of stockholders currently scheduled for February 5, 2019. To the extent stockholder approval is received, GBDC currently intends to target a GAAP debt-to-equity ratio of about 1.0x.

On September 13, 2011, GBDC received exemptive relief from the SEC allowing it to modify the asset coverage requirement to exclude the SBA debentures from its asset coverage calculation. As such, GBDC's ratio of total consolidated assets to outstanding indebtedness may be less than 200% even if GBDC does not approve the modified asset coverage requirement permitted by Section 61(a)(2) of the 1940 Act. This provides GBDC with increased investment flexibility but also increases its risks related to leverage. As of September 30, 2018, GBDC's asset coverage for borrowed amounts was 269.5% (excluding the SBA debentures).

As of September 30, 2018 and 2017, GBDC had outstanding commitments to fund investments, excluding GBDC's investments in GBDC SLF, totaling $57.7 million and $60.5 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, subject to the terms of each loan's respective credit agreement. As of September 30, 2018, GBDC believes that it had sufficient assets and liquidity to adequately cover future obligations under its unfunded commitments based on historical rates of drawings upon unfunded commitments, cash and restricted cash balances that it maintains, availability under its Credit Facility, MS Credit Facility and Adviser Revolver, and ongoing principal repayments on debt investments. In addition, GBDC generally holds some syndicated loans in larger portfolio companies that are saleable over a relatively short period to generate cash.

As the reinvestment period for GBDC's 2014 Debt Securitization expired on April 28, 2018, GBDC is continuing to explore expanding its secured debt financing facilities or entering into new secured debt financings, including term debt securitizations and on November 16, 2018, GBDC completed the 2018 Debt Securitization. See "—Recent Developments."

Although GBDC expects to fund the growth of its investment portfolio through the net proceeds from future securities offerings and through its dividend reinvestment plan as well as future borrowings, to the extent permitted by the 1940 Act, GBDC cannot assure you that its efforts to raise capital will be successful. In addition, GBDC may, from time to time, amend or refinance its leverage facilities and securitization financings, to the extent permitted by applicable law. In addition to capital not being available, it also may not be available on favorable terms. To the extent GBDC is not able to raise capital on what it believes are favorable terms, GBDC will focus on optimizing returns by investing capital generated from repayments into new investments it believes are attractive from a risk/reward perspective. Furthermore, to the extent GBDC is not able to raise capital and are at or near its targeted leverage ratios, GBDC 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

On June 5, 2014, GBDC completed the 2014 Debt Securitization. As part of the 2014 Debt Securitization, GBDC 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 initially executed through a private placement of $191.0 million of Class A-1 2014 Notes which bore interest at 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 three-month LIBOR plus 1.95% thereafter and $35.0 million of Class B 2014 Notes which bore interest at a rate of three-month LIBOR plus 2.50%. The $37.5 million face amount of Class C 2014 Notes bore 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, GBDC received $119.1 million of LLC equity interests in the 2014 Issuer. GBDC 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, GBDC consolidates the 2014 Issuer in its financial statements and treats the 2014 Debt Securitization as a secured borrowing. The Class A-1-R, Class A-2-R and Class B-R 2014 Notes are included in the September 30, 2018 Consolidated Statements of Financial Condition as GBDC's debt and the Class C-R 2014 Notes and LLC equity interests in the 2014 Issuer were eliminated in consolidation. The Class A-1, Class A-2 and Class B 2014 Notes are included in the September 30, 2017 consolidated statements of financial condition as GBDC's debt, and the Class C 2014 Notes and LLC equity interests in the 2014 Issuer were eliminated in consolidation.

On March 23, 2018, the 2014 Issuer entered into a supplemental indenture (the "Supplemental Indenture") to amend the 2014 Debt Securitization to, among other things, (a) refinance the previously-outstanding Class A-1 2014 Notes by redeeming in full the $191.0 million of Class A-1 2014 Notes and issuing new Class A-1-R 2014 Notes in an aggregate principal amount of $191.0 million that bear interest at a rate of three-month LIBOR plus 0.95%, which is a decrease from the rate of three-month LIBOR plus 1.75% of the previously-outstanding Class A-1 2014 Notes, (b) refinance the Class A-2 2014 Notes by redeeming in full the $20.0 million of Class A-2 2014 Notes and issuing new Class A-2-R 2014 Notes in an aggregate principal amount of $20.0 million that bear interest at a rate of three-month LIBOR plus 0.95%, which is a decrease from the rate of three-month LIBOR plus 1.95% of the previously-outstanding Class A-2 2014 Notes, (c) refinance the Class B 2014 Notes by redeeming in full the $35.0 million of Class B 2014 Notes and issuing new Class B-R 2014 Notes in an aggregate principal amount of $35.0

million that bear interest at a rate of three-month LIBOR plus 1.40%, which is a decrease from the rate of three-month LIBOR plus 2.50% of the previously-outstanding Class B 2014 Notes, (d) refinance the Class C 2014 Notes by redeeming in full the $37.5 million of Class C 2014 Notes and issuing new Class C-R 2014 Notes in an aggregate principal amount of $37.5 million that bear interest at a rate of three-month LIBOR plus 1.55%, which is a decrease from the rate of three-month LIBOR plus 3.50% of the previously-outstanding Class C 2014 Notes, (e) provide that the 2014 Notes may be further refinanced only so long as (x) (i) a change of law, rule or regulation or regulatory guidance following the date of execution of the Supplemental Indenture (the “Refinancing Date”) would permit a refinancing without resulting in non-compliance with U.S. risk retention regulations, as amended from time to time, (ii) U.S. risk retention regulations are no longer effective or (iii) the “sponsor” (as defined for purposes of the U.S. risk retention regulations) complies with such U.S. risk retention regulations, in each case as determined by GC Advisors, in its capacity as collateral manager to the 2014 Debt Securitization, and (y) such refinancing constitutes a refinancing of such 2014 Notes in whole but not in part and (f) the refinanced 2014 Notes may not be re-priced after the Refinancing Date. The Class C-R 2014 Notes were retained by GBDC, and GBDC remains the sole owner of the equity of the 2014 Issuer.

The Class A-1-R, Class A-2-R, Class B-R and Class C-R 2014 Notes offered in the refinancing of the 2014 Debt Securitization were issued by and are secured obligations of the 2014 Issuer. The other material terms of the 2014 Debt Securitization were unchanged. 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.

On November 16, 2018, GBDC completed the 2018 Debt Securitization. The 2018 Notes were issued by the 2018 Issuer and are backed by a diversified portfolio of senior secured and second lien loans. The transaction was executed through a private placement of approximately $327.0 million of AAA/AAA Class A 2018 Notes, which bear interest at the three-month LIBOR plus 1.48%; $61.2 million of AA Class B 2018 Notes, which bear interest at the three-month LIBOR plus 2.10%; $20.0 million of A Class C-1 2018 Notes, which bear interest at the three-month LIBOR plus 2.80%; $38.8 million of A Class C-2 2018 Notes, which bear interest at the three-month LIBOR plus 2.65%; $42.0 million of BBB- Class D 2018 Notes, which bear interest at the three-month LIBOR plus 2.95%; and $113.4 million of Subordinated 2018 Notes which do not bear interest. GBDC indirectly retained all of the Class C-2, Class D and Subordinated 2018 Notes. The Class A, B, C-1, C-2 and D 2018 Notes are scheduled to mature on January 20, 2031. The Subordinated 2018 Notes are scheduled to mature on December 13, 2118. The pool of loans in the 2018 Debt Securitization must meet certain requirements, including asset mix and concentration, collateral coverage, term, agency rating, minimum coupon, minimum spread and sector diversity requirements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments" for further discussion of the 2018 Debt Securitization.

In accordance with ASC Topic 860, GBDC is required to consolidate the special purpose vehicle used in an asset-backed securitization and treat the transaction as a secured borrowing. GC Advisors is GBDC's investment adviser and also the collateral manager for each of the 2014 Issuer and 2018 Issuer (collectively, the "Securitization Issuers"), which results in the "continued involvement" of GBDC in the business of the Securitization Issuers. In addition, the investments of each of the Securitization Issuers constitute a substantial percentage of GBDC's 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 GBDC's assets, GBDC consolidates the financial statements of the 2014 Issuer and the 2018 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 2018 Debt Securitization, GBDC entered in to two loan sale agreements to govern the 2018 Debt Securitization. Under the terms of the loan sale agreement entered into upon closing on November 16, 2018 (the “Closing Date”) of the 2018 Debt Securitization (the “Closing Date Loan Sale Agreement”), which provides for the sale of assets on the Closing Date to satisfy risk retention requirements, (1) GBDC transferred to GC Advisors a portion of its ownership interest in the portfolio company investments securing the 2018 Debt Securitization for the purchase price and other consideration set forth in the Closing Date Loan Sale Agreement and (2) immediately thereafter, GC Advisors sold to the 2018 Issuer all of its ownership interest in such portfolio loans for the purchase price and other consideration set forth in the Closing Date Loan Sale Agreement. Under the terms of the other loan sale agreement governing the 2018 Debt Securitization (the “Depositor Loan Sale Agreement”), which provides for the sale of assets on the Closing Date as well as future sales from GBDC to the 2018 Issuer through Golub Capital BDC CLO III Depositor LLC, a direct, wholly-owned and consolidated subsidiary of GBDC (the “CLO Depositor”), (3) GBDC sold and/or contributed to the CLO Depositor the remainder of its ownership interest in the portfolio company investments securing the 2018 Debt Securitization and participations for the purchase price and other consideration set forth in the Depositor Loan Sale Agreement and (4) CLO Depositor, in turn, sold to the 2018 Issuer all of its ownership interest in such portfolio loans and participations for the purchase price and other consideration set forth in one of the loan sale agreements. Following these transfers, the 2018 Issuer, and not GC Advisors, CLO Depositor or GBDC, held all of the ownership interest in such portfolio company investments and participations. GBDC made customary representations, warranties and covenants in these loan sale agreements.

To the extent that GBDC received cash proceeds from the CLO Depositor in consideration for the portfolio loans transferred to CLO Depositor, such portion of the transfer constituted a sale. To the extent that CLO Depositor received cash proceeds and certain 2010 Notes in consideration for the portfolio loans transferred by it to the 2018 Issuer, such portion of the transfer also constituted a sale. By contrast, to the extent that GBDC received cash proceeds from the CLO Depositor equal to or less than the fair value of the portfolio loans transferred by GBDC to the CLO Depositor, the difference between the fair value of such portfolio loans and the cash GBDC received from the CLO Depositor was deemed to be a contribution to the capital of Holdings pursuant to the terms of the Depositor Loan Sale Agreement. Likewise, to the extent that the cash proceeds and certain 2018 Notes received by the CLO Depositor from the 2018 Issuer was less than the fair value of the portfolio loans initially transferred from the CL8 Depositor to the 2018 Issuer, such portion of the transfer was deemed to be a contribution to the capital of the 2010 Issuer by the CLO Depositor pursuant to the terms of such 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 2018 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 2018 Issuer under the terms of the loan sale agreements, irrespective of whether such loans or participations were sold or contributed from GBDC to GC Advisors or the CLO Depositor and from GC Advisors or the CLO Depositor to the 2010 Issuer.

GC Advisors, as collateral manager for the 2014 Issuer and the 2018 Issuer, selected the senior secured and second lien loans (or participations therein) that were transferred to the 2014 Issuer and the 2018 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 2014 Debt Securitization and 2018 Debt Securitization, as applicable, 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.

GBDC believes that the debt securitizations benefit from "internal" credit enhancement, meaning that holders of more senior classes of notes issued by the 2014 Issuer and the 2018 Issuer benefit from the terms of subordination applicable to the more junior classes of notes issued by the 2014 Issuer and the 2018 Issuer, respectively. Thus, in the case of the 2018 Debt Securitization, the Class A 2018 Notes enjoy the benefit of credit enhancement effectively provided by the subordination provisions of the Class B 2018 Notes, the Class C 2018 Notes, the Class D 2018 Notes and the Subordinated 2018 Notes. Likewise, each other class of 2018 Notes enjoy the benefit of credit enhancement effectively provided by the subordination provisions of the 2018 Notes subordinated to such class.

The documents governing the debt securitizations expressly provide that GBDC and its subsidiaries (other than the 2014 Issuer or the 2018 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 2014 Issuer or the 2018 Issuer in connection with the debt securitizations because such obligations are the obligations of the 2014 Issuer or the 2018 Issuer only, and the sole recourse for such obligations is to the collateral owned by the 2014 Issuer or the 2018 Issuer rather than GBDC's assets or the assets of the CLO Depositor.

Under the terms of the documents related to the Debt Securitizations, recourse to GBDC and to the CLO Depositor (in the case of the 2018 Debt Securitization) is limited and generally consistent with the terms of other similarly structured finance transactions.

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 2014 Issuer and the 2018 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 2014 Issuer and the 2018 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 2014 Issuer and the 2018 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 2014 Issuer and the 2018 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 GBDC, most notably an ability on GBDC's part to finance new portfolio loans acquired by the 2014 Issuer and the 2018 Issuer at an attractive cost.

GBDC has no direct ability to enforce the payment obligations on portfolio loans held by the 2014 Issuer and the 2018 Issuer as part of the Debt Securitizations. The contribution of loans and participations did not constitute a realization event under the Current GBDC 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 GBDC directly or sold and/or contributed into one of its subsidiaries, which enabled GBDC to borrow additional amounts in securitization or other structures using such portfolio loans as collateral. GBDC believes that the Debt Securitizations enable it to deploy its capital efficiently and to increase its capacity to provide financing for small to medium-sized businesses in its target market.

As of September 30, 2018 and 2017, the 2014 Issuer held investments in 83 and 85 portfolio companies with a total fair value of $346.1 million and $383.0 million and $391.8 million. 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.

SBIC Licenses

SBIC IV, SBIC V and SBIC VI received approval for a license from the SBA to operate as an SBIC on August 24, 2010, December 5, 2012 and January 10, 2017, respectively. As GBDC's wholly-owned subsidiaries, SBIC IV, SBIC V and SBIC VI 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, SBIC V and SBIC VI each have an investment objective substantially similar to GBDC's and make similar types of investments in accordance with SBIC regulations. As SBICs, SBIC IV, SBIC V and SBIC VI 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 GBDC's 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 GBDC, 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, 2018, 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, SBIC V and SBIC VI may each borrow up to two times the amount of its regulatory capital, subject to customary regulatory requirements. As of September 30, 2018, SBIC IV, SBIC V and SBIC VI had $115,000, $150,000 and $12,500, respectively, of outstanding SBA-guaranteed debentures that mature between September 2021 and March 2028. As of September 30, 2017, SBIC IV, SBIC V and SBIC VI had $125.0 million, $133.0 million and $9.0 million, respectively, of outstanding SBA-guaranteed debentures that mature between September 2021 and September 2027. The original amount committed to SBIC IV by the SBA was $150,000. In March 2018 and September 2017, SBIC IV repaid $10,000 and $25,000, respectively, of the aggregate principal amount of the SBA-guaranteed debentures outstanding at the time and $10,000 and $25,000, respectively, of debenture commitments were terminated. As of September 30, 2018, GBDC had invested 10.7%, 13.1% and 2.0% of its assets in SBIC IV, SBIC V, and SBIC VI, respectively.

On September 13, 2011, GBDC received exemptive relief from the SEC allowing it to modify the asset coverage requirement under the 1940 Act to exclude SBA debentures from this calculation. As such, GBDC's ratio of total consolidated assets to outstanding indebtedness may be less than 200% even if GBDC does not approve the modified asset coverage requirement permitted by Section 61(a)(2) of the 1940 Act. This provides GBDC with increased investment flexibility, but also increases its risks related to leverage.

Revolving Credit Facilities

As of September 30, 2018, the GBDC Credit Facility allowed GBDC Funding to borrow up to $170.0 million at any one time outstanding.

The period through September 27, 2018 is referred to as the reinvestment period. All amounts outstanding under the GBDC Credit Facility are required to be repaid by September 28, 2022. As of September 30, 2018, the GBDC Credit Facility bears interest at one-month LIBOR plus 2.15% per annum. In addition to the stated interest expense on the GBDC Credit Facility, GBDC is required to pay a fee of 0.50% per annum on any unused portion of the GBDC Credit Facility up to $80.0 million and 2.00% on any unused portion in excess of $80.0 million. The GBDC Credit Facility is secured by all of the assets held by GBDC Funding. Both GBDC and GBDC 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 GBDC Credit Facility is subject to the leverage restrictions contained in the 1940 Act.

As of September 30, 2018 and 2017, GBDC had outstanding debt under the GBDC Credit Facility of $136.0 million and $63.1 million, respectively. As of September 30, 2018 and 2017, subject to leverage and borrowing base restrictions, GBDC had approximately $34.0 million and $161.9 million, respectively, of remaining commitments and $34.0 million and $95.0 million, respectively, of availability on the GBDC Credit Facility.

GBDC plans to transfer certain loans and debt securities it has originated or acquired from time to time to GBDC Funding through a purchase and sale agreement and may cause GBDC Funding to originate or acquire loans in the future, consistent with GBDC's investment objectives.

On July 20, 2018, the 2010 Issuer entered into the MS Credit Facility. As of September 30, 2018, the MS Credit Facility allowed the 2010 Issuer to borrow up to $300,000 at any one time outstanding. The period from the closing date until January 18, 2019 is referred to as the revolving period and during such revolving period, the 2010 Issuer may request drawdowns under the MS Credit Facility. During the period prior to the last day of the revolving period, borrowings under the MS Credit Facility bear interest at a rate equal to the one-month LIBOR plus 1.90%.

Commencing on the last day of the revolving period, the interest rate on borrowings under the MS Credit Facility will reset to one-month LIBOR plus 2.15% for the remaining term of the MS Credit Facility. The scheduled maturity date of the MS Credit Facility was March 20, 2019.

The MS Credit Facility was secured by all of the assets held by the 2010 Issuer. Pursuant to a collateral management agreement, GC Advisors agreed to perform certain duties with respect to the purchase and management of the assets securing the MS Credit Facility. The GC Advisors was not paid a fee for such services under the collateral management agreement, but was reimbursed for expenses incurred in the performance of such obligations other than any ordinary overhead expenses, which was not reimbursed. The 2010 Issuer made customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities. Borrowing under the MS Credit Facility was subject to the leverage restrictions contained in 1940 Act.

As of September 30, 2018, GBDC had outstanding debt under the MS Credit Facility of $234.7 million. For the year ended September 30, 2018, GBDC had borrowings on the MS Credit Facility of $248.5 million and repayments on the MS Credit Facility of $13.8 million.

Portfolio Composition, Investment Activity and Yield

As of September 30, 2018 and 2017, GBDC had investments in 199 and 185 portfolio companies, respectively, with a total fair value of $1,711.8 million and $1,590.0 million, respectively, and had investments in GBDC SLF with a total fair value of $71.1 million and $95.0 million, respectively.

The following table shows the asset mix of GBDC's new investment commitments for the years ended September 30, 2018, 2017 and 2016:

	Years ended September 30,								
	2018			2017			2016		
	(In thousands)	**Percentage of Commitments**		(In thousands)	**Percentage of Commitments**		(In thousands)	Percentage of Commitments	
Senior secured	$114,840	17.2	%	$129,134	21.5	%	$124,392	19.0	%
One stop	534,906	80.1		447,691	74.7		505,058	76.9	
Subordinated debt	184	0.0	*	12	0.0	*	42	0.0	*
Subordinated notes in GBDC SLF(1)	—	—		5,457	0.9		9,620	1.5	
LLC equity interests in GBDC SLF(1)	12,162	1.8		12,542	2.1		10,820	1.6	
Equity	5,824	0.9		4,677	0.8		6,528	1.0	
Total new investment commitments	$667,916	100.0	%	$599,513	100.0	%	$656,460	100.0	%

* Represents an amount less than 0.1%.

(1) GBDC SLF's proceeds from the subordinated notes and LLC equity interests were utilized by GBDC SLF to invest in senior secured loans. As of September 30, 2018, GBDC SLF had investments in senior secured loans to 32 different borrowers.

For the years ended September 30, 2018, 2017 and 2016, GBDC had approximately $495.5 million, $449.8 million and $366.2 million, excluding $78.7 million of proceeds from the repayment in full and termination of GBDC's investment in subordinated notes of GBDC SLF during the year ended 2017, respectively, in proceeds from principal payments and return of capital distributions of portfolio companies. For the years ended September 30, 2018, 2017 and 2016, GBDC had sales of investments in 21, 72 and 44 portfolio companies, respectively, aggregating approximately $37.6 million, $138.4 million and $172.2 million, respectively, in net proceeds.

The following table summarizes portfolio composition and investment activity as of and for the years ended September 30, 2018, 2017 and 2016:

	As of and for the years ended September 30,		
	2018	2017	2016
	(Dollars in thousands)		
Investments, at fair value	$ 1,711,757	$ 1,590,000	$ 1,556,384
Number of portfolio companies (at period end)[(1)]	199	185	183
Investment in GBDC SLF, at fair value[(2)]	$ 71,084	$ 95,015	$ 104,228
New investment fundings	$ 646,595	$ 588,169	$ 654,763
Principal payments and sales of portfolio investments	$ 558,664	$ 588,173	$ 538,609

(1) Excludes GBDC's investments in GBDC SLF.

(2) As of September 30, 2016, the investment in GBDC SLF includes GBDC's investments in both subordinated notes and LLC equity interests in GBDC SLF.

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The following table shows the principal, amortized cost and fair value of GBDC's portfolio of investments by asset class:

	As of September 30, 2018[1]			As of September 30, 2017[1]		
	Principal	Amortized Cost	Fair Value	Principal	Amortized Cost	Fair Value
	(In thousands)					
Senior secured:						
Performing	$230,230	$228,028	$229,886	$196,296	$194,357	$195,089
Non-accrual[2][3]	2,834	2,818	1,283	1,438	1,433	(60)
One stop:						
Performing	1,435,004	1,417,730	1,425,854	1,339,755	1,322,220	1,331,069
Non-accrual[2]	8,976	8,910	4,342	8,870	8,788	3,015
Second lien:						
Performing	9,435	9,338	9,435	9,434	9,306	9,434
Non-accrual[2]	—	—	—	—	—	—
Subordinated debt:						
Performing	251	251	251	59	59	59
Non-accrual[2]	—	—	—	—	—	—
LLC equity interests in GBDC SLF[4]	N/A	75,407	71,084	N/A	97,457	95,015
Equity	N/A	38,170	40,706	N/A	37,619	51,394
Total	$1,686,730	$1,780,652	$1,782,841	$1,555,852	$1,671,239	$1,685,015

(1) 27 and 19 of GBDC's loans included a feature permitting a portion of the interest due on such loan to be PIK interest as of September 30, 2018 and 2017, respectively.

(2) GBDC refers to a loan as non-accrual when GBDC ceases recognizing interest income on the loan because GBDC has stopped pursuing repayment of the loan or, in certain circumstances, it is past due 90 days or more on principal and interest or GBDC's management has reasonable doubt that principal or interest will be collected. See "—Critical Accounting Policies—Revenue Recognition."

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

(4) Proceeds from the LLC equity interests invested in GBDC SLF were utilized by GBDC SLF to invest in senior secured loans.

As of September 30, 2018 GBDC had three debt investments on non-accrual status and non-accrual investments as a percentage of total investments at cost and fair value were 0.7% and 0.3%, respectively. As of September 30, 2017, GBDC had three debt investments on non-accrual status and non-accrual investments as a percentage of total investments at cost and fair value were 0.6% and 0.2%, respectively. As of September 30, 2018 and September 30, 2017, the fair value of GBDC's debt investments as a percentage of the outstanding principal value was 99.1% and 98.9%, 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, 2018, 2017 and 2016:

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	For the years ended September 30,					
	2018		2017		2016	
Weighted average rate of new investment fundings(1)	8.0	%	7.1	%	7.2	%
Weighted average spread over LIBOR of new floating rate investment fundings(1)	6.0	%	5.9	%	6.2	%
Weighted average rate of new fixed rate investment fundings	9.6	%	8.0	%	10.7	%
Weighted average fees of new investment fundings	1.3	%	1.5	%	1.9	%
Weighted average rate of sales and payoffs of portfolio investments(1)(2)	8.3	%	7.3	%	7.0	%
Weighted average income yield(3)(4)	8.3	%	7.8	%	7.6	%

(1) Excludes GBDC's subordinated note investments in GBDC SLF, which were redeemed on December 30, 2016.

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

(3) Represents income from interest, including subordinated notes in GBDC SLF, and fees, excluding amortization of capitalized fees and discounts, divided by the average fair value of earning debt investments, and does not represent a return to any investor in GBDC.

(4) For the years ended September 30, 2018 and 2017, weighted average income yield does not reflect interest income from subordinated notes in GBDC SLF, which were redeemed on December 30, 2016.

As of September 30, 2018, 98.6% and 98.6% of GBDC's 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, 2017, 99.6% and 99.6% of GBDC's 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, 2018 and 2017, the portfolio median EBITDA for GBDC's portfolio companies (excluding GBDC SLF) was $26.2 million and $25.2 million, respectively. The portfolio median EBITDA is based on the most recently reported trailing twelve-month EBITDA received from the portfolio company.

As part of the monitoring process, GC Advisors regularly assesses the risk profile of each of GBDC's 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 GBDC's industry or used by its competitors. It is based on the following categories, which GBDC refer to as GC Advisors' internal performance ratings:

Internal Performance Ratings

Rating	**Definition**
5	Involves the least amount of risk in GBDC's 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 GBDC will reduce the fair market value of the loan to the amount GBDC anticipates will be recovered.

GBDC's 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 GBDC's 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 GBDC's portfolio. In connection with GBDC's valuation process, GC Advisors and the GBDC Board review these internal performance ratings on a quarterly basis.

The following table shows the distribution of GBDC's investments on the 1 to 5 internal performance rating scale at fair value as of September 30, 2018 and 2017:

	As of September 30, 2018			As of September 30, 2017		
Internal Performance Rating	**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**		**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**	
5	$ 113,873	6.4	%	$ 91,525	5.5	%
4	1,455,754	81.6		1,378,316	81.8	
3	195,414	11.0		212,629	12.6	
2	17,250	1.0		249	0.0	*
1	550	0.0	*	2,296	0.1	
Total	$ 1,782,841	100.0	%	$ 1,685,015	100.0	%

*Represents an amount less than 0.1%.

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GBDC Senior Loan Fund LLC

GBDC co-invests with RGA Reinsurance Company ("RGA") in senior secured loans through GBDC SLF, an unconsolidated Delaware LLC. GBDC SLF is capitalized as transactions are completed and all portfolio and investment decisions in respect to GBDC SLF must be approved by the GBDC SLF investment committee consisting of two representatives of each of GBDC and RGA (with unanimous approval required from (i) one representative of each of GBDC and RGA or (ii) both representatives of each of GBDC and RGA). GBDC 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.

As of September 30, 2018, GBDC SLF is capitalized by LLC equity interest subscriptions from its members. On December 14, 2016, the SLF investment committee approved the recapitalization of the commitments of GBDC SLF's members. On December 30, 2016, GBDC SLF's members entered into additional LLC equity interest subscriptions totaling $160.0 million, GBDC SLF issued capital calls totaling $89.9 million to GBDC and RGA and the subordinated notes previously issued by GBDC SLF were redeemed and terminated. As of September 30, 2018 and 2017, GBDC and RGA owned 87.5% and 12.5%, respectively, of the LLC equity interests. GBDC SLF's profits and losses are allocated to GBDC and RGA in accordance with GBDC's respective ownership interests.

As of September 30, 2018 and 2017, GBDC SLF had the following commitments from its members (in the aggregate):

	As of September 30, 2018		As of September 30, 2017	
	Committed	**Funded**[(1)]	Committed	**Funded**[(1)]
	(In thousands)			
LLC equity commitments	$200,000	$ 86,180	$ 200,000	$ 111,380
Total	$200,000	$ 86,180	$ 200,000	$ 111,380

(1) Funded LLC equity commitments are presented net of return of capital distributions subject to recall.

As of September 30, 2018, the senior secured revolving credit facility (as amended, the "SLF Credit Facility") that Senior Loan Fund II LLC, a wholly-owned subsidiary of SLF ("SLF II") entered into with Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., as lender, allows SLF II to borrow up to $104.6 million subject to leverage and borrowing base restrictions. The reinvestment period of the SLF Credit Facility ended August 29, 2018 and as of September 30, 2018, the maximum commitment is equal to advances outstanding. The stated maturity date is August 30, 2020. As of September 30, 2018 and September 30, 2017, SLF II had outstanding debt under the SLF Credit Facility of $104.6 million and $197.7 million, respectively. As of September 30, 2018 the SLF Credit Facility bears interest at one-month LIBOR plus 2.05% per annum.

As of September 30, 2018 and 2017, GBDC SLF had total assets at fair value of $186.3 million and $306.2 million, respectively. As of September 30, 2018, GBDC SLF had one portfolio company investment on non-accrual status with a fair value of $3.9 million. As of September 30, 2017, GBDC SLF had one portfolio company investment on non-accrual status with a fair value of $0.3 million. The portfolio companies in GBDC SLF are in industries and geographies similar to those in which GBDC may invest directly. Additionally, as of September 30, 2018 and 2017, GBDC SLF had commitments to fund various undrawn revolving credit and delayed draw loans to its portfolio companies totaling $5.9 million and $13.3 million, respectively.

Below is a summary of GBDC SLF's portfolio, followed by a listing of the individual investments in GBDC SLF's portfolio as of September 30, 2018 and 2017:

	As of September 30, 2018		As of September 30, 2017	
	(Dollars in thousands)			
Senior secured loans[1]	$ 183,668		$ 301,583	
Weighted average current interest rate on senior secured loans[2]	7.5	%	6.4	%
Number of borrowers in GBDC SLF	32		50	
Largest portfolio company investment[1]	$ 13,716		$ 13,820	
Total of five largest portfolio company investments[1]	$ 57,330		$ 61,187	

(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.

GBDC SLF Investment Portfolio as of September 30, 2018

Portfolio Company	Business Description	**Investment Type**	**Maturity Date**	**Current Interest Rate(1)**		**Principal ($) / Shares(2)**	**Fair Value(3)**
						(In thousands)	
1A Smart Start LLC	Home and Office Furnishings, Housewares, and Durable Consumer	Senior Loan	02/2022	7.0	%	$2,073	$2,084
1A Smart Start LLC(4)	Home and Office Furnishings, Housewares, and Durable Consumer	Senior Loan	02/2022	6.7		922	924
Advanced Pain Management Holdings, Inc. (5)	Healthcare, Education and Childcare	Senior Loan	11/2018	7.2		6,561	3,609
Advanced Pain Management Holdings, Inc.(5)	Healthcare, Education and Childcare	Senior Loan	11/2018	7.2		449	247
Boot Barn, Inc.	Retail Stores	Senior Loan	06/2021	6.9		9,533	9,533
Brandmuscle, Inc.	Printing and Publishing	Senior Loan	12/2021	7.1		4,678	4,674
Captain D’s, LLC(4)	Personal, Food and Miscellaneous Services	Senior Loan	12/2023	7.9		13	13
Captain D’s, LLC(4)	Personal, Food and Miscellaneous Services	Senior Loan	12/2023	6.7		2,499	2,499
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior Loan	12/2020	7.9		8,502	8,332
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior Loan	12/2020	7.9		4,284	4,198
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior Loan	10/2021	7.9		2,417	2,417
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior Loan	10/2021	7.9		1,215	1,215
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior Loan	10/2021	7.9		40	40
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior Loan	10/2021	7.9		58	58
DISA Holdings Acquisition Subsidiary Corp.(4)	Diversified/Conglomerate Service	Senior Loan	06/2022	6.1		71	71
DISA Holdings Acquisition Subsidiary Corp.(4)	Diversified/Conglomerate Service	Senior Loan	06/2022	6.1		4,821	4,821
Encore GC Acquisition, LLC	Healthcare, Education and Childcare	Senior Loan	01/2020	7.5		4,540	4,540

Flexan, LLC[4]	Chemicals, Plastics and Rubber	Senior Loan	02/2020	9.8		304	304
Flexan, LLC	Chemicals, Plastics and Rubber	Senior Loan	02/2020	8.1		5,967	5,967
Flexan, LLC	Chemicals, Plastics and Rubber	Senior Loan	02/2020	8.1		1,657	1,657
Gamma Technologies, LLC[4]	Electronics	Senior Loan	06/2024	7.7		10,186	10,186
III US Holdings, LLC	Diversified/Conglomerate Service	Senior Loan	09/2022	9.0		4,927	4,927
Mediaocean LLC	Senior loan	Senior Loan	08/2020	N/A	(8)	—	—
Jensen Hughes, Inc.	Buildings and Real Estate	Senior Loan	03/2024	6.7		2,293	2,293
Jensen Hughes, Inc.	Buildings and Real Estate	Senior Loan	03/2024	6.7		119	119
Jensen Hughes, Inc.	Buildings and Real Estate	Senior Loan	03/2024	6.7		64	64
Joerns Healthcare, LLC[4]	Healthcare, Education and Childcare	Senior Loan	05/2020	8.3		8,745	8,133
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior Loan	05/2020	8.5		702	524
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior Loan	05/2020	8.5		1,957	1,369
Pasternack Enterprises, Inc. and Fairview Microwave, Inc.[4]	Diversified/Conglomerate Manufacturing	Senior Loan	07/2025	6.2		5,318	5,291
Payless ShoeSource, Inc.	Retail Stores	Senior Loan	08/2022	11.3		762	528
Polk Acquisition Corp.	Automobile	Senior Loan	06/2022	7.5		93	93
Polk Acquisition Corp.	Automobile	Senior Loan	06/2022	7.2		4,513	4,513
Polk Acquisition Corp.	Automobile	Senior Loan	06/2022	7.2		53	53
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior Loan	08/2019	8.8		411	411
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior Loan	08/2019	8.8		10,152	10,152
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior Loan	08/2019	8.8		45	45
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior Loan	08/2019	8.8		148	148

GBDC SLF Investment Portfolio as of September 30, 2018 - (continued)

Portfolio Company	Business Description	**Investment Type**	**Maturity Date**	**Current Interest Rate[1]**		**Principal ($) / Shares[2]**	**Fair Value[3]**
						(In thousands)	
RSC Acquisition, Inc.[4]	Insurance	Senior Loan	11/2021	6.8	%	$17	$17
RSC Acquisition, Inc.[4]	Insurance	Senior Loan	11/2022	6.7		3,824	3,815
Rubio's Restaurants, Inc.[4]	Beverage, Food and Tobacco	Senior Loan	10/2019	7.6		4,941	4,941
Rug Doctor LLC	Personal and Non Durable Consumer Products (Mfg. Only)	Senior Loan	04/2019	7.6		991	991
Rug Doctor LLC	Personal and Non Durable Consumer Products (Mfg. Only)	Senior Loan	04/2019	7.6		5,061	5,061
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior Loan	12/2020	8.4		70	64
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior Loan	12/2020	8.4		4,345	3,997
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior Loan	12/2020	8.4		45	42
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior Loan	12/2020	8.4		64	59
Saldon Holdings, Inc.[4]	Diversified/Conglomerate Service	Senior Loan	09/2022	6.4		2,354	2,342
SEI, Inc.[4]	Electronics	Senior Loan	07/2023	7.5		13,716	13,716
Self Esteem Brands, LLC[4]	Leisure, Amusement, Motion Pictures, Entertainment	Senior Loan	02/2020	7.0		10,142	10,142
Teasdale Quality Foods, Inc.	Grocery	Senior Loan	10/2020	6.9		4,507	4,416
Teasdale Quality Foods, Inc.	Grocery	Senior Loan	10/2020	6.9		486	476
Teasdale Quality Foods, Inc.	Grocery	Senior Loan	10/2020	7.1		650	637
Teasdale Quality Foods, Inc.	Grocery	Senior Loan	10/2020	7.1		239	235
Teasdale Quality Foods, Inc.	Grocery	Senior Loan	10/2020	6.9		3,532	3,460
Upstream Intermediate, LLC	Healthcare, Education and Childcare	Senior Loan	01/2024	6.6		2,830	2,830
W3 Co.	Oil and Gas	Senior Loan	03/2022	8.2		1,253	1,251
WHCG Management, LLC[4]	Healthcare, Education and Childcare	Senior Loan	03/2023	7.4		7,900	7,900
WIRB-Copernicus Group, Inc.[4]	Healthcare, Education and Childcare	Senior Loan	08/2022	6.5		5,609	5,609

Total senior loan investments					$183,668	$178,053
Payless ShoeSource, Inc. (6)(7)	Retail Stores	LLC interest	N/A	N/A	35	$54
W3 Co. (6)(7)	Oil and Gas	LLC units	N/A	N/A	3	1,073
Total equity investments						$1,127
Total investments					$183,668	$179,180

(1) Represents the weighted average annual current interest rate as of September 30, 2018.

(2) The total principal amount is presented for debt investments while the number of shares or units owned is presented for equity investments.

(3) Represents the fair value in accordance with ASC Topic 820. The determination of such fair value is not included in the GBDC Board's valuation process described elsewhere herein.

(4) GBDC also holds a portion of the senior secured loan in this portfolio company.

(5) Loan was on non-accrual status as of September 30, 2018, meaning that GBDC SLF has ceased recognizing interest income on the loan.

(6) Equity investment received as a result of the portfolio company's debt restructuring.

(7) Non-income producing securities.

(8) The entire commitment was unfunded as of September 30, 2018. As such, no interest is being earned on this investment.

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GBDC SLF Investment Portfolio as of September 30, 2017

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate(1)		Principal ($) / Shares(2)	Fair Value(3)
						(In thousands)	
1A Smart Start LLC	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	6.1	%	$2,094	$2,105
1A Smart Start LLC	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	5.8		928	928
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3		6,805	5,784
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3		466	396
Argon Medical Devices, Inc.	Healthcare, Education and Childcare	Senior loan	12/2021	6.0		3,184	3,184
Arise Virtual Solutions, Inc. (4)	Telecommunications	Senior loan	12/2018	7.3		9,856	9,856
Boot Barn, Inc.	Retail Stores	Senior loan	06/2021	5.8		10,073	10,073
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	6.1		4,851	4,845
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.6		8,590	8,418
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.6		4,328	4,242
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8		2,442	2,442
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8		1,227	1,227
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8		59	59
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8		41	41
Curo Health Services LLC (4)	Healthcare, Education and Childcare	Senior loan	02/2022	5.3		5,850	5,867
DISA Holdings Acquisition Subsidiary Corp.	Diversified/Conglomerate Service	Senior loan	12/2020	5.5		4,401	4,401
DISA Holdings Acquisition Subsidiary Corp.	Diversified/Conglomerate Service	Senior loan	12/2020	5.6		428	428
EAG, INC.	Diversified/Conglomerate Service	Senior loan	07/2018	5.5		1,964	1,964
		Senior loan	01/2020	6.8		4,725	4,725

Encore GC Acquisition, LLC	Healthcare, Education and Childcare						
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.1		6,029	6,029
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.1		1,686	1,686
Flexan, LLC (4)	Chemicals, Plastics and Rubber	Senior loan	02/2020	8.8		47	47
Gamma Technologies, LLC (4)	Electronics	Senior loan	06/2021	6.0		10,264	10,264
Harvey Tool Company, LLC	Diversified/Conglomerate Manufacturing	Senior loan	03/2020	6.1		3,064	3,064
III US Holdings, LLC	Diversified/Conglomerate Service	Senior loan	09/2022	7.9		5,044	5,044
Mediaocean LLC	Senior loan	Senior Loan	08/2020	N/A	(10)	—	—
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.3		2,293	2,293
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.4		102	102
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.4		64	64
Joerns Healthcare, LLC (4)	Healthcare, Education and Childcare	Senior loan	05/2020	7.8		8,745	8,202
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.7		6,762	6,762
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.7		2,226	2,226
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.7		822	822
Loar Group Inc.	Aerospace and Defense	Senior loan	01/2022	6.0		2,164	2,164
Loar Group Inc.	Aerospace and Defense	Senior loan	01/2022	6.0		1,492	1,492
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.2		1,977	1,977
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.2		596	596
Park Place Technologies LLC (4)	Electronics	Senior loan	06/2022	6.3		5,341	5,287

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GBDC SLF Investment Portfolio as of September 30, 2017 - (continued)

Portfolio Company	Business Description	Investment Type	Maturity Date	**Current Interest Rate**[1]		**Principal ($) / Shares**[2]	**Fair Value**[3]
						(In thousands)	
Pasternack Enterprises, Inc. and Fairview Microwave, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	05/2022	6.2	%	$5,372	$5,372
Payless ShoeSource, Inc.	Retail Stores	Senior loan	08/2022	10.3		768	757
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	6.2		4,560	4,469
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	6.7		83	81
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	6.2		53	52
PowerPlan Holdings, Inc. (4)	Utilities	Senior loan	02/2022	6.5		11,365	11,365
Premise Health Holding Corp. (4)	Healthcare, Education and Childcare	Senior loan	06/2020	5.8		11,772	11,772
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2019	7.7		9,738	9,738
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2019	7.9		597	597
R.G. Barry Corporation	Personal, Food and Miscellaneous Services	Senior loan	09/2019	6.2		5,217	5,217
Radiology Partners, Inc. (4)	Healthcare, Education and Childcare	Senior loan	09/2020	7.1		7,793	7,793
Radiology Partners, Inc. (4)	Healthcare, Education and Childcare	Senior loan	09/2020	7.1		595	595
Radiology Partners, Inc. (4)	Healthcare, Education and Childcare	Senior loan	09/2020	7.1		505	505
Reliant Pro ReHab, LLC (4)	Healthcare, Education and Childcare	Senior loan	12/2017	6.3		3,240	3,240
RSC Acquisition, Inc. (4)	Insurance	Senior loan	11/2022	6.6		3,864	3,864
RSC Acquisition, Inc.	Insurance	Senior loan	11/2020	6.1		15	15
Rubio's Restaurants, Inc. (4)	Beverage, Food and Tobacco	Senior loan	11/2018	6.1		4,992	4,992
Rug Doctor LLC	Personal and Non Durable Consumer Products (Mfg. Only)	Senior loan	06/2018	6.6		5,792	5,792
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	7.0		4,782	4,686

Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	7.8		70	69
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	7.0		50	49
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	8.8		34	33
Saldon Holdings, Inc. (4)	Diversified/Conglomerate Service	Senior loan	09/2022	5.8		2,521	2,490
Sarnova HC, LLC	Healthcare, Education and Childcare	Senior loan	01/2022	6.0		3,684	3,684
SEI, Inc.	Electronics	Senior loan	07/2021	6.0		13,820	13,820
Self Esteem Brands, LLC (4)	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2020	6.0		11,313	11,313
Severin Acquisition, LLC (4)	Diversified/Conglomerate Service	Senior loan	07/2021	6.1		4,832	4,830
Severin Acquisition, LLC	Diversified/Conglomerate Service	Senior loan	07/2021	6.0		5,290	5,265
Severin Acquisition, LLC	Diversified/Conglomerate Service	Senior loan	07/2021	6.2		668	670
Severin Acquisition, LLC (5)	Diversified/Conglomerate Service	Senior loan	07/2021	N/A	(6)	—	(1)
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8		867	754
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8		68	60
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8		68	59
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8		68	59
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8		68	59
Smashburger Finance LLC (5)	Beverage, Food and Tobacco	Senior loan	05/2018	N/A	(6)	—	(15)
Stomatcare DSO, LLC (7)	Healthcare, Education and Childcare	Senior loan	05/2022	6.2	% PIK	625	329
Tate's Bake Shop, Inc.(4)	Beverage, Food and Tobacco	Senior loan	08/2019	6.3		2,926	2,926
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	5.5		4,553	4,553

GBDC SLF Investment Portfolio as of September 30, 2017 - (continued)

Portfolio Company	Business Description	Investment Type	Maturity Date	**Current Interest Rate**[1]		**Principal ($) / Shares**[2]	**Fair Value**[3]
						(In thousands)	
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1	%	$3,567	$3,567
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1		687	687
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.0		514	514
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1		252	252
Transaction Data Systems, Inc.	Diversified/Conglomerate Service	Senior loan	06/2021	6.6		7,393	7,393
Transaction Data Systems, Inc.	Diversified/Conglomerate Service	Senior loan	06/2020	5.8		22	21
W3 Co.	Oil and Gas	Senior loan	03/2022	7.3		1,266	1,269
WHCG Management, LLC [4]	Healthcare, Education and Childcare	Senior loan	03/2023	6.1		7,980	7,980
WIRB-Copernicus Group, Inc.	Healthcare, Education and Childcare	Senior loan	08/2022	6.3		5,666	5,666
Young Innovations, Inc. [4]	Healthcare, Education and Childcare	Senior loan	01/2019	6.3		10,369	10,369
Young Innovations, Inc. [4]	Healthcare, Education and Childcare	Senior loan	01/2019	6.3		209	209
Total senior loan investments						$301,583	$298,941
Payless ShoeSource, Inc. [8][9]	Retail Stores	LLC interest	N/A	N/A		35	$843
W3 Co. [8][9]	Oil and Gas	LLC units	N/A	N/A		3	1,146
Total equity investments							$1,989
Total investments						$301,583	$300,930

(1) Represents the weighted average annual current interest rate as of September 30, 2017.

(2) The total principal amount is presented for debt investments while the number of shares or units owned is presented for equity investments.

(3) Represents the fair value in accordance with ASC Topic 820. The determination of such fair value is not included in the GBDC Board's valuation process described elsewhere herein.

(4) GBDC also holds a portion of the senior secured loan in this portfolio company.

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

(6) The entire commitment was unfunded as of September 30, 2017. As such, no interest is being earned on this investment.

(7) Loan was on non-accrual status as of September 30, 2017, meaning that GBDC SLF has ceased recognizing interest income on the loan.

(8) Equity investment received as a result of the portfolio company's debt restructuring.

(9) Non-income producing.

(10) The entire commitment was unfunded as of September 30, 2017. As such, no interest is being earned on this investment.

As of September 30, 2018, GBDC has committed to fund $175.0 million of LLC equity interests to GBDC SLF. As of September 30, 2018 and September 30, 2017, $75.4 million and $97.5 million, respectively, of GBDC's LLC equity interest commitment to GBDC SLF had been called and contributed, net of return of capital distributions subject to recall. For the years ended September 30, 2018, and 2017, GBDC received $8.1 million and $4.9 million, respectively, in dividend income from the GBDC SLF LLC equity interests.

The subordinated notes issued by GBDC SLF and previously held by GBDC were redeemed on December 30, 2016, and therefore no interest income was earned for the year ended September 30, 2018. For the year ended September 30, 2017, GBDC earned interest income of $1.6 million on the subordinated notes.

For the years ended September 30, 2018 and 2017, GBDC earned a total return on its weighted average capital invested in GBDC SLF of 6.6% and 7.8%, respectively. The annualized total return on weighted average capital invested is calculated by dividing total income earned on GBDC's investments in GBDC SLF by the combined daily average of GBDC's investments in (1) the principal of the GBDC SLF subordinated notes, if any, and (2) the NAV of the GBDC SLF LLC equity interests.

Below is certain summarized financial information for GBDC SLF as of September 30, 2018 and September 30, 2017:

	September 30, 2018	September 30, 2017
	(In thousands)	
Selected Balance Sheet Information, at fair value		
Investments, at fair value	$179,180	$ 300,930
Cash and other assets	7,127	5,305
Other assets	19	—
Total assets	$186,326	$ 306,235
Senior credit facility	$104,622	$ 197,700
Unamortized debt issuance costs	(18)	(712)
Other liabilities	484	658
Total liabilities	105,088	197,646
Members' equity	81,238	108,589
Total liabilities and members' equity	$186,326	$ 306,235

	Years ended September 30,	
	2018	2017
	(In thousands)	
Selected Statement of Operations Information:		
Interest income	$ 18,285	$ 21,455
Fee income	202	5
Total investment income	18,487	21,460
Interest and other debt financing expenses	6,687	10,236
Administrative service fee	404	477
Other expenses	93	131
Total expenses	7,184	10,844
Net investment income	11,303	10,616
Net realized gains (losses) on investments	—	(7,379)
Net change in unrealized appreciation (depreciation) on investments	(4,197)	4,647
Net increase (decrease) in members' equity	$ 7,106	$ 7,884

Prior to their termination, GBDC SLF elected to fair value the subordinated notes issued to GBDC and RGA under ASC Topic 825 — *Financial Instruments* ("ASC Topic 825"). As of September 30, 2018 and September 30, 2017, GBDC SLF had no subordinated notes outstanding.

Contractual Obligations and Off-Balance Sheet Arrangements

A summary of GBDC's significant contractual payment obligations as of September 30, 2018 is as follows:

	Payments Due by Period (In millions)				
	Total	**Less Than 1 Year**	1 – 3 Years	3 – 5 Years	**More Than 5 Years**
2014 Debt Securitization	$197.5	$ —	$ —	$ —	$ 197.5
SBA debentures	277.6	—	35.3	103.0	139.3
Credit Facility	136.0	—	—	136.0	—
MS Credit Facility	234.7	234.7	—	—	—
Unfunded commitments[1]	57.7	57.7	—	—	—
Total contractual obligations	$903.5	$ 292.4	$ 35.3	$ 239.0	$ 336.8

(1) Unfunded commitments represent unfunded commitments to fund investments, excluding GBDC's investments in GBDC SLF, as of September 30, 2018. 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 GBDC is 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, 2018, subject to the terms of each loan's respective credit agreement.

GBDC may become a party to financial instruments with off-balance sheet risk in the normal course of its business to meet the financial needs of its 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, 2018 and September 30, 2017, GBDC had outstanding commitments to fund investments, excluding its investments in GBDC SLF, totaling $57.7 million and $60.5 million, respectively. GBDC had commitments of up to $99.6 million and $77.5 million to GBDC SLF as of September 30, 2018 and September 30, 2017, respectively, which may be contributed primarily for the purpose of funding new investments approved by the GBDC SLF investment committee.

GBDC has certain contracts under which it has material future commitments. GBDC has entered into the Current GBDC Investment Advisory Agreement with GC Advisors in accordance with the 1940 Act. Under the Current GBDC Investment Advisory Agreement, GC Advisors provides GBDC with investment advisory and management services.

Under the Administration Agreement, the Administrator furnishes GBDC with office facilities and equipment, provides GBDC with clerical, bookkeeping and record keeping services at such facilities and provides GBDC with other administrative services necessary to conduct its day-to-day operations. The Administrator also provides on GBDC’s behalf managerial assistance to those portfolio companies to which GBDC is required to offer to provide such assistance.

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

Distributions

GBDC intends to make quarterly distributions to its stockholders as determined by the GBDC Board. For additional details on distributions, see “Dividends and distributions” in Note 2 to GBDC’s consolidated financial statements.

GBDC may not be able to achieve operating results that will allow it to make distributions at a specific level or to increase the amount of its distributions from time to time. In addition, GBDC may be limited in its ability to make distributions due to the asset coverage requirements applicable to it as a business development company under the 1940 Act. If GBDC does not distribute a certain percentage of its income annually, GBDC will suffer adverse U.S.

federal income tax consequences, including the possible loss of its ability to be subject to tax as a RIC. GBDC 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 GBDC's taxable earnings fall below the total amount of its distributions for any tax year, a portion of those distributions may be deemed a return of capital to GBDC's stockholders for U.S. federal income tax purposes. Thus, the source of a distribution to GBDC's stockholders may be the original capital invested by the stockholder rather than GBDC's income or gains. Stockholders should read any written disclosure accompanying a distribution payment carefully and should not assume that the source of any distribution is GBDC's ordinary income or gains.

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

Related Party Transactions

GBDC has entered into a number of business relationships with affiliated or related parties, including the following:

- GBDC entered into the Current GBDC Investment Advisory Agreement with GC Advisors. Mr. Lawrence Golub, GBDC's chairman, is a manager of GC Advisors, and Mr. David Golub, GBDC's chief executive officer, is a manager of GC Advisors, and each of Messrs. Lawrence Golub and David Golub owns an indirect pecuniary interest in GC Advisors.

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- Golub Capital LLC provides, and other affiliates of Golub Capital have historically provided, GBDC with the office facilities and administrative services necessary to conduct day-to-day operations pursuant to GBDC's Administration Agreement.

- GBDC has entered into a license agreement with Golub Capital LLC, pursuant to which Golub Capital LLC has granted GBDC a non-exclusive, royalty-free license to use the name "Golub Capital."

- Under the Staffing Agreement, Golub Capital LLC has agreed to provide GC Advisors with the resources necessary to fulfill its obligations under the Current GBDC Investment Advisory Agreement. The Staffing Agreement provides that Golub Capital LLC will make available to GC Advisors experienced investment professionals and provide access to the senior investment personnel of Golub Capital LLC for purposes of evaluating, negotiating, structuring, closing and monitoring GBDC's investments. The Staffing Agreement also includes a commitment that the members of GC Advisors' investment committee will serve in such capacity. Services under the Staffing Agreement are provided on a direct cost reimbursement basis. GBDC is not a party to the Staffing Agreement.

- GC Advisors serves as collateral manager to the 2014 Issuer and the 2018 Issuer under the 2014 GBDC Collateral Management Agreement and the 2018 GBDC Collateral Management Agreement, respectively, and prior to the redemption of the 2010 Notes on July 20, 2018, served as the collateral manager to the 2010 Issuer under the 2010 GBDC Collateral Management Agreement. Fees payable to GC Advisors for providing these services offset against the base management fee payable by GBDC under the Current GBDC Investment Advisory Agreement.

- GBDC has entered into the Adviser Revolver with GC Advisors in order to have the ability to borrow funds on a short-term basis.

- During the first nine months of the calendar year 2018, the Golub Capital Employee Grant Program Rabbi Trust (the "Trust") purchased approximately $7.2 million of shares, or 396,099 shares, of GBDC Common Stock for the purpose of awarding incentive compensation to employees of Golub Capital. During calendar year 2017, the Trust purchased approximately $17.7 million of shares, or 955,896 shares, of GBDC Common Stock, for the purpose of awarding incentive compensation to employees of Golub Capital.

GC Advisors also sponsors or manages, and may in the future sponsor or manage, other investment funds, accounts or investment vehicles (together referred to as "accounts") that have investment mandates that are similar, in whole and in part, with GBDC's. For example, GC Advisors presently serves as the investment adviser to GCIC and GBDC 3, each an unlisted business development company that primarily focuses on investing in one stop and other senior secured loans. In addition, GBDC's officers and directors serve in similar capacities for GCIC and GBDC 3. GC Advisors and its affiliates may determine that an investment is appropriate for GBDC and for one or more of those other accounts. In such event, depending on the availability of such investment and other appropriate factors, and pursuant to GC Advisors' allocation policy, GC Advisors or its affiliates may determine that GBDC should invest side-by-side with one or more other accounts. GBDC does not intend to make any investments if they are not permitted by applicable law and interpretive positions of the SEC and its staff, or if they are inconsistent with GC Advisors' allocation procedures.

In addition, GBDC has adopted a formal code of ethics that governs the conduct of GBDC's and GC Advisors' officers, directors and employees. GBDC's officers and directors also remain subject to the duties imposed by both the 1940 Act and the DGCL.

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. GBDC has identified the following items as critical accounting policies.

Fair Value Measurements

GBDC values 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 GBDC's portfolio, and GBDC values these portfolio investments at fair value as determined in good faith by the GBDC Board under GBDC's 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, GBDC 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.

The GBDC Board 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, the GBDC Board undertakes a GBDC's 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 GBDC's senior management and GC Advisors. The audit committee of the GBDC Board reviews these preliminary valuations. At least once annually the valuation for each portfolio investment, subject to a de minimis threshold, is reviewed by an independent valuation firm. The GBDC Board discusses valuations and determines the fair value of each investment in GBDC's portfolio in good faith.

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

GBDC follows 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. GBDC's 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. GBDC's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and GBDC considers factors specific to the asset or liability. GBDC assesses 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, 2018, 2017 and 2016. The following section describes the valuation techniques used by GBDC 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 the GBDC Board, based on input of management, the audit committee and independent valuation firms that have been engaged at the direction of the GBDC Board 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 GBDC's valuations of debt and equity investments without readily available market quotations subject to review by an independent valuation firm. As of September 30, 2018 and September 30, 2017, 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.

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When determining fair value of Level 3 debt and equity investments, GBDC 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 EBITDA. A portfolio company's EBITDA may include pro-forma adjustments for items such as acquisitions, divestitures, or expense reductions. 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, GBDC 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, GBDC uses a market interest rate yield analysis to determine fair value.

In addition, for certain debt investments, GBDC may base its valuation on indicative bid and ask prices provided by an independent third party pricing service. Bid prices reflect the highest price that GBDC and others may be willing to pay. Ask prices represent the lowest price that GBDC and others may be willing to accept. GBDC generally use the midpoint of the bid/ask range as its 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 GBDC were required to liquidate a portfolio investment in a forced or liquidation sale, GBDC may realize significantly less than the value at which such investment had previously been recorded.

GBDC's 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 Other Financial Assets and Liabilities

Fair value of GBDC's 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:

GBDC's 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, GBDC does not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not likely to be collectible. In addition, GBDC 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 earned. Loan origination fees, original issue discount and market discount or premium are capitalized, and GBDC accretes or amortizes such amounts as interest income. GBDC records 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 ("LP") investments are evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, GBDC 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.

GBDC accounts 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. GBDC reports 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 GBDC's Consolidated Statements of Operations.

Non-accrual: Loans may be left on accrual status during the period GBDC is 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 be collected for possible placement on non-accrual status. GBDC generally reverses 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. GBDC restores non-accrual loans to accrual status when past due principal and interest is paid and, in GBDC's management's judgment, are likely to remain current. The total fair value of GBDC's non-accrual loans was $5.6 million as of September 30, 2018 and $3.0 million as of September 30, 2017.

Partial loan sales: GBDC follows 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 GBDC's 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."

senior securities of Golub Capital BDC, Inc.

Information about GBDC’s senior securities is shown as of the dates indicated in the below table which is derived from the audited consolidated financial statements and related notes of GBDC. This information about GBDC’s senior securities should be read in conjunction with GBDC’s audited and unaudited consolidated financial statements and related notes thereto and “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Golub Capital BDC, Inc.”

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	$ 2,240	-	N/A
2010 Debt Securitization				
September 30, 2010	$ 174,000	$ 2,487	-	N/A
September 30, 2011	$ 174,000	$ 2,240	-	N/A
September 30, 2012	$ 174,000	$ 2,632	-	N/A
September 30, 2013	$ 203,000	$ 3,717	-	N/A
September 30, 2014	$ 215,000	$ 2,491	-	N/A
September 30, 2015	$ 215,000	$ 2,373	-	N/A
September 30, 2016	$ 215,000	$ 2,488	-	N/A
September 30, 2017	$ 205,000	$ 2,852	-	N/A
2014 Debt Securitization				
September 30, 2014	$ 246,000	$ 2,491	-	N/A
September 30, 2015	$ 246,000	$ 2,373	-	N/A
September 30, 2016	$ 246,000	$ 2,488	-	N/A
September 30, 2017	$ 246,000	$ 2,852	-	N/A
September 30, 2018	$ 197,483	$ 2,695	-	N/A
Credit Facility				
September 30, 2011	$ 2,383	$ 2,240	-	N/A
September 30, 2012	$ 54,800	$ 2,632	-	N/A
September 30, 2013	$ 29,600	$ 3,717	-	N/A
September 30, 2014	$ 27,400	$ 2,491	-	N/A
September 30, 2015	$ 127,250	$ 2,373	-	N/A
September 30, 2016	$ 126,700	$ 2,488	-	N/A
September 30, 2017	$ 63,100	$ 2,852	-	N/A
September 30, 2018	$ 136,000	$ 2,695	-	N/A

MS Credit Facility				
September 30, 2018	$ 234,700	$ 2,695	-	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
September 30, 2017	$ 0	N/A	-	N/A
September 30, 2018	$ 0	N/A	-	N/A
SBA Debentures				
September 30, 2011	$ 61,300	$ 2,240	-	N/A
September 30, 2012	$ 123,500	$ 2,632	-	N/A
September 30, 2013	$ 179,500	$ 3,717	-	N/A
September 30, 2014	$ 208,750	$ 2,491	-	N/A
September 30, 2015	$ 225,000	$ 2,373	-	N/A
September 30, 2016	$ 277,000	$ 2,488	-	N/A
September 30, 2017	$ 267,000	$ 2,852	-	N/A
September 30, 2018	$ 277,500	$ 2,695	-	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

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)				
September 30, 2011	$ 254,369	$ 2,240	-	N/A
September 30, 2012	$ 228,800	$ 2,632	-	N/A
September 30, 2013	$ 232,600	$ 3,717	-	N/A
September 30, 2014	$ 488,400	$ 2,491	-	N/A
September 30, 2015	$ 588,250	$ 2,373	-	N/A
September 30, 2016	$ 587,700	$ 2,488	-	N/A
September 30, 2017	$ 514,100	$ 2,852	-	N/A
September 30, 2018	$ 568,183	$ 2,695	-	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 GBDC’s 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 GBDC received from the SEC on September 13, 2011.

Portfolio Companies of Golub Capital BDC, Inc.

The following table sets forth certain information as of September 30, 2018 for each portfolio company in which GBDC had an investment. The general terms of each type of investment, including information on GBDC's security interests in the assets of the portfolio companies and the expected interest rates on such investments, are described in "Business of Golub Capital BDC, Inc.—Investment Structure." Other than GBDC's equity investments and GBDC's investment in GBDC SLF, GBDC's only formal relationships with its portfolio companies are the managerial assistance that it may provide upon request and the board observer or participation rights it may receive in connection with its investment. As indicated by footnote to the following table, GBDC is deemed to "control," as defined in the 1940 Act, GBDC SLF because it owns more than 25% of GBDC SLF's outstanding voting securities. Other than GBDC's investment in GBDC SLF, GBDC does not "control," as defined in the 1940 Act, any of its portfolio companies. As of September 30, 2018, GBDC was an "affiliated person," as defined in the 1940 Act, of two portfolio companies. In general, under the 1940 Act, GBDC would "control" a portfolio company if it owned, directly or indirectly, more than 25.0% of its voting securities and would be an "affiliate" of a portfolio company if it owned, directly or indirectly, five percent or more of its voting securities. The loans in GBDC's current portfolio were either originated or purchased in the secondary market by Golub Capital and its affiliates. As of September 30, 2018, there were 81 portfolio companies with a total fair value of $345.8 million securing the notes issued as part of the 2010 Debt Securitization and 83 portfolio companies with a total fair value of $346.1 million securing the notes issued as part of its 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 of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** [(1)]	Maturity
1A Smart Start LLC	500 E Dallas Rd Suite 100 Grapevine, TX 76051	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan*	6.74% (L + 4.50%)[(a)]	02/2022
Abita Brewing Co., L.L.C.	21084 Highway 36 Covington, LA 70433	Beverage, Food and Tobacco	One stop	7.99% (L + 5.75%)[(a)]	04/2021
			One stop	N/A[(4)] (L + 5.75%)	04/2021
Accela, Inc.	2633 Camino Ramon,	Diversified/Conglomerate Service	One stop	8.39% (L + 6.00%)[(c)]	09/2023

	Suite 500 San Ramo, CA 94583				
			LLC units	N/A	N/A
			One stop	N/A[4] (L + 6.00%)	09/2023
Active Day, Inc.	6 Neshaminy Interplex Suite 401 Trevose, PA 19053	Healthcare, Education and Childcare	One stop	8.24% (L + 6.00%)[a]	12/2021
			One stop^	8.24% (L + 6.00%)[a]	12/2021
			One stop*	8.24% (L + 6.00%)[a]	12/2021
			LLC interest	N/A	N/A
			One stop*	8.24% (L + 6.00%)[a]	12/2021
			One stop	10.25% (P + 5.00%)[f]	12/2021
Acuity Eyecare Holdings, LLC	211 East Broadway Alton, IL 62002	Healthcare, Education and Childcare	One stop	9.01% (L + 6.75%)[b]	03/2022
			LLC interest	N/A	N/A
			One stop	9.04% (L + 6.75%)[b]	03/2022
			One stop^	9.02% (L + 6.75%)[b]	03/2022
			One stop	11.00% (P + 5.75%)[f]	03/2022
ADCS Clinics Intermediate Holdings, LLC	151 Southhall Lane, Suite 300 Maitland, FL 32751	Healthcare, Education and Childcare	One stop	8.04% (L + 5.75%)[b]	05/2022
			Preferred stock	N/A	N/A
			One stop*	8.04% (L + 5.75%)[b]	05/2022
			One stop	8.04% (L + 5.75%)[b]	05/2022
			One stop	8.04% (L + 5.75%)[b]	05/2022
			One stop*	8.04% (L + 5.75%)[b]	05/2022
			Common stock	N/A	N/A
Advanced Pain Management Holdings, Inc.	4131 W Loomis Rd., Suite 300 Greenfield, WI 53221	Healthcare, Education and Childcare	Preferred stock[5]	N/A	N/A
			Common stock[5]	N/A	N/A
			Preferred stock[5]	N/A	N/A
Agilitas USA, Inc.	2001 Mallory Lane, Suite 201 Franklin, TN 37067	Healthcare, Education and Childcare	One stop	8.34% (L + 6.00%)[c]	04/2022
			One stop	8.34% (L + 6.00%)[c]	04/2022

			One stop	N/A[4] (L + 6.00%)	04/2022
Agility Recovery Solutions Inc.	2101 Rexford Road, Suite 350E Charlotte, NC 28211	Diversified/Conglomerate Service	One stop*^	8.74% (L + 6.50%)[a]	03/2020
			Preferred stock	N/A	N/A
			One stop	N/A[4] (L + 6.50%)	03/2020
Aimbridge Hospitality, LLC	2500 N Dallas Pkwy Plano, TX 75093	Hotels, Motels, Inns, and Gaming	One stop*^	7.24% (L + 5.00%)[a]	06/2022
			One stop*	7.24% (L + 5.00%)[a]	06/2022
			One stop	7.24% (L + 5.00%)[a]	06/2022
			One stop	7.24% (L + 5.00%)[a]	06/2022
			One stop	N/A[4] (L + 5.00%)	06/2022
Anaqua, Inc.	31 St. James Ave, 11th FL Boston, MA 02116	Diversified/Conglomerate Service	One stop*^	8.85% (L + 6.50%)[c]	07/2022
			One stop	N/A[4] (L + 6.50%)	07/2022
Appriss Holdings, Inc.	10401 Linn Station Road Louisville, KY 40223	Electronics	One stop*^	8.64% (L + 6.25%)[c]	05/2022
			One stop	N/A[4] (L + 6.25%)	05/2022
Apttus Corporation	1400 Fashion Island Blvd, Suite 200 San Mateo, CA 94404	Diversified/Conglomerate Service	One stop	10.06% (L + 7.85%)[e]	01/2023
			Preferred stock	N/A	N/A
			Warrant	N/A	N/A

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** (1)	Maturity	**Fair Valu (Doll in Thou**
Arcos, LLC	445 Hutchinson Ave, Suite 600 Columbus OH 43235	Utilities	One stop	8.39% (L + 6.00%)(c)	02/2021	3,55
			One stop	N/A(4) (L + 6.00%)	02/2021	-
Aris Teleradiology Company, LLC	5655 Hudson Drive, Ste 210 Hudson, OH 44236	Healthcare, Education and Childcare	Senior loan*(5)	8.00% (L + 5.50%)(c)	03/2021	1,23
			Senior loan(5)	8.01% (L + 5.50%)(c)(d)	03/2021	47
Avalign Technologies, Inc.	272 E. Deerpath, Suite 208 Lake Forest, IL 60045	Healthcare, Education and Childcare	Senior loan^	6.75% (L + 4.50%)(a)	07/2021	1,34
Batteries Plus Holding Corporation	1325 Walnut Ridge Dr. Hartland, WI 53029	Retail Stores	One stop	8.99% (L + 6.75%)(a)	07/2022	11,9
			LP interest	N/A	N/A	816
			One stop	N/A(4) (L + 6.75%)	07/2022	-
Bazaarvoice, Inc.	3900 N. Capital of TX Hwy, Suite 300 Austin, TX 78746	Diversified/Conglomerate Service	One stop	10.24% (L + 8.00%)(a)	02/2024	8,95
			One stop	12.25% (P + 7.00%)(f)	02/2024	30
Benetech, Inc.	2245 Sequoia Dr., Suite 300 Aurora, IL 60506	Mining, Steel, Iron and Non-Precious Metals	One stop*(7)(10)	10.24% cash/2.00% PIK (L + 10.00%)(a)	05/2019	4,25
			One stop(7)(10)	11.77% cash/2.00% PIK (P + 8.75%)(a)(f)	05/2019	223

			LLC interest(7)(10)	N/A	N/A	-
			LLC interest(7)(10)	N/A	N/A	16
Benihana, Inc.	8685 NW 53rd Terrace #201 Miami, FL 33166	Beverage, Food and Tobacco	LLC units	N/A	N/A	856
BIORECLAMATIONIVT, LLC	123 Frost Street, Ste 115 Westbury, NY 11590	Healthcare, Education and Childcare	One stop*^	8.49% (L + 6.25%)(a)	01/2021	16,8
			LLC units	N/A	N/A	666
			One stop	10.50% (P + 5.25%)(f)	01/2021	100
Brandmuscle, Inc.	233 S. Wacker Drive, Suite 4400 Chicago, IL 60606	Printing and Publishing	Senior loan^	7.39% (L + 5.00%)(c)	12/2021	622
			LLC interest	N/A	N/A	166
Brooks Equipment Company, LLC	10926 David Taylor Drive, Suite 300 Charlotte, NC 28262	Buildings and Real Estate	One stop*^	7.31% (L + 5.00%)(c)	08/2020	21,0
			One stop*	7.28% (L + 5.00%)(b)(c)	08/2020	2,63
			Common stock	N/A	N/A	2,36
			One stop	N/A(4) (L + 5.00%)	08/2020	-
Browz LLC	13937 S. Sprague Lane, Suite 100 Draper, UT 84020	Diversified/Conglomerate Service	One stop	10.17% cash/1.50% PIK (L + 9.50%)(b)	03/2023	1,50
			One stop	N/A(4) (L + 9.50%)	03/2023	-
C. J. Foods, Inc.	21 Main Street Bern, KS 66408	Beverage, Food and Tobacco	One stop*^	8.64% (L + 6.25%)(c)	05/2020	8,58
			One stop^	8.64% (L + 6.25%)(c)	05/2020	649
			One stop	8.58% (L + 6.25%)(c)	05/2020	517
			Preferred stock	N/A	N/A	505
Cafe Rio Holding, Inc.	215 North Admiral Byrd	Beverage, Food and Tobacco	One stop*^	7.99% (L + 5.75%)(a)	09/2023	10,3

	Road, Suite 100 Salt Lake City, UT 84116					
			Common stock	N/A	N/A	265
			One stop	7.99% (L + 5.75%)(a)	09/2023	80
			One stop	7.99% (L + 5.75%)(a)	09/2023	40
			One stop	10.00% (P + 4.75%)(f)	09/2023	10
Captain D's, LLC	624 Grassmere Drive, Suite 30 Nashville, TN 37211	Personal, Food and Miscellaneous Services	Senior loan*^	6.71% (L + 4.50%)(b)	12/2023	3,96
			LLC interest	N/A	N/A	64
			Senior loan	7.86% (P + 3.50%)(a)(f)	12/2023	20
Captive Resources Midco, LLC	201 East Commerce Drive Schaumburg, IL 60173	Insurance	One stop*^	7.99% (L + 5.75%)(a)	12/2021	34,3
			LLC units	N/A	N/A	393
			One stop	N/A(4) (L + 5.75%)	12/2021	-
			One stop	N/A(4) (L + 5.75%)	12/2021	-
Centrify Corporation	3300 Tannery Way Santa Clara, CA 95054	Diversified/Conglomerate Service	One stop*	8.59% (L + 6.25%)(c)	08/2024	10,8
			LP interest	N/A	N/A	348
			LP interest	N/A	N/A	-
			One stop	N/A(4) (L + 6.25%)	08/2024	(2
Chase Industries, Inc.	10021 Commerce Park Dr. Cincinnati, OH 45246	Diversified/Conglomerate Manufacturing	Senior loan	6.34% (L + 4.00%)(c)	05/2025	6,87
			Senior loan	6.34% (L + 4.00%)(c)	05/2023	16
			Senior loan	6.38% (L + 4.00%)(c)	05/2025	12

Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** [(1)]	Maturity	**Fair Valu (Doll in Thou**
Clearwater Analytics, LLC	777 W. Maine St. Suite 900 Boise, ID 83702	Diversified/Conglomerate Service	One stop*^	7.24% (L + 5.00%)[(a)]	09/2022	8,53
			One stop	N/A[(4)] (L + 5.00%)	09/2022	-
Cloudbees, Inc.	2001 Gateway Place, Suite 670W San Jose, CA 95110	Diversified/Conglomerate Service	One stop	10.61% cash/0.50% PIK (L + 9.00%)[(a)]	05/2023	1,87
			Preferred stock	N/A	N/A	207
			Warrant	N/A	N/A	39
			One stop	N/A[(4)] (L + 9.00%)	05/2023	-
CLP Healthcare Services, Inc.	Creekside Crossing IV, 12 Cadillac Dr., Ste 360 Brentwood, TN 37027	Healthcare, Education and Childcare	Senior loan^	7.89% (L + 5.50%)[(c)]	12/2020	3,80
Community Veterinary Partners, LLC	100 N. 20th Street, Suite 302 Phiadelphia, PA 19103	Personal, Food and Miscellaneous Services	One stop^	7.89% (L + 5.50%)[(c)]	10/2021	282
			Common stock	N/A	N/A	310
			One stop*	7.89% (L + 5.50%)[(c)]	10/2021	99
			One stop	7.89% (L + 5.50%)[(c)]	10/2021	75
			One stop	N/A[(4)] (L + 5.50%)	10/2021	-
Compusearch Software Holdings, Inc.	21251 Ridgetop Circle, Suite 100 Dulles, VA	Electronics	Senior loan*^	6.64% (L + 4.25%)[(c)]	05/2021	2,06

	20166					
Confluence Technologies, Inc.	Nova Tower One One Allegheny Square, Suite 800 Pittsburgh, PA 15212	Diversified/Conglomerate Service	One stop	9.65% (L + 7.50%)(a)	03/2024	7,03
			LLC interest	N/A	N/A	100
			One stop	10.96% (P + 6.50%)(a)(f)	03/2024	16
Connexin Software, Inc.	602 W. Office Center Drive, Suite 350 Fort Washington, PA 19034	Diversified/Conglomerate Service	One stop	10.74% (L + 8.50%)(a)	02/2024	2,40
			LLC interest	N/A	N/A	91
			One stop	N/A(4) (L + 8.50%)	02/2024	-
CST Buyer Company	11035 Aurora Ave Urbandale, IA 50322	Home and Office Furnishings, Housewares, and Durable Consumer	One stop^	7.24% (L + 5.00%)(a)	03/2023	2,43
			One stop	N/A(4) (L + 5.00%)	03/2023	-
Cycle Gear, Inc.	4705 Industrial Way Benicia, CA 94510	Retail Stores	One stop^	8.84% (L + 6.50%)(c)	01/2020	10,3
			One stop^	8.84% (L + 6.50%)(c)	01/2020	603
			LLC units	N/A	N/A	463
			One stop	N/A(4) (L + 6.50%)	01/2020	-
Datto, Inc.	101 Merrott 7, 7th Floor Norwalk, CT 06851	Diversified/Conglomerate Service	One stop*	10.15% (L + 8.00%)(a)	12/2022	11,1
			One stop	N/A(4) (L + 8.00%)	12/2022	-
Daxko Acquisition Corporation	600 University Park Place, Suite 500 Birmingham, AL 35209	Diversified/Conglomerate Service	One stop*^	7.54% (L + 5.25%)(b)	09/2023	11,2
			One stop	N/A(4) (L + 5.25%)	09/2023	-

DCA Investment Holding, LLC	6240 Lake Osprey Dr Sarasota, FL 34240	Healthcare, Education and Childcare	One stop*^	7.64% (L + 5.25%)(c)	07/2021	18,5
			One stop*^	7.64% (L + 5.25%)(c)	07/2021	13,3
			One stop	7.64% (L + 5.25%)(c)	07/2021	2,45
			LLC units	N/A	N/A	1,07
			One stop	7.64% (L + 5.25%)(c)	07/2021	151
			One stop	7.64% (L + 5.25%)(c)	07/2021	149
			One stop	7.64% (L + 5.25%)(c)	07/2021	47
			LLC units	N/A	N/A	-
			One stop	N/A(4) (L + 5.25%)	07/2021	-
			One stop	N/A(4) (L + 5.25%)	07/2021	-
Deca Dental Management LLC	14285 Midway Road, Suite 160 Addison, Texas 75001	Healthcare, Education and Childcare	One stop*^	8.64% (L + 6.25%)(c)	07/2020	4,06
			One stop	8.57% (L + 6.25%)(a)(c)	07/2020	494
			LLC units	N/A	N/A	428
			One stop	8.49% (L + 6.25%)(a)	07/2020	50
			One stop	N/A(4) (L + 6.25%)	07/2020	-
Dent Wizard International Corporation	4710 Earth City Expressway Bridgeton, MO 63044	Automobile	Senior loan*	6.23% (L + 4.00%)(a)	04/2020	4,47
Dental Holdings Corporation	775 Wayzata Boulevard, Suite 890 Minneapolis, MN 55416-1232	Healthcare, Education and Childcare	One stop	8.02% (L + 5.50%)(d)	02/2020	7,14
			One stop	8.02% (L + 5.50%)(d)	02/2020	1,13
			LLC units	N/A	N/A	733
			One stop	7.67% (L + 5.50%)(b)	02/2020	220

Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** [(1)]	Maturity	**Fair Valu (Dol in Thou**
Digital Guardian, Inc.	860 Winter Street, Suite 3 Waltham, MA 02451	Diversified/Conglomerate Service	One stop	10.33% cash/1.00% PIK (L + 9.00%)[(c)]	06/2023	3,9
			Subordinated debt	8.00% PIK	01/2019	184
			Warrant	N/A	N/A	10
			One stop	N/A[(4)] (L + 6.00%)	06/2023	(2
			One stop	N/A[(4)] (L + 9.00%)	06/2023	-
Diligent Corporation	1385 Broadway, 19th Floor New York, NY 10018	Electronics	One stop*	8.09% (L + 5.50%)[(d)]	04/2022	26,
			One stop	8.09% (L + 5.50%)[(d)]	04/2022	4,8
			One stop*	8.09% (L + 5.50%)[(d)]	04/2022	4,7
			One stop*^	8.09% (L + 5.50%)[(d)]	04/2022	2,6
			One stop	7.98% (L + 5.50%)[(c)]	04/2022	102
			One stop	8.03% (L + 5.50%)[(c)]	04/2022	81
			One stop	8.03% (L + 5.50%)[(c)(d)]	04/2022	36
			Preferred stock[(11)]	N/A	N/A	206
			One stop	N/A[(4)] (L + 5.50%)	04/2022	-
			One stop	N/A[(4)] (L + 5.50%)	04/2022	-
DISA Holdings Acquisition Subsidiary Corp.	12600 Northborough Dr. Suite 300 Houston, TX 77067	Diversified/Conglomerate Service	Senior loan*	6.10% (L + 4.00%)[(a)(f)]	06/2022	2,0
			Common stock	N/A	N/A	248
			Senior loan	6.10% (L + 4.00%)[(a)]	06/2022	2
			Senior loan	N/A[(4)] (L + 4.00%)	06/2022	-

Drilling Info Holdings, Inc.	2901 Via Fortuna, Suite 200 Austin, TX 78746	Oil and Gas	Senior loan	6.54% (L + 4.25%)(b)	07/2025	14,3
			Senior loan	N/A(4) (L + 4.25%)	07/2023	-
			Senior loan	N/A(4) (L + 4.25%)	07/2025	(1
DTLR, Inc.	7455 N North Ridge Rd Hanover, MD 21076	Retail Stores	One stop*^	8.68% (L + 6.50%)(b)	08/2022	22,7
			LLC interest	N/A	N/A	734
EGD Security Systems, LLC	121 Executive Center Drive, Suite 230 Columbia, SC 29210	Diversified/Conglomerate Service	One stop	8.58% (L + 6.25%)(c)	06/2022	11,1
			One stop^	8.56% (L + 6.25%)(c)	06/2022	98
			One stop	8.58% (L + 6.25%)(c)	06/2022	75
			One stop^	8.59% (L + 6.25%)(c)	06/2022	52
Elite Dental Partners LLC	1 East Wacker Drive, Suite 2520 Chicago, IL 60601	Healthcare, Education and Childcare	One stop*	7.49% (L + 5.25%)(a)	06/2023	12,2
			Common stock	N/A	N/A	360
			One stop	7.49% (L + 5.25%)(a)	06/2023	115
			One stop	N/A(4) (L + 5.25%)	06/2023	-
Elite Sportswear, L.P.	2136 N. 13th Street Reading, PA 19604	Retail Stores	Senior loan	8.14% (L + 5.75%)(c)	06/2020	6,87
			Senior loan	8.14% (L + 5.75%)(c)	06/2020	2,76
			Senior loan	8.14% (L + 5.75%)(c)	06/2020	1,42
			Senior loan*	8.14% (L + 5.75%)(c)	06/2020	466
			Senior loan	8.14% (L + 5.75%)(c)	06/2020	216
			Senior loan*	8.14% (L + 5.75%)(c)	06/2020	206
			LLC interest	N/A	N/A	36
			Senior loan		06/2020	-

			Senior loan	N/A[4] (L + 5.75%) N/A[4] (L + 5.75%)	06/2020	-
Encore GC Acquisition, LLC	30230 Orchard Lake Road, Suite 140 Farmington Hills, MI 48334	Healthcare, Education and Childcare	LLC units	N/A	N/A	239
			LLC units	N/A	N/A	19
ERG Buyer, LLC	12 New Providence Road Watchung, NJ 07069	Healthcare, Education and Childcare	One stop	7.89% (L + 5.50%)[c]	05/2024	13,1
			LLC units	N/A	N/A	349
			LLC units	N/A	N/A	4
			One stop	N/A[4] (L + 5.50%)	05/2024	-
			One stop	N/A[4] (L + 5.50%)	05/2024	-
eSolutions, Inc.	8215 W 108th Terrace Overland Park, KS 66210	Healthcare, Education and Childcare	One stop*^	8.74% (L + 6.50%)[a]	03/2022	31,4
			One stop	N/A[4] (L + 6.50%)	03/2022	(1
Excelligence Learning Corporation	2 Lower Ragsdale Drive Monterey, CA 93940 California, CA 93940	Healthcare, Education and Childcare	One stop^	8.24% (L + 6.00%)[a]	04/2023	4,51

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** [1]	Maturity	**Fair Value (Dollars in Thousands)**[2]	**Percentage of Class Held**[3]
Eyecare Services Partners Holdings LLC	2727 N. Harwood, Suite 250 Dallas, TX 75201	Healthcare, Education and Childcare	One stop	8.64% (L + 6.25%)[c]	05/2023	7,926	-
			One stop	8.64% (L + 6.25%)[c]	05/2023	576	-
			One stop	8.64% (L + 6.25%)[c]	05/2023	355	-
			One stop	8.64% (L + 6.25%)[c]	05/2023	172	-
			LLC units	N/A	N/A	147	0.0%[14]
			One stop	8.59% (L + 6.25%)[c]	05/2023	100	-
			One stop	8.64% (L + 6.25%)[c]	05/2023	58	-
			One stop	8.64% (L + 6.25%)[c]	05/2023	51	-
			One stop	8.64% (L + 6.25%)[c]	05/2023	33	-
			One stop	8.64% (L + 6.25%)[c]	05/2023	32	-
			One stop	8.63% (L + 6.25%)[c]	05/2023	25	-
			LLC units	N/A	N/A	5	0.0%[14]
Feeders Supply Company, LLC	315 Baxter Ave. Louisville, KY 40204	Retail Stores	One stop	8.01% (L + 5.75%)[a]	04/2021	4,826	-
			Preferred stock	N/A	N/A	241	0.5%
			Subordinated debt	12.50% cash/7.00% PIK	04/2021	67	-
			Common stock	N/A	N/A	52	0.5%
			One stop	N/A[4] (L + 5.75%)	04/2021	-	-
Fintech Midco, LLC	3109 W. Dr. Martin Luther King Jr. Blvd, Suite 200 Tampa, FL	Beverage, Food and Tobacco	One stop	8.25% (L + 6.00%)[a]	08/2024	12,865	-

	33607							
			One stop	N/A[4] (L + 6.00%)	08/2024	(1	)[6]	-
			One stop	N/A[4] (L + 6.00%)	08/2024	(3	)[6]	-
Firebirds International, LLC	13850 Ballantyne Corp. Place, Suite 450 Charlotte, NC 28277	Beverage, Food and Tobacco	One stop*	7.89% (L + 5.75%)[a]	12/2018	1,049		-
			One stop*	7.89% (L + 5.75%)[a]	12/2018	295		-
			One stop^	7.89% (L + 5.75%)[a]	12/2018	95		-
			One stop	7.99% (L + 5.75%)[c]	12/2018	41		-
			One stop	N/A[4] (L + 5.75%)	12/2018	-		-
Flavor Producers, LLC	8521 Fallbrook Ave #380 West Hills, CA 91304	Beverage, Food and Tobacco	Senior loan	7.13% (L + 4.75%)[c]	12/2023	2,155		-
			Senior loan	N/A[4] (L + 4.75%)	12/2022	-		-
Flexan, LLC	6626 W. Dakin Street Chicago, IL 60634	Chemicals, Plastics and Rubber	One stop*	8.14% (L + 5.75%)[c]	02/2020	2,310		-
			One stop^	8.14% (L + 5.75%)[c]	02/2020	1,086		-
			Preferred stock	N/A	N/A	71		0.2%
			One stop	9.75% (P + 4.50%)[f]	02/2020	11		-
			Common stock	N/A	N/A	-		0.1%
FWR Holding Corporation	8027 Cooper Creek Blvd. #103 University Park, FL 34201	Beverage, Food and Tobacco	One stop^	7.99% (L + 5.75%)[a]	08/2023	5,259		-
			One stop	7.99% (L + 5.75%)[a]	08/2023	65		-
			One stop	8.80% (L + 5.75%)[a][f]	08/2023	42		-
			One stop	N/A[4] (L + 5.75%)	08/2023	-		-

G & H Wire Company, Inc.	2165 Earlywood Drive Franklin, IN 46131	Healthcare, Education and Childcare	One stop^	7.99% (L + 5.75%)(a)	09/2023	5,425	-
			LLC interest	N/A	N/A	122	0.2%
			One stop	N/A(4) (L + 5.75%)	09/2022	-	-
Gamma Technologies, LLC	601 Oakmont Lane, Suite 220 Westmont, IL 60559	Electronics	One stop*^	7.74% (L + 5.50%)(a)	06/2024	21,478	-
			One stop	N/A(4) (L + 5.50%)	06/2024	-	-
Georgica Pine Clothiers, LLC	236-250 Greenpoint Ave Bldg 6, 2nd Floor Brooklyn, NY 11222	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	7.89% (L + 5.50%)(c)	11/2021	5,620	-
			One stop^	7.89% (L + 5.50%)(c)	11/2021	490	-
			One stop*	7.89% (L + 5.50%)(c)	11/2021	344	-
			LLC units	N/A	N/A	176	0.1%
			One stop	8.42% (L + 5.50%)(c)(f)	11/2021	46	-
Global Franchise Group, LLC	5555 Glenridge Connector, Suite 850 Atlanta, GA 30342	Beverage, Food and Tobacco	Senior loan*	7.99% (L + 5.75%)(a)	12/2019	3,220	-
			Senior loan	N/A(4) (L + 5.75%)	12/2019	-	-
Global ID Corporation	504 N 4th Street, Suite 204 Fairfield, IA 52556	Beverage, Food and Tobacco	One stop*	8.84% (L + 6.50%)(c)	11/2021	5,144	-
			LLC interest	N/A	N/A	346	0.2%
			One stop	8.84% (L + 6.50%)(c)	11/2021	72	-
			One stop	N/A(4) (L + 6.50%)	11/2021	-	-
			One stop	N/A(4) (L + 6.50%)	11/2021	-	-

Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate [1]**	Maturity	**Fai Val (Do in Tho**
Grease Monkey International, LLC	5575 DTC Pkwy Suite 100 Greenwood Village, CO 80111	Automobile	Senior loan*^	7.24% (L + 5.00%)[a]	11/2022	4,8
			LLC units	N/A	N/A	51
			Senior loan	7.24% (L + 5.00%)[a]	11/2022	75
			Senior loan	7.24% (L + 5.00%)[a]	11/2022	25
			Senior loan	7.24% (L + 5.00%)[a]	11/2022	20
			Senior loan	N/A[4] (L + 5.00%)	11/2022	(2
GS Acquisitionco, Inc.	3301 Benson Drive, #201 Releigh, NC 27609	Diversified/Conglomerate Service	One stop	7.25% (L + 5.00%)[a]	05/2024	22
			One stop	7.25% (L + 5.00%)[a]	05/2024	86
			LP interest	N/A	N/A	12
			One stop	N/A[4] (L + 4.75%)	05/2024	(1
			One stop	N/A[4] (L + 4.75%)	05/2024	(5
HealthcareSource HR, Inc.	100 Sylvan Road, Suite 100 Woburn, MA 01801	Diversified/Conglomerate Service	One stop*	9.14% (L + 6.75%)[c]	05/2020	23
			LLC interest	N/A	N/A	41
			One stop	N/A[4] (L + 6.75%)	05/2020	-
Hopdoddy Holdings, LLC	14850 N. Scottsdale Road, Suite 265 Scottsdale, AZ 85254	Beverage, Food and Tobacco	One stop	10.31% cash/1.50% PIK (L + 9.50%)[c]	08/2020	1,3
			LLC units	N/A	N/A	12
			One stop	10.34% cash/1.50% PIK	08/2020	47

				(L + 9.50%)[c]		
			LLC units	N/A	N/A	35
			One stop	10.32% cash/1.50% PIK (L + 9.50%)[c]	08/2020	3
Host Analytics, Inc.	101 Redwood Shores Pkwy, Suite 101 Redwood City, CA 94065	Diversified/Conglomerate Service	One stop	8.50% cash/2.25% PIK	08/2021	3,1
			One stop	8.50% cash/2.25% PIK	08/2021	2,6
			One stop	8.50% cash/2.25% PIK	08/2021	74
			Warrant	N/A	N/A	38
			One stop	N/A[4]	08/2021	-
ICIMS, Inc.	90 Matawan Road Parkway, 5th Floor Matawan, NJ 07747	Diversified/Conglomerate Service	One stop	8.64% (L + 6.50%)[c]	09/2024	5,3
			One stop	N/A[4] (L + 6.50%)	09/2024	(1
III US Holdings, LLC	5850 Shellmound Way Emeryville, CA 94608	Diversified/Conglomerate Service	One stop	N/A[4] (L + 6.50%)	09/2022	-
ILC Dover, LP	One Moonwalker Road Frederica, DE 19946	Aerospace and Defense	Senior loan	7.14% (L + 4.75%)[c]	12/2023	9,9
Immucor, Inc.	3130 Gateway Drive, PO Box 5625 Norcross, GA 30091	Healthcare, Education and Childcare	Senior loan	7.39% (L + 5.00%)[c]	06/2021	1,6
Imperial Optical Midco Inc.	1602 Tullamore Ave Bloomington, IL 61704	Personal, Food and Miscellaneous Services	One stop	7.04% (L + 4.75%)[b]	08/2023	2,6
			One stop	6.96% (L + 4.75%)[b]	08/2023	39
			One stop	N/A[4] (L + 4.75%)	08/2023	-
IMPLUS Footwear, LLC	9221 Globe Center Drive, Suite 120 Morrisvilee, NC 27560	Personal and Non Durable Consumer Products (Mfg. Only)	One stop	9.14% (L + 6.75%)[c]	04/2021	10

			One stop	9.09% (L + 6.75%)(c)	04/2021	1,7
			One stop	9.14% (L + 6.75%)(c)	04/2021	57
Imprivata, Inc.	10 Maguire Road, Building 1, Suite 125 Lexinton, MA 02421	Diversified/Conglomerate Service	Senior loan	6.39% (L + 4.00%)(c)	10/2023	13.
			Senior loan	N/A(4) (L + 4.00%)	10/2023	-
Infogix, Inc.	1240 East Diehl Road, Suite 400 Naperville, IL 60563	Diversified/Conglomerate Service	One stop	8.39% (L + 6.00%)(c)	04/2024	3,3
			One stop	10.25% (P + 5.00%)(f)	04/2024	9
Inhance Technologies Holdings LLC	16223 Park Row, Suite 100 Houston, TX 77084	Chemicals, Plastics and Rubber	One stop	7.43% (L + 5.25%)(b)	07/2024	6,8
			LLC units	N/A	N/A	70
			One stop	N/A(4) (L + 5.25%)	07/2024	(1
			One stop	N/A(4) (L + 5.25%)	07/2024	(2
Integral Ad Science, Inc.	95 Morton Street, 8th Floor New York, NY 10014	Diversified/Conglomerate Service	One stop	8.25% cash/1.25% PIK (L + 7.25%)(a)	07/2024	4,9
			One stop	N/A(4) (L + 6.00%)	07/2023	(1
IntegraMed America, Inc.	2 Manhattanville Road Purchase, NY 10577	Healthcare, Education and Childcare	LLC interest	N/A	N/A	17
Integration Appliance, Inc.	200 Portage Ave. Palo Alto, CA 94306	Diversified/Conglomerate Service	One stop*^	9.36% (L + 7.25%)(a)	08/2023	34.
			One stop	N/A(4) (L + 7.25%)	08/2023	(9

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate [1]**	Maturity	**Fair Valu (Doll in Thou**
Internet Pipeline, Inc.	222 Valley Creek Boulevard, Suite 300 Exton, PA 19341	Insurance	One stop	7.00% (L + 4.75%)[a]	08/2022	4,809
			One stop*	7.00% (L + 4.75%)[a]	08/2022	2,077
			One stop*	7.00% (L + 4.75%)[a]	08/2022	786
			Preferred stock	N/A	N/A	100
			Common stock	N/A	N/A	174
			One stop	N/A[4] (L + 4.75%)	08/2021	-
Inventus Power, Inc.	4 Westbrook Corporate Center, Suite 900 Westchester, IL 60154	Diversified/Conglomerate Manufacturing	One stop*^	8.74% (L + 6.50%)[a]	04/2020	6,557
			Preferred stock	N/A	N/A	-
			One stop	8.78% (L + 6.50%)[a][c]	04/2020	236
			LLC units	N/A	N/A	48
			Common stock	N/A	N/A	-
JAMF Holdings, Inc.	100 Washington Ave South, Suite 1100 Minneapolis, MN 55401	Diversified/Conglomerate Service	One stop	10.32% (L + 8.00%)[c]	11/2022	4,550
			One stop	N/A[4] (L + 8.00%)	11/2022	-
Jensen Hughes, Inc.	3610 Commerce Drive Suite 817 Baltimore, MD 21227	Buildings and Real Estate	Senior loan	6.71% (L + 4.50%)[a]	03/2024	500
			Senior loan	6.74% (L + 4.50%)[a]	03/2024	153
			Senior loan		03/2024	29

				6.65% (L + 4.50%)(a)		
Jobvite, Inc.	1300 South El Comino Real, Suite 400 San Mateo, CA 94402	Diversified/Conglomerate Service	One stop	10.15% (L + 8.00%)(a)	07/2023	1,96
			Warrant	N/A	N/A	47
			One stop	N/A(4) (L + 8.00%)	07/2023	-
			One stop	N/A(4) (L + 8.00%)	07/2023	(1
Joerns Healthcare, LLC	2430 Whitehall Park Drive, Suite 100 Charlotte, NC 28273	Healthcare, Education and Childcare	One stop*^	8.31% (L + 6.00%)(c)	05/2020	3,25
Kareo, Inc.	3353 Michelson, Suite 400 Irvine, CA 92612	Diversified/Conglomerate Service	One stop	11.24% (L + 9.00%)(a)	06/2022	4,51
			One stop	11.24% (L + 9.00%)(a)	06/2022	332
			Warrant	N/A	N/A	2
			Preferred stock	N/A	N/A	5
			One stop	N/A(4) (L + 9.00%)	06/2022	-
Katena Holdings, Inc.	4 Stewart Court Denville, NJ 07834	Healthcare, Education and Childcare	One stop^	8.39% (L + 6.00%)(c)	06/2021	8,35
			One stop^	8.39% (L + 6.00%)(c)	06/2021	816
			One stop	8.39% (L + 6.00%)(c)	06/2021	557
			LLC units	N/A	N/A	293
			One stop	N/A(4) (L + 6.00%)	06/2021	(2
LMP TR Holdings, LLC	1516 Demonbreun Street Nashville, TN 37203	Leisure, Amusement, Motion Pictures, Entertainment	LLC units	N/A	N/A	1,15
Lombart Brothers, Inc.	5358 Robin Hood Rd. Norfolk, VA 23513	Healthcare, Education and Childcare	One stop^	9.14% (L + 6.75%)(c)	04/2022	4,96
			One stop^(7)		04/2022	1,62

				9.14% (L + 6.75%)(c)		
			Common stock	N/A	N/A	177
			One stop	10.75% (P + 5.50%)(f)	04/2022	28
			One stop(7)	10.75% (P + 5.50%)(f)	04/2022	8
Marshall Retail Group LLC, The	5385 Wynn Road Las Vegas, NV 89118	Retail Stores	One stop^	8.34% (L + 6.00%)(c)	08/2020	11,9
			LLC units	N/A	N/A	95
			One stop	N/A(4) (L + 6.00%)	08/2019	-
Massage Envy, LLC	14350 N 87th St, Suite 200 Scottsdale, AZ 85260	Personal and Non Durable Consumer Products (Mfg. Only)	One stop*^	9.06% (L + 6.75%)(c)(f)	09/2020	34,8
			LLC interest	N/A	N/A	1,49
			One stop^	9.06% (L + 6.75%)(c)	09/2020	99
			One stop	9.09% (L + 6.75%)(c)	09/2020	64
			One stop^	9.07% (L + 6.75%)(c)(f)	09/2020	48
			One stop	9.09% (L + 6.75%)(c)(f)	09/2020	42
			One stop^	9.08% (L + 6.75%)(c)(f)	09/2020	40
			One stop^	9.12% (L + 6.75%)(c)(f)	09/2020	38
			One stop^	9.07% (L + 6.75%)(c)(f)	09/2020	35
			One stop^	9.08% (L + 6.75%)(c)(f)	09/2020	19
			One stop^	9.13% (L + 6.75%)(c)(f)	09/2020	15
			One stop	9.09% (L + 6.75%)(c)	09/2020	10
			One stop	N/A(4) (L + 6.75%)	09/2020	-

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** [(1)]	Maturity	**Fair Value (Dollar in Thous**
Maverick Bidco Inc.	5001 Plaza on the Lake, Suite 111 Austin, TX 78746	Diversified/Conglomerate Service	One stop*	8.64% (L + 6.25%)[(c)]	04/2023	17,468
			LLC units	N/A	N/A	437
			One stop	8.59% (L + 6.25%)[(c)]	04/2023	167
			One stop	8.60% (L + 6.25%)[(c)]	04/2023	34
			One stop	N/A[(4)] (L + 6.25%)	04/2023	-
Maverick Healthcare Group, LLC	2546 W Birchwood Ave, Suite 101 Mesa, AZ 85202	Healthcare, Education and Childcare	Senior loan*	7.89% cash/2.00% PIK (L + 7.50%)[(a)]	04/2017	1,316
MD Now Holdings, Inc.	2007 Palm Beach Lakes Blvd. West Palm Beach, FL 33409	Healthcare, Education and Childcare	One stop	7.64% (L + 5.25%)[(c)]	08/2024	7,692
			LLC units	N/A	N/A	68
			One stop	N/A[(4)] (L + 5.25%)	08/2024	(2
			One stop	N/A[(4)] (L + 5.25%)	08/2024	(2
Mendocino Farms, LLC	13103 Ventura Blvd., Suite 100 Studio City, CA 91604	Beverage, Food and Tobacco	Common stock	N/A	N/A	50
			One stop	N/A[(4)] (L + 8.50%)	06/2023	-
Messenger, LLC	318 East 7th Street Auburn, IN 46706	Printing and Publishing	One stop	8.23% (L + 6.00%)[(a)(f)]	08/2023	3,376
			One stop		08/2023	3

				10.25% (P + 5.00%)(f)		
Mid-America Pet Food, L.L.C.	2024 N. Frontage Road Mt. Pleasant, Texas 75455	Beverage, Food and Tobacco	One stop*^	8.39% (L + 6.00%)(c)	12/2021	10,75[illegible]
			One stop	N/A(4) (L + 6.00%)	12/2021	-
Mills Fleet Farm Group LLC	512 Laurel Street, PO Box 5055 Brainerd, MN 56401	Retail Stores	One stop*^	7.74% (L + 5.50%)(a)	02/2022	1,815
Ministry Brands, LLC	9620 Executive Center Drive North, Suite 200 St. Petersburg, FL 33702	Diversified/Conglomerate Service	Senior loan	6.24% (L + 4.00%)(a)	12/2022	866
			Senior loan	6.24% (L + 4.00%)(a)	12/2022	496
			Senior loan	6.24% (L + 4.00%)(a)	12/2022	9
MMan Acquisition Co.	22 Crosby Drive, Suite 100 Bedford, MA 01730	Diversified/Conglomerate Service	One stop^	8.34% (L + 6.00%)(c)	08/2023	9,531
			LP interest	N/A	N/A	206
			One stop	8.34% (L + 6.00%)(c)	08/2023	98
MRI Software LLC	28925 Fountain Parkway Solon, OH 44139	Buildings and Real Estate	One stop^	7.89% (L + 5.50%)(c)	06/2023	23,68[illegible]
			One stop*^	7.89% (L + 5.50%)(c)	06/2023	13,74[illegible]
			One stop^	7.89% (L + 5.50%)(c)	06/2023	357
			One stop	7.89% (L + 5.50%)(c)	06/2023	295
			One stop	7.89% (L + 5.50%)(c)	06/2023	194
			One stop^		06/2023	165

				7.65% (L + 5.50%)[a]		
			One stop	7.67% (L + 5.50%)[a]	06/2023	35
			One stop	N/A[4] (L + 5.50%)	06/2023	-
MWD Management, LLC & MWD Services, Inc.	320 Seven Springs Way, Suite 250 Brentwood, TN 37027	Healthcare, Education and Childcare	One stop	7.64% (L + 5.25%)[c]	06/2023	5,866
			One stop^	7.64% (L + 5.25%)[c]	06/2023	229
			LLC interest	N/A	N/A	122
			One stop	N/A[4] (L + 5.25%)	06/2022	-
			One stop	N/A[4] (L + 5.25%)	06/2023	-
MyWebGrocer, Inc.	20 Winooski Falls Way Winosski, VT 05404	Grocery	One stop*	7.52% (L + 5.00%)[d]	09/2018	14,27
			LLC units	N/A	N/A	-
			Preferred stock	N/A	N/A	41
NBC Intermediate, LLC	4560 Belt Line Road, Ste 350 Addison, TX 75001	Beverage, Food and Tobacco	Senior loan^	6.50% (L + 4.25%)[a]	09/2023	2,058
			Senior loan*	6.50% (L + 4.25%)[a]	09/2023	1,086
			Senior loan	8.50% (P + 3.25%)[f]	09/2023	4
Net Health Acquisition Corp.	40 24th Street, 5th Floor Pittsburgh, PA 15222	Diversified/Conglomerate Service	One stop	7.74% (L + 5.50%)[a]	12/2023	3,857
			One stop	7.74% (L + 5.50%)[a]	12/2023	540
			LP interest	N/A	N/A	388
			One stop	N/A[4] (L + 5.50%)	12/2023	-

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** [1]	Maturity	**Fair Valu (Dol in Thou**
NetMotion Wireless Holdings, Inc.	701 N 34th Street, Suite 250 Seattle, WA 98103	Telecommunications	One stop*^	8.64% (L + 6.25%)[c]	10/2021	6,39
			One stop	N/A[4] (L + 6.25%)	10/2021	-
Netsmart Technologies, Inc.	4950 College Blvd Overland Park, KS 66211	Diversified/Conglomerate Service	Senior loan	5.99% (L + 3.75%)[a]	06/2025	1,75
			Senior loan	N/A[4] (L + 4.75%)	04/2023	-
Nextech Systems, LLC	5550 Executive Drive, #350 Tampa, FL 33609	Diversified/Conglomerate Service	One stop	8.24% (L + 6.00%)[a]	03/2024	10,3
			One stop	N/A[4] (L + 6.00%)	03/2024	-
Nexus Brands Group, Inc.	168 E Freedom Ave Anaheim, CA 92801	Diversified/Conglomerate Service	One stop	8.33% (L + 6.00%)[c]	11/2023	5,75
			LP interest	N/A	N/A	155
			One stop	8.39% (L + 6.00%)[c]	11/2023	91
			One stop	N/A[4] (L + 6.00%)	11/2023	-
			One stop	N/A[4] (L + 6.00%)	11/2023	-
NFD Operating, LLC	2727 Allen Parkway, Suite 1500 Houston, TX 77019	Leisure, Amusement, Motion Pictures, Entertainment	One stop	9.11% (L + 7.00%)[a]	06/2021	2,30
			One stop	N/A[4] (L + 7.00%)	06/2021	-
NTS Technical Systems	24007 Ventura Blvd, Suite 200	Aerospace and Defense	One stop*^	8.36% (L + 6.25%)[a]	06/2021	21,7

	Calabasas, CA 91302					
			Common stock	N/A	N/A	616
			Preferred stock	N/A	N/A	323
			Preferred stock	N/A	N/A	177
			One stop	N/A[4] (L + 6.25%)	06/2021	-
Oliver Street Dermatology Holdings, LLC	5310 Harvest Hill Rd. Suite 290 Dallas, TX 75230	Healthcare, Education and Childcare	One stop	8.39% (L + 6.00%)[c]	05/2022	9,33
			One stop	8.39% (L + 6.00%)[c]	05/2022	942
			LLC units	N/A	N/A	346
			One stop*	8.39% (L + 6.00%)[c]	05/2022	210
			One stop^	8.39% (L + 6.00%)[c]	05/2022	151
			One stop	8.39% (L + 6.00%)[c]	05/2022	133
			One stop	8.39% (L + 6.00%)[c]	05/2022	116
			One stop^	8.39% (L + 6.00%)[c]	05/2022	90
			One stop	8.85% (L + 6.00%)[c][f]	05/2022	81
			One stop	8.39% (L + 6.00%)[c]	05/2022	78
			One stop^	8.39% (L + 6.00%)[c]	05/2022	46
			One stop*	8.39% (L + 6.00%)[c]	05/2022	41
			One stop^	8.39% (L + 6.00%)[c]	05/2022	32
			One stop^	8.39% (L + 6.00%)[c]	05/2022	30
			One stop	N/A[4] (L + 6.00%)	05/2022	-
Onicon Incorporated	1500 N. Belcher Road Clearwater, FL 33764	Diversified/Conglomerate Manufacturing	One stop*^	7.88% (L + 5.50%)[a][c]	04/2022	17,9
			One stop	N/A[4] (L + 5.50%)	04/2022	-
ONsite Mammography, LLC	815 North Road Westfield, MA 01085	Healthcare, Education and Childcare	One stop	8.99% (L + 6.75%)[a]	11/2023	3,06
			One stop	9.15% (L + 6.75%)[c][d]	11/2023	22

			One stop	N/A(4) (L + 6.75%)	11/2023	-
Orthotics Holdings, Inc.	2905 Veterans Memorial Hwy Ronkonkoma, NY 11779	Personal and Non Durable Consumer Products (Mfg. Only)	One stop*	7.74% (L + 5.50%)(a)	02/2020	8,04
			One stop*(7)	7.74% (L + 5.50%)(a)	02/2020	1,31
			One stop(7)	N/A(4) (L + 5.50%)	02/2020	-
			One stop	N/A(4) (L + 5.50%)	02/2020	(4
Pace Analytical Services, LLC	1800 Elm Street SE Minneapolis, MN 55414	Ecological	One stop	8.49% (L + 6.25%)(a)	09/2022	15,1
			One stop^	8.49% (L + 6.25%)(a)	09/2022	1,41
			One stop	8.48% (L + 6.25%)(a)	09/2022	716
			One stop*	8.49% (L + 6.25%)(a)	09/2022	346
			Common stock	N/A	N/A	280
			One stop^	8.47% (L + 6.25%)(a)	09/2022	118
			One stop	8.49% (L + 6.25%)(a)	09/2022	10
			One stop	N/A(4) (L + 6.25%)	09/2022	-

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate (1)**	Maturity	**Fair Value (Dolla in Thous**
PADI Holdco, Inc.	30151 Tomas St. Rancho Santa Margarita, CA 92688	Leisure, Amusement, Motion Pictures, Entertainment	One stop(7)(8)	5.75% (E + 5.75%)(g)	04/2023	9,313
			One stop*^	8.14% (L + 5.75%)(c)	04/2023	9,677
			LLC units	N/A	N/A	454
			One stop	8.14% (L + 5.75%)(c)	04/2022	125
Paper Source, Inc.	410 Milwaukee Ave Chicago, IL 60654	Retail Stores	One stop^	8.64% (L + 6.25%)(c)	09/2019	12,25
			One stop*	8.64% (L + 6.25%)(c)	09/2019	1,628
			Common stock	N/A	N/A	606
			One stop	10.25% (P + 5.00%)(f)	09/2019	965
Pasternack Enterprises, Inc. and Fairview Microwave, Inc	17802 Fitch Drive Irvine, CA 92614	Diversified/Conglomerate Manufacturing	Senior loan	6.24% (L + 4.00%)(a)(f)	07/2025	5,606
			Senior loan	N/A(4) (L + 4.00%)	07/2023	-
Pentec Acquisition Sub, Inc.	4 Creek Parkway Boothwyn, PA 19061	Healthcare, Education and Childcare	Preferred stock	N/A	N/A	178
Personify, Inc.	6500 River Place Blvd., Bldg III, Ste 250 Austin, TX 78730	Diversified/Conglomerate Service	One stop	8.14% (L + 5.75%)(c)	09/2024	5,295
			LLC units	N/A	N/A	297
			One stop	N/A(4) (L + 5.75%)	09/2024	(1
Pet Holdings ULC	130 Royal Crest Court	Retail Stores	One stop*^(7)(9)	7.84% (L + 5.50%)(c)	07/2022	14,76

	Markham, Ontario, L3R 0A1					
			LP interest(7)(9)	N/A	N/A	537
			One stop*^(7)(9)	7.84% (L + 5.50%)(c)	07/2022	100
			One stop(7)(9)	N/A(4) (L + 5.50%)	07/2022	-
PetPeople Enterprises, LLC	4390 Reynolds Dr. Hilliard, OH 43026	Retail Stores	One stop^	7.25% (L + 5.00%)(a)	09/2023	3,114
			One stop	8.25% PIK	01/2019	168
			One stop	N/A(4) (L + 5.00%)	09/2023	-
			One stop	N/A(4) (L + 5.00%)	09/2023	-
PetroChoice Holdings, Inc.	1300 Virginia Dr, Suite 405 Fort Washington, PA 19034	Diversified/Conglomerate Manufacturing	Senior loan^	7.20% (L + 5.00%)(b)	08/2022	1,732
Pinnacle Treatment Centers, Inc.	1317 Route 73, Suite 200 Mt. Laurel, NJ 08054	Healthcare, Education and Childcare	One stop	8.59% (L + 6.25%)(c)	08/2021	9,879
			Preferred stock	N/A	N/A	268
			One stop	8.52% (L + 6.25%)(b)(c)	08/2021	58
			One stop^	8.59% (L + 6.25%)(c)	08/2021	55
			One stop	8.46% (L + 6.25%)(a)	08/2021	43
			Common stock	N/A	N/A	6
Plano Molding Company, LLC	31 E. South Street Plano, IL 60545	Home and Office Furnishings, Housewares, and Durable Consumer	One stop*^	9.67% (L + 7.50%)(a)	05/2021	9,848
Plex Systems, Inc.	900 Tower Drive, Suite 1400 Troy, MI 48098	Diversified/Conglomerate Manufacturing	One stop*^	9.82% (L + 7.50%)(a)	06/2020	18,79
			One stop	N/A(4) (L + 7.50%)	06/2020	-
Polk Acquisition Corp.	2727 Interstate Drive Lakeland, FL 33805	Automobile	LP interest	N/A	N/A	95

PPT Management Holdings, LLC	333 Earle Ovington Blvd., Suite 225 Uniondale , NY 11553	Healthcare, Education and Childcare	One stop^	9.69% (L + 7.50%)(b)(f)	12/2022	8,758
			One stop*	9.69% (L + 7.50%)(b)(c)(f)	12/2022	114
			One stop	9.69% (L + 7.50%)(b)(f)	12/2022	68
			One stop	9.69% (L + 7.50%)(b)(f)	12/2022	32
			One stop	9.69% (L + 7.50%)(b)(f)	12/2022	(30
PPV Intermediate Holdings II, LLC	6541 Sexton Drive NW, Building G Oiympia, WA 98502	Personal, Food and Miscellaneous Services	LLC interest	N/A	N/A	13
			One stop	7.90% PIK	05/2023	2
			One stop	N/A(4) (L + 5.00%)	05/2023	-
			One stop	N/A(4) (L + 5.00%)	05/2020	-
Project Alpha Intermediate Holding, Inc.	150 N Radnor Chester Road, Suite E-220 Radnor PA 19087	Diversified/Conglomerate Service	Common stock	N/A	N/A	500
			Common stock	N/A	N/A	51
Project Silverback Holdings Corp.	2000 Waterview Drive, Suite 300 Hamilton, NJ 08691	Electronics	Preferred stock	N/A	N/A	-
Property Brands, Inc.	11121 Kingston Pike, Suite E Knoxville, TN 37934	Diversified/Conglomerate Service	One stop	8.24% (L + 6.00%)(a)	01/2024	10,87
			Preferred stock	N/A	N/A	307
			One stop^	8.24% (L + 6.00%)(a)	01/2024	219
			One stop	N/A(4) (L + 6.00%)	01/2024	-
			One stop	N/A(4) (L + 6.00%)	01/2024	-

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** [(1)]	Maturity	**Fair Valu (Doll in Thou**
Purfoods, LLC	3210 SE Corporate Woods Dr. Ankeny, IA 50021	Beverage, Food and Tobacco	One stop	8.31% (L + 6.00%)[(c)]	05/2021	8,37
			LLC interest	N/A	N/A	527
			One stop	7.00% PIK	05/2026	116
			One stop	8.15% (L + 6.00%)[(a)]	05/2021	65
			One stop^	8.39% (L + 6.00%)[(c)]	05/2021	39
			One stop	8.39% (L + 6.00%)[(c)]	05/2021	30
			One stop	8.39% (L + 6.00%)[(c)]	05/2021	30
			One stop	8.33% (L + 6.00%)[(c)]	05/2021	30
			One stop^	8.39% (L + 6.00%)[(c)]	05/2021	24
			One stop^	8.39% (L + 6.00%)[(c)]	05/2021	15
			One stop^	8.39% (L + 6.00%)[(c)]	05/2021	15
			One stop^	8.39% (L + 6.00%)[(c)]	05/2021	14
			One stop^	8.39% (L + 6.00%)[(c)]	05/2021	11
			One stop^	8.39% (L + 6.00%)[(c)]	05/2021	11
			One stop^	8.39% (L + 6.00%)[(c)]	05/2021	10
			One stop	N/A[(4)] (L + 6.00%)	05/2021	-
Quick Quack Car Wash Holdings, LLC	1380 Lead Hill Blvd, #260 Roseville, CA 95661	Automobile	One stop	8.74% (L + 6.50%)[(a)]	04/2023	8,75
			LLC units	N/A	N/A	207
			One stop	8.67% (L + 6.50%)[(a)]	04/2023	150
			One stop		04/2023	40

			One stop	8.70% (L + 6.50%)(a) N/A(4) (L + 6.50%)	04/2023	-
R.G. Barry Corporation	13405 Yarmouth Road Pickerington, OH 43147	Personal, Food and Miscellaneous Services	Preferred stock	N/A	N/A	176
Radiology Partners, Inc.	1600 Rosecrans Avenue, 4th Floor Manhattan Beach, CA 90266	Healthcare, Education and Childcare	LLC units	N/A	N/A	191
			LLC units	N/A	N/A	48
Reladyne, Inc.	9395 Kenwood Rd, Suite 104 Blue Ash, OH 45242	Diversified/Conglomerate Manufacturing	Senior loan*^	7.34% (L + 5.00%)(c)	07/2022	16,8
			LP interest	N/A	N/A	498
			Senior loan^	7.34% (L + 5.00%)(c)	07/2022	173
			Senior loan	7.34% (L + 5.00%)(c)	07/2022	142
			Senior loan	N/A(4) (L + 5.00%)	07/2022	-
Riverchase MSO, LLC	15051 South Tamiami Trail Fort Myers, Florida 33908	Healthcare, Education and Childcare	Senior loan	7.64% (L + 5.25%)(c)	10/2022	4,93
			Senior loan	7.63% (L + 5.25%)(c)	10/2022	54
RSC Acquisition, Inc.	160 Federal Street Boston, MA 02110	Insurance	Senior loan	6.72% (L + 4.25%)(c)(d)(f)	11/2022	4,36
			Senior loan	6.76% (L + 4.25%)(d)(e)	11/2021	21
			Senior loan	N/A(4) (L + 4.25%)	11/2022	(1
Rubio's Restaurants, Inc.	1902 Wright Place, Suite 300 Carlsbad, CA 92008	Beverage, Food and Tobacco	Senior loan*^	7.64% (L + 5.25%)(c)	10/2019	11,1
			Preferred stock	N/A	N/A	1,23
Ruby Slipper Cafe LLC, The			One stop		01/2023	1,03

	315 S Broad Ave New Orleans, LA 70119	Personal, Food and Miscellaneous Services		9.85% (L + 7.50%)[c]		
			LLC units	N/A	N/A	151
			One stop	9.82% (L + 7.50%)[c]	01/2023	5
			One stop	9.84% (L + 7.50%)[c]	01/2023	5
RXH Buyer Corporation	155 White Plains Road Tarrytown, NY 10591	Healthcare, Education and Childcare	One stop*^	8.14% (L + 5.75%)[c]	09/2021	17,0
			One stop*	8.14% (L + 5.75%)[c]	09/2021	1,93
			LP interest	N/A	N/A	290
			One stop	9.19% (P + 4.75%)[c][f]	09/2021	92
Saba Software, Inc.	2400 Bridge Parkway Redwood Shores, CA 94065	Diversified/Conglomerate Service	Senior loan*^	6.74% (L + 4.50%)[a]	05/2023	22,5
			Senior loan	N/A[4] (L + 4.50%)	05/2023	-
Sage Dental Management, LLC	951 Broken Sound Pkw NW, Suite 185 Boca Raton, FL 33487	Healthcare, Education and Childcare	LLC units	N/A	N/A	28
			LLC units	N/A	N/A	-
Saldon Holdings, Inc.	2542 Highlander Way Carrollton, TX 75006	Diversified/Conglomerate Service	Senior loan*	6.41% (L + 4.25%)[a]	09/2022	746
			Senior loan*	6.41% (L + 4.25%)[a]	09/2022	713

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** [(1)]	Maturity	**Fair Value (Doll in Thou**
SEI, Inc.	3854 Broadmoor Avenue Grand Rapids, MI 49512	Electronics	Senior loan*	7.49% (L + 5.25%)[(a)]	07/2023	5,47
			LLC units	N/A	N/A	643
Self Esteem Brands, LLC	12181 Margo Ave S, #100 Hastings, MN 55033	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan*^	6.99% (L + 4.75%)[(a)]	02/2020	16,1
			Senior loan	N/A[(4)] (L + 4.75%)	02/2020	-
Senior Loan Fund LLC	150 South Wacker Drive, Suite 800 Chicago, IL 60606	Investment Funds and Vehicles	LLC interest[(7)(12)(13)]	N/A	N/A	71,0
SHO Holding I Corporation	250 S Australian Ave West Palm Beach, FL 33401	Textiles and Leather	Senior loan*	7.34% (L + 5.00%)[(c)]	10/2022	2,12
			Senior loan	6.14% (L + 4.00%)[(a)(c)]	10/2021	12
SLMP, LLC	2090 Commerce Drive McKenney, TX 75069	Healthcare, Education and Childcare	One stop^	8.24% (L + 6.00%)[(a)]	05/2023	7,54
			One stop^	8.24% (L + 6.00%)[(a)]	05/2023	298
			LLC interest	N/A	N/A	308
			One stop	7.50% PIK	05/2027	90
			One stop	N/A[(4)] (L + 6.00%)	05/2023	-
			One stop	N/A[(4)] (L + 6.00%)	05/2023	-
Sloan Company, Inc., The	5725 Olivas Park Drive	Electronics	One stop	10.89% cash/4.50% PIK	04/2020	5,17

	Ventura, CA 93003			(L + 13.00%)(c)		
			One stop	10.89% cash/4.50% PIK (L + 13.00%)(c)	04/2020	346
			LLC units	N/A	N/A	-
			One stop	10.89% cash/4.50% PIK (L + 13.00%)(c)	04/2020	40
			LLC units	N/A	N/A	-
Source Refrigeration & HVAC, Inc.	145 S. State College Blvd, Suite 200 Brea, CA 92821	Diversified/Conglomerate Manufacturing	Senior loan*	7.14% (L + 4.75%)(c)	04/2023	9,45
			Senior loan	7.10% (L + 4.75%)(c)	04/2023	111
			Senior loan	9.00% (P + 3.75%)(f)	04/2023	89
			Senior loan	7.09% (L + 4.75%)(c)	04/2023	57
			Senior loan	N/A(4) (L + 4.75%)	04/2023	-
Southern Veterinary Partners, LLC	800 Shades Creek Pkwy, Suite 625 Birmingham, AL 35209-4532	Personal, Food and Miscellaneous Services	One stop	7.74% (L + 5.50%)(a)	05/2025	3,87
			One stop	7.74% (L + 5.50%)(a)	05/2025	231
			LLC units	N/A	N/A	333
			One stop	7.74% (L + 5.50%)(a)	05/2025	205
			One stop	7.74% (L + 5.50%)(a)	05/2025	173
			One stop	7.74% (L + 5.50%)(a)	05/2025	100
			One stop	7.74% (L + 5.50%)(a)	05/2025	77
			One stop	7.74% (L + 5.50%)(a)	05/2025	67
			One stop	7.74% (L + 5.50%)(a)	05/2025	50
			LLC units	N/A	N/A	24
			One stop	N/A(4) (L + 5.50%)	05/2023	-
			One stop	N/A(4) (L + 5.50%)	05/2025	-
Sovos Compliance	4th, 200 Ballardvale	Electronics	One stop*^	8.24% (L + 6.00%)(a)	03/2022	9,23

	St. Wilmington, MA 01887					
			One stop^	8.24% (L + 6.00%)[a]	03/2022	1,55
			One stop	8.24% (L + 6.00%)[a]	03/2022	173
			One stop	N/A[4] (L + 6.00%)	03/2022	-
			One stop	N/A[4] (L + 6.00%)	03/2022	-
Spear Education, LLC	7201 E. Princess Boulevard Scottsdale, AZ 85255	Healthcare, Education and Childcare	One stop^	8.75% (L + 6.25%)[c]	08/2019	4,59
			One stop	8.59% (L + 6.25%)[c]	08/2019	74
			LLC units	N/A	N/A	75
			One stop	8.56% (L + 6.25%)[c]	08/2019	26
			LLC units	N/A	N/A	28
SSH Corporation	23824 Highway 59 N. Kingwood, TX 77339	Healthcare, Education and Childcare	Common stock	N/A	N/A	187
Summit Behavioral Healthcare, LLC	8115 Isabella Ln, Suite 4 Brentwood, TN 37027	Healthcare, Education and Childcare	Senior loan^	7.06% (L + 4.75%)[c]	10/2023	8,77
			LLC interest	N/A	N/A	73
			Senior loan	7.07% (L + 4.75%)[c]	10/2023	65
			Senior loan	7.07% (L + 4.75%)[c]	10/2023	27
			LLC interest	N/A	N/A	3

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate [1]**	Maturity	**Fair Value (Dolla in Thou**
Sunless Merger Sub, Inc.	8909 South Freeway Drive Macedonia, OH 44056	Diversified/Conglomerate Manufacturing	Senior loan	7.28% (L + 5.00%)[(a)(f)]	07/2019	1,38
			Senior loan	8.75% (P + 3.75%)[(f)]	07/2019	256
			LP interest	N/A	N/A	-
Sunshine Sub, LLC	4776 New Broad Street, Suite 195 Orlando, FL 32814	Leisure, Amusement, Motion Pictures, Entertainment	One stop	6.99% (L + 4.75%)[(a)]	05/2024	7,72
			One stop	N/A[(4)] (L + 4.75%)	05/2024	-
			One stop	N/A[(4)] (L + 4.75%)	05/2024	-
Surgical Information Systems, LLC	3650 Mansell Rd, Suite 500 Alpharetta, GA 30009	Healthcare, Education and Childcare	Common stock	N/A	N/A	535
Switchfly LLC	601 Montgomery Street, 17th Floor San Francisco, CA 94111	Diversified/Conglomerate Service	One stop[(7)(10)]	7.25% (P + 2.00%)[(c)(f)]	04/2020	2,06
			LLC units[(7)(10)]	N/A	N/A	534
			One stop[(7)(10)]	7.25% (P + 2.00%)[(f)]	06/2018	173
			One stop[(7)(10)]	7.25% (P + 2.00%)[(f)]	04/2020	15
Teaching Company, The	4840 Westfields Blvd., Suite 500 Chantilly, VA 20151	Leisure, Amusement, Motion Pictures, Entertainment	One stop	7.09% (L + 4.75%)[(c)]	07/2023	10,8
			One stop	N/A[(4)] (L + 4.75%)	07/2023	-
			Senior loan^		12/2018	4,23

Team Technologies Acquisition Company	5949 Commerce Blvd. Morristown, TN 37814	Personal and Non Durable Consumer Products (Mfg. Only)		7.35% (L + 5.00%)(c)(f)		
			Senior loan*	7.85% (L + 5.50%)(c)(f)	12/2018	792
			Common stock	N/A	N/A	292
			Senior loan	N/A(4) (L + 5.00%)	12/2018	(1
Teasdale Quality Foods, Inc.	901 Packers Street Atwater, CA 95301	Grocery	Senior loan	6.92% (L + 4.75%)(c)	10/2020	317
Telesoft, LLC	1611 E Camelback Rd. Suite 300 Phoenix, AZ 85016	Diversified/Conglomerate Service	One stop*	7.34% (L + 5.00%)(c)	07/2022	4,16
			One stop	N/A(4) (L + 5.00%)	07/2022	-
Titan Fitness, LLC	8200 Greensboro Drive, Suite 900 McLean, VA 22102	Leisure, Amusement, Motion Pictures, Entertainment	One stop*	8.61% (L + 6.50%)(a)	06/2021	12,9
			One stop*	8.61% (L + 6.50%)(a)	06/2021	1,95
			One stop*	8.61% (L + 6.50%)(a)	06/2021	1,71
			One stop^	8.61% (L + 6.50%)(a)	06/2021	927
			LLC units	N/A	N/A	1,40
			One stop	N/A(4) (L + 6.50%)	06/2021	-
Togetherwork Holdings, LLC	55 Washington Street, Suite 626 Brooklyn, NY 11201	Diversified/Conglomerate Manufacturing	One stop	8.74% (L + 6.50%)(a)	03/2025	9,06
			One stop	8.74% (L + 6.50%)(a)	03/2025	552
			One stop	8.74% (L + 6.50%)(a)	03/2025	114
			One stop	8.74% (L + 6.50%)(a)	03/2025	107
			One stop	N/A(4) (L + 6.50%)	03/2024	(1
			One stop		03/2025	(1

			One stop	N/A[4] (L + 6.50%) N/A[4] (L + 6.50%)	03/2025	(2
TouchTunes Interactive Networks, Inc.	850 Third Avenue, Suite 15C New York, NY 10022	Broadcasting and Entertainment	Senior loan^	6.99% (L + 4.75%)[a]	05/2021	1,44
Transaction Data Systems, Inc.	788 Montgomery Avenue Ocoee, FL 34761	Diversified/Conglomerate Service	One stop*	7.50% (L + 5.25%)[a]	06/2021	39,0
			One stop	7.64% (L + 5.25%)[c]	06/2021	15
Tresys Technology Holdings, Inc.	8840 Stanford Blvd, Suite 2100 Columbia, MD 21045	Aerospace and Defense	One stop[5]	8.99% (L + 6.75%)[a]	12/2018	780
			One stop[5]	8.99% (L + 6.75%)[a]	12/2018	659
			Common stock	N/A	N/A	-
Trintech, Inc.	15851 Dallas Pkwy, Suite 900 Addison, TX 75001	Diversified/Conglomerate Service	One stop*^	8.20% (L + 6.00%)[b]	12/2023	10,8
			One stop^	8.20% (L + 6.00%)[b]	12/2023	3,41
			One stop	8.20% (L + 6.00%)[b]	12/2023	30
Tronair Parent, Inc.	1740 Eber Road Holland, OH 43528	Aerospace and Defense	Senior loan^	7.56% (L + 4.75%)[c]	09/2023	366
			Senior loan	7.03% (L + 4.50%)[a)(b)(c)(f]	09/2021	80
True Commerce, Inc.	90 S Cascade Ave., Suite 1200 Colorado Springs, CO 90803	Diversified/Conglomerate Service	One stop^	8.14% (L + 5.75%)[c]	11/2023	5,61
			One stop	N/A[4] (L + 5.75%)	11/2023	-
U.S. Renal Care, Inc.	2400 Dallas Parkway, Suite 350	Healthcare, Education and Childcare	LP interest	N/A	N/A	1,79

	Plano, TX 75093					
Uinta Brewing Company	1722 Fremont Dr Salt Lake City, Utah, 84104	Beverage, Food and Tobacco	One stop^[5]	10.74% (L + 8.50%)[a]	08/2019	2,45
			One stop[5]	10.74% (L + 8.50%)[a]	08/2019	444
			LP interest	N/A	N/A	-

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate [(1)]**	Maturity	**Fair Value (Dolla in Thous**
Upserve, Inc.	10 Dorrance Street Providence, RI 02903	Diversified/Conglomerate Service	One stop	7.65% (L + 5.50%)[(a)]	07/2023	2,947
			One stop	N/A[(4)] (L + 5.50%)	07/2023	-
			One stop	N/A[(4)] (L + 5.50%)	07/2023	(1
Valant Medical Solutions, Inc.	2033 6th Ave, Suite 500 Seattle, WA 98121	Diversified/Conglomerate Service	One stop	10.88% cash/2.25% PIK (L + 11.00%)[(a)]	10/2020	828
			One stop	6.00% PIK	02/2020	184
			Warrant	N/A	N/A	51
			One stop	10.88% cash/2.25% PIK (L + 11.00%)[(a)]	10/2020	10
Velocity Technology Solutions, Inc.	1901 Roxborough Road Charlotte, NC 28211	Diversified/Conglomerate Service	One stop	8.39% (L + 6.00%)[(c)]	12/2023	8,228
			One stop	N/A[(4)] (L + 6.00%)	12/2023	-
Vendavo, Inc.	401 E. Middlefield Road Mountain View, CA 94043	Diversified/Conglomerate Service	One stop*	10.81% (L + 8.50%)[(c)]	10/2022	28,93
			Preferred stock	N/A	N/A	1,332
			One stop	N/A[(4)] (L + 8.50%)	10/2022	-
Vendor Credentialing Service LLC	616 Cypress Creek Pkwy, Suite 800 Houston, TX 77090	Diversified/Conglomerate Service	One stop^	7.99% (L + 5.75%)[(a)]	11/2021	12,11
			One stop	N/A[(4)] (L + 5.75%)	11/2021	-
Verisys Corporation			One stop*		01/2023	3,886

	1001 N. Fairfax St., Suite 640 Alexandria, VA 22314	Diversified/Conglomerate Service		10.14% (L + 7.75%)(c)		
			LLC interest	N/A	N/A	239
			One stop	N/A(4) (L + 7.75%)	01/2023	-
Veterinary Specialists of North America, LLC	350 Lincoln Place, Suite 111 Hingham, MA 02043	Personal, Food and Miscellaneous Services	One stop^	7.69% (L + 5.50%)(a)	07/2021	7,331
			One stop^	7.74% (L + 5.50%)(a)	07/2021	764
			One stop*	7.74% (L + 5.50%)(a)	07/2021	415
			One stop*	7.74% (L + 5.50%)(a)	07/2021	160
			One stop^	7.74% (L + 5.50%)(a)	07/2021	123
			LLC units	N/A	N/A	185
			One stop*	7.74% (L + 5.50%)(a)	07/2021	62
			One stop	7.74% (L + 5.50%)(a)	07/2021	12
			One stop	N/A(4) (L + 5.50%)	07/2021	-
Vitalyst, LLC	One Bala Plaza, Suite 434 Bala Cynwyd, PA 19004	Diversified/Conglomerate Service	Preferred stock	N/A	N/A	88
			Common stock	N/A	N/A	-
Watchfire Enterprises, Inc.	1015 Maple Street Danville, IL 61832	Electronics	Second lien	10.39% (L + 8.00%)(c)	10/2021	9,435
WBZ Investment LLC	9780 Meridian Blvd, Suite 400 Englewood, CO 80112	Leisure, Amusement, Motion Pictures, Entertainment	One stop	7.64% (L + 5.50%)(a)	09/2020	5,097
			LLC interest	N/A	N/A	49
			LLC interest	N/A	N/A	33
			LLC interest	N/A	N/A	27
			LLC interest	N/A	N/A	24
			LLC interest	N/A	N/A	10
			LLC interest	N/A	N/A	1

			One stop	N/A[4] (L + 5.50%)	09/2024	(1
			One stop	N/A[4] (L + 5.50%)	09/2024	(2
Wetzel's Pretzels, LLC	35 Hugus Alley #300 Pasadena, CA 91103	Personal, Food and Miscellaneous Services	One stop*	8.99% (L + 6.75%)[a]	09/2021	8,922
			Common stock	N/A	N/A	221
			One stop	8.86% (L + 6.75%)[a]	09/2021	3
WHCG Management, LLC	227 Laurel Road, Suite 300 Voorhees, NJ 08043	Healthcare, Education and Childcare	Senior loan*	7.39% (L + 5.00%)[c]	03/2023	2,370
			LLC interest	N/A	N/A	135
			Senior loan	7.35% (L + 5.00%)[c]	03/2023	100
			Senior loan	N/A[4] (L + 5.00%)	03/2023	-
Whitcraft LLC	76 Country Road Eastford, CT 06242	Aerospace and Defense	One stop*^	8.64% (L + 6.25%)[c]	04/2023	12,43
			Common stock	N/A	N/A	611
			One stop^	8.64% (L + 6.25%)[c]	04/2023	194
			One stop	N/A[4] (L + 6.25%)	04/2023	-
			One stop	N/A[4] (L + 6.25%)	04/2023	-

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** [(1)]	Maturity	**Fair Value (Dollars in Thousan**
WIRB-Copernicus Group, Inc.	212 Carnegie Center, Suite 301 Princeton, NJ 08540	Healthcare, Education and Childcare	Senior loan*^	6.49% (L + 4.25%)[(a)]	08/2022	10,901
			Senior loan	N/A[(4)] (L + 4.25%)	08/2022	-
			Senior loan	N/A[(4)] (L + 4.25%)	08/2022	-
Workforce Software, LLC	38705 Seven Mile Road Livonia, MI 48152	Diversified/Conglomerate Service	One stop^	8.83% (L + 6.50%)[(c)]	06/2021	5,790
			One stop	8.81% (L + 6.50%)[(c)]	06/2021	577
			LLC units	N/A	N/A	371
			One stop	N/A[(4)] (L + 6.50%)[(c)]	06/2021	-
WRE Holding Corp.	577 Main Street, Suite 110 Hudson, MA 01749	Ecological	Senior loan*	6.99% (L + 4.75%)[(a)]	01/2023	1,008
			Senior loan	6.99% (L + 4.75%)[(a)]	01/2023	42
			Senior loan	6.99% (L + 4.75%)[(a)]	01/2023	21
			Senior loan	6.99% (L + 4.75%)[(a)]	01/2023	5
Xmatters, Inc. and Alarmpoint, Inc.	12647 Alcosta Blvd, Suite 425 San Ramon, CA 94583	Diversified/Conglomerate Service	Preferred stock	N/A	N/A	211
			Warrant	N/A	N/A	16
			Preferred stock	N/A	N/A	12
						1,782,8

* Denotes that all or a portion of the loan collateralizes the MS Credit Facility.
^ Denotes that all or a portion of the loan secures the notes offered in the 2014 Debt Securitization.
# Denotes that all or a portion of the loan collateralizes the Credit Facility.

(1) The majority of the investments bear interest at a rate that may be determined by reference to London Interbank Offered Rate ("LIBOR" or "L"), Euro Interbank Offered Rate ("EURIBOR" or "E") or Prime ("P") and which reset daily, monthly, quarterly, semiannually, or annually. For each, GBDC has provided the spread over LIBOR, EURIBOR or Prime and the weighted average current interest rate in effect as of September 30, 2018. Certain investments are subject to a LIBOR, EURIBOR or Prime interest rate floor. For fixed rate loans, a spread above a reference rate is not applicable. Listed below are the index rates as of September 28, 2018, which was the last business day of the period on which LIBOR or EURIBOR was determined. The actual index rate for each loan listed may not be the applicable index rate outstanding as of September 28, 2018, as the loan may have priced or repriced based on an index rate prior to September 28, 2018.

(a) Denotes that all or a portion of the loan was indexed to the 30-day LIBOR, which was 2.26% as of September 28, 2018.

(b) Denotes that all or a portion of the loan was indexed to the 60-day LIBOR, which was 2.31% as of September 28, 2018.

(c) Denotes that all or a portion of the loan was indexed to the 90-day LIBOR, which was 2.40% as of September 28, 2018.

(d) Denotes that all or a portion of the loan was indexed to the 180-day LIBOR, which was 2.60% as of September 28, 2018.

(e) Denotes that all or a portion of the loan was indexed to the 360-day LIBOR, which was 2.92% as of September 28, 2018.

(f) Denotes that all or a portion of the loan was indexed to the Prime rate, which was 5.25% as of September 28, 2018.

(g) Denotes that all or a portion of the loan was indexed to the 90-day EURIBOR, which was -0.32% as of September 28, 2018.

(2) The fair value of the investment was valued using significant unobservable inputs.

(3) Percentage of class held refers only to equity held, if any, calculated on a fully diluted basis.

(4) The entire commitment was unfunded as of September 30, 2018. As such, no interest is being earned on this investment. The investment may be subject to an unused facility fee.

(5) Loan was on non-accrual status as of September 30, 2018, meaning that GBDC has ceased recognizing interest income on the loan.

(6) The negative fair value is the result of the capitalized discount on the loan or the unfunded commitment being valued below par. The negative amortized cost is the result of the capitalized discount being greater than the principal amount outstanding on the loan.

(7) The investment is treated as a non-qualifying asset under the 1940 Act. Under the 1940 Act, GBDC may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of GBDC’s total assets. As of September 30, 2018, total non-qualifying assets at fair value represented 5.8% of GBDC’s total assets calculated in accordance with the 1940 Act.

(8) Loan is denominated in foreign currency and is translated into U.S. dollars as of the valuation date or the date of the transaction.

(9) The headquarters of this portfolio company is located in Canada.

(10) As defined in the 1940 Act, GBDC is deemed to be an "affiliated person" of the portfolio company as GBDC owns five percent or more of the portfolio company's voting securities ("non-controlled affiliate").

(11) Income producing equity

(12) As defined in the 1940 Act, GBDC is deemed to be both an "affiliated person" of and "control" this portfolio company as GBDC owns more than 25% of the portfolio company's outstanding voting securities or has the power to exercise control over management or policies of such portfolio company

(including through a management agreement) ("controlled affiliate").

(13) GBDC receives quarterly profit distributions from its equity investment in SLF.

(14) Percentage of class held is less than 0.1%.

MANAGEMENT OF GOLUB CAPITAL BDC, INC. and Golub Capital Investment Corporation

Board of Directors and its Leadership Structure

The business and affairs of each of GBDC and GCIC are managed under the direction of its respective board of directors. Each of the GBDC Board and GCIC Board consists of six members, four of whom are not “interested persons” of GBDC or GCIC, as applicable, GC Advisors or their respective affiliates as defined in Section 2(a)(19) of the 1940 Act. GBDC and GCIC each refers to these individuals as its “independent directors.” The GBDC Board elects GBDC’s officers, who serve at the discretion of the GBDC Board. The GCIC Board elects GCIC’s officers, who serve at the discretion of the GCIC Board. The responsibilities of each of the GBDC Board and GCIC Board include quarterly valuation of the respective company’s assets, corporate governance activities, oversight of its financing arrangements and oversight of investment activities.

The role of each of the GBDC Board and the GCIC Board in management of GBDC and GCIC, respectively, is one of oversight. Oversight of investment activities extends to oversight of the risk management processes employed by GC Advisors as part of its day-to-day management of the investment activities of GBDC and GCIC, as applicable. The GBDC Board and GCIC Board each reviews risk management processes throughout the year, consulting with appropriate representatives of GC Advisors as necessary and periodically requesting the production of risk management reports or presentations. The goal of this risk oversight function is to ensure that the risks associated with the investment activities of GBDC or GCIC, as applicable, are accurately identified, thoroughly investigated and responsibly addressed. Investors should note, however, that the board of directors’ oversight function cannot eliminate all risks or ensure that particular events do not adversely affect the value of investments.

The GBDC Board has established an audit committee, a nominating and corporate governance committee and a compensation committee, and may establish additional committees from time to time as necessary. The GCIC Board has established an audit committee and a nominating and corporate governance committee, and may establish additional committees from time to time as necessary. The scope of each committee’s responsibilities is discussed in greater detail below. Lawrence E. Golub, Chief Executive Officer of Golub Capital, and therefore an interested person of both GBDC and GCIC, serves as Chairman of each of the GBDC Board and the GCIC Board. Each of the GBDC Board and the GCIC Board believes that it is in the best interests of investors for Mr. Golub to lead the respective board of directors because of his broad experience with the day-to-day management and operation of other investment funds and his significant background in the financial services industry, as described below. Neither the GBDC Board nor the GCIC Board has a lead independent director. However, William M. Webster IV, the chairman of the audit committee and the nominating and corporate governance committee for each of GBDC and GCIC, is an independent director and acts as a liaison between the independent directors and management between meetings of the respective board of directors and is involved in the preparation of agendas for board and committee meetings. Each of the GBDC Board and the GCIC Board believes that its leadership structure is appropriate in light of the characteristics and circumstances of GBDC and GCIC, respectively, because the structure allocates areas of responsibility among the individual directors and the committees in a manner that enhances effective oversight. Each of the GBDC Board and the GCIC Board also believes that its small size creates a highly efficient governance structure that provides ample opportunity for direct communication and interaction between GC Advisors and the respective board of directors. Each of the GBDC and GCIC directors has been selected such that the GBDC Board and GCIC Board, respectively, represents a range of backgrounds and experiences.

Board of Directors

Under GBDC's certificate of incorporation and bylaws, GBDC's directors are divided into three classes, and under GCIC's charter, GCIC's directors are divided into three classes. At each annual meeting of GBDC and GCIC, directors are elected for a term expiring at the third succeeding annual meeting of stockholders, with the term of office of only one of these three classes of directors expiring at each annual meeting. Each director will hold office for the term to which he or she is elected and until his or her successor is duly elected and qualifies. The GBDC Board met four times during the fiscal year ended September 30, 2018. The GCIC Board met four times during the fiscal year ended September 30, 2018.

Directors

The GBDC Board and the GCIC Board have the same directors. Information regarding the members of the GBDC Board and GCIC Board is as follows:

Name, Address and Age[1]	**Position(s) held with GBDC and GCIC**	**Term of Office and Length of Service**	**Principal Occupation(s) During the Past 5 Years**	**Number of Companies in Fund Complex**[2] **Overseen by Director**	**Other Directorships Held by Director or Nominee for Director During the Past 5 years**[3]
Interested Directors					
Lawrence E. Golub (59)[4]	Chairman of the GBDC Board and GCIC Board	Class III Director of GBDC since February 2009 and Class III Director of GCIC since September 2014; Terms expire 2019	Serves as the Chief Executive Officer of Golub Capital.	Three	Member of the Financial Control Board of the State of New York. A member of the board of directors of GBDC 3, since August 2017. Previously served on the board of directors of Empire State Realty Trust, Inc. (NYSE) from 2013 to 2014.
David B. Golub (56)[4]	Chief Executive Officer and Director of GBDC; President, Chief Executive Officer and Director of GCIC	Class I Director of GBDC since 2009 and Class I Director of GCIC since November 2014; Terms expire 2020	Serves as the President of Golub Capital.	Three	A member of the board of directors of GBDC 3, since August 2017. Serves on the board of directors of the Michael J. Fox Foundation for Parkinson's Research. Also serves on the board of directors of The Burton Corporation.
Independent Directors					
John T. Baily (74)			Retired.	Three	

	Director of GBDC and GCIC	Class II Director of GBDC since 2010 and Class II Director of GCIC since November 2014; Terms expire 2021			A member of the board of directors of RLI Corp. (NYSE), previously served on the board of directors of Endurance Specialty Holdings, Ltd. from 2003 to October 2017, and, since August 2017, GBDC 3.
Kenneth F. Bernstein (57)	Director of GBDC and GCIC	Class II Director of GBDC since 2010 and Class II Director of GCIC since November 2014; Terms expire 2021	Chief executive officer of Acadia Realty Trust since 2001 and the president and a trustee since its formation in 1998.	Three	A member of the board of directors of GBDC 3 since August 2017. An independent trustee of BRT Apartments Corp. from 2004 to 2016.
Anita R. Rosenberg (54)	Director of GBDC and GCIC	Class I Director of GBDC since 2011 and Class I Director of GCIC since November 2014; Terms expire 2020	Independent Consultant. Former independent advisor to Magnetar Capital from April 2011 to May 2012. Partner and Portfolio Manager at Harris Alternatives, LLC, and its predecessor, Harris Associates, L.P., from 1999 to 2009.	Three	An independent trustee at Baron Funds Management since May 2013. An independent director for Impala Asset Management since January 2014. A member of the board of directors of GBDC 3 since August 2017.

Name, Address and Age[(1)]	**Position(s) held with GBDC and GCIC**	**Term of Office and Length of Service**	**Principal Occupation(s) During the Past 5 Years**	**Number of Companies in Fund Complex**[(2)] **Overseen by Director**	**Other Directorships Held by Director or Nominee for Director During the Past 5 years**[(3)]
William M. Webster IV (61)	Director of GBDC and GCIC	Class III Director of GBDC since 2010 and Class III Director of GCIC since November 2014; Terms expire 2019	Retired. Co-founder of Advance America, Advance Cash Centers, Inc. Served as the Chief Executive Officer of Advance America, Advance Cash Centers, Inc. from its inception in 1997 through August 2005 and served as Chairman of the board of directors from August 2008 through May 2012.	Three	Serves on the board of directors of LKQ Corporation (NYSE), Compass Systems, Inc. and, since August 2017, GBDC 3.

(1) The business address of each of GBDC's directors is c/o Golub Capital BDC, Inc., 666 Fifth Avenue, 18th Floor, New York, NY 10103. The business address of each of GCIC's directors is c/o Golub Capital Investment Corporation, 666 Fifth Avenue, 18th Floor, New York, NY 10103.

(2) "Fund Complex," as defined in in accordance with Item 22(a)(vi) of Schedule 14A, includes GBDC, GCIC and GBDC 3.

(3) No director otherwise serves as a director of an investment company registered under the 1940 Act.

(4) Messrs. Lawrence E. Golub and David B. Golub, who are brothers, are interested directors due to their position as officers of GBDC, GCIC and Golub Capital.

Officers Who Are Not Directors

Information regarding officers of GBDC and GCIC who are not directors is as follows:

Name	Age	Position at GBDC and GCIC
Ross A. Teune	50	Chief Financial Officer and Treasurer
Joshua M. Levinson	43	Chief Compliance Officer and Secretary
Gregory A. Robbins	43	Managing Director
Jonathan D. Simmons	36	Director of Corporate Strategy

The address for each of GBDC's officers is c/o Golub Capital BDC, Inc., 666 Fifth Avenue, 18th Floor, New York, NY 10103. The address for each of GCIC's officers is c/o Golub Capital Investment Corporation, 666 Fifth Avenue, 18th Floor, New York, NY 10103.

Biographical Information

Each of the GBDC Board and the GCIC Board has determined that each of the directors is qualified to serve as a director, based on a review of the experience, qualifications, attributes and skills of each director, including those described below. Each of the GBDC Board and the GCIC Board has determined that each director has significant experience in the investment or financial services industries and has held management, board or oversight positions in other companies and organizations. Each of the directors has demonstrated high character and integrity and has expertise and diversity of experience to be able to offer advice and guidance to management of GBDC and GCIC, as applicable. For the purposes of this presentation, directors have been divided into two groups - independent directors and interested directors. Interested directors are "interested persons" as defined in the 1940 Act of GBDC or GCIC, as applicable.

Independent Directors

John T. Baily brings over three decades of experience in the accounting industry and a substantial background in insurance industry matters. Mr. Baily currently serves as a member of the board of directors of GCIC, GBDC 3 and RLI Corp. (NYSE). He was elected to serve as a director to GBDC 3 in August 2017 and to RLI Corp. and Endurance Specialty Holdings, Ltd. in 2003. Mr. Baily also served as a member of the board of directors of Erie Indemnity Company (Nasdaq) from 2003 to 2008, of NYMagic, Inc. (NYSE) from 2003 to 2010 and of Endurance Specialty Holdings, Ltd. from 2003 to October 2017. From 1999 until 2002, Mr. Baily was the President of Swiss Re Capital Partners. Prior to joining Swiss Re Capital Partners, Mr. Baily was a partner at PricewaterhouseCoopers LLP and its predecessor, Coopers & Lybrand, where he worked from 1965 until 1999. Mr. Baily was the National Insurance Industry Chairman of Coopers & Lybrand from 1986 until 1998 and a member of Coopers & Lybrand’s International Insurance Industry Committee from 1984 until 1998. Mr. Baily graduated cum laude from Albright College in 1965, received his CPA with honors in 1968 and received his M.B.A. from the University of Chicago in 1979. Mr. Baily’s experience as an accountant and past service as a director of public companies led the nominating and corporate governance committee of each of GBDC and GCIC to conclude that Mr. Baily is qualified to serve as a director.

Kenneth F. Bernstein brings to the board of directors expertise in accounting and business operations. Mr. Bernstein has been the chief executive officer of Acadia Realty Trust since 2001 and the president and a trustee since its formation in 1998. Mr. Bernstein is responsible for strategic planning as well as overseeing the day-to-day activities of Acadia Realty Trust including operations, acquisitions and capital markets. He was an independent trustee of BRT Apartments Corp. from 2004 to 2016. From 1990 to 1998, he served as chief operating officer of RD Capital, Inc. until its merger into Acadia Realty Trust. He was an associate with the New York law firm of Battle Fowler LLP, from 1986 to 1990. Mr. Bernstein has been a member of the board of directors of GBDC 3 since August 2017. He has been a member of the National Association of Corporate Directors, International Council of Shopping Centers, the National Association of Real Estate Investment Trusts, for which he serves on the Board of Governors, the Urban Land Institute and the Real Estate Roundtable. Mr. Bernstein was also the founding chairman of the Young Presidents’ Organization Real Estate Network and is currently a member of its board of advisors. He holds a B.A. from the University of Vermont and a J.D. from Boston University School of Law. Mr. Bernstein’s experience as a senior executive officer within finance companies led the nominating and corporate governance committee of each of GBDC and GCIC to conclude that Mr. Bernstein is qualified to serve as a director.

Anita R. Rosenberg brings to the board of directors a diverse knowledge of business and finance. She has been a member of the board of directors of GBDC 3 since August 2017. Ms. Rosenberg became a trustee of Baron Investment Funds Trust in May 2013 and an independent director for Impala Asset Management in January 2014. From April 2011 through May 2012, she served as an independent advisor to Magnetar Capital, a multi-strategy hedge fund. From 1999 until her retirement in February 2009, Ms. Rosenberg was a Partner and Portfolio Manager at Harris Alternatives, LLC, and its predecessor, Harris Associates, L.P. Ms. Rosenberg brings to the Board expertise in capital markets, portfolio management and business operations. As a Portfolio Manager at Harris Alternatives, LLC, Ms. Rosenberg managed all aspects of a $14 billion fund of hedge funds, including asset selection, risk assessment and allocation across investment strategies. Prior to Harris Alternatives, LLC, Ms. Rosenberg held senior level positions at several large asset management/investment banking institutions, including Banker’s Trust, Global Asset Management and Merrill Lynch Capital Markets. Ms. Rosenberg received her B.A. in 1985 from Harvard University. Ms. Rosenberg's experience as a partner and senior executive in several asset management firms led the nominating and corporate governance committee of each of GBDC and GCIC to conclude that Ms. Rosenberg is qualified to serve as a director.

William M. Webster IV brings to the board of directors a diverse knowledge of business and finance. Mr. Webster is one of the co-founders of Advance America, Advance Cash Centers, Inc. Mr. Webster served as a director from the company's inception in 1997 through May 2012 and as the Chairman of the board of directors from August 2008 through May 2012 and previously from January 2000 through July 2004. He was the Chief Executive Officer of Advance America, Advance Cash Centers, Inc. from its inception through August 2005. From May 1996 to May 1997, Mr. Webster served as Executive Vice President of Education Management Corporation and was responsible for corporate development, human resources, management information systems, legal affairs and government relations. From October 1994 to October 1995, Mr. Webster served as Assistant to the President of the United States and Director of Scheduling and Advance. Mr. Webster served as Chief of Staff to U.S. Department of Education Secretary Richard W. Riley from January 1993 to October 1994. From November 1992 to January 1993, Mr. Webster was Chief of Staff to Richard W. Riley as part of the Presidential Transition Team. Mr. Webster serves on the board of directors of LKQ Corporation (NYSE), Compass Systems, Inc. and GBDC 3 since August 2017. Mr. Webster holds an Executive Masters Professional Director Certification, the highest level, from the American College of Corporate Directors, a public company director education and credentialing organization. Mr. Webster is a 1979 summa cum laude graduate of Washington and Lee University and a Fulbright Scholar. Mr. Webster is also a graduate of the University of Virginia School of Law. Mr. Webster holds an Executive Masters Professional Director Certification, their highest level, from the American College of Corporate Directors, a public company director education and credentialing organization. Mr. Webster's knowledge of business and finance developed as a senior executive officer led the nominating and corporate governance committee of each of GBDC and GCIC to conclude that Mr. Webster is qualified to serve as a director.

Interested Directors

Lawrence E. Golub has served as Chairman of the GBDC Board since November 2009 and of the GCIC Board since September 2014. The Board benefits from Mr. Lawrence E. Golub's business leadership and experience and knowledge of the financial services industry. Mr. Golub previously spent ten years as a principal investor and investment banker. As a Managing Director of the Risk Merchant Bank at Bankers Trust Company, he applied derivative products to principal investing and merger and acquisitions transactions. As a Managing Director of Wasserstein Perella Co., Inc., he established that firm's capital markets group and debt restructuring practice. As an officer of Allen & Company Incorporated, he engaged in principal investing, mergers and acquisitions advisory engagements and corporate finance transactions. Mr. Golub is active in charitable and civic organizations. He is one of three private members of the Financial Control Board of the State of New York, President of the Harvard University JD-MBA Alumni Association, a member of the Harvard University Committee on University Resources, and a member of the Advisory Council of Harvard Kennedy School's Mossavar-Rahmani Center for Business & Government. Mr. Golub was a White House Fellow and served for over 15 years as Treasurer of the White House Fellows Foundation. Mr. Golub was chairman of Mosholu Preservation Corporation, a non-profit developer and manager of low income housing in the Bronx. He served for over fifteen years as a trustee of Montefiore Medical Center, the university hospital of the Albert Einstein Medical School. He also served for six years as a trustee of Horace Mann School and for five years on the Harvard University Committee for Science and Engineering. Mr. Golub also serves on the board of directors of GBDC 3, since August 2017, and previously served on the board of directors of Empire State Realty Trust, Inc. (NYSE). Mr. Golub's experiences with Golub Capital and his focus on middle-market lending led the nominating and corporate governance committee of each of GBDC and GCIC to conclude that Mr. Golub is qualified to serve as a director.

David B. Golub has served as GBDC's Chief Executive Officer since November 2009 and as President and Chief Executive Officer of GCIC since November 2014. Mr. Golub joined Golub Capital as Vice Chairman in January 2004, after having served as a director of affiliates of the firm since 1995. He brings to the board of directors a diverse knowledge of business and finance. He is currently President and Chief Executive Officer of GBDC 3 and serves on the board of directors of GBDC 3 and has held such positions since August 2017. From 1995 through October 2003, Mr. Golub was a Managing Director of Centre Partners Management LLC, a leading private equity firm. From 1995 through 2000, Mr. Golub also served as a Managing Director of Corporate Partners, a private equity fund affiliated with Lazard Fréres & Co. formed to acquire significant minority stakes in established companies. Mr. Golub was the first Chairman of the board of directors and is a long-standing Director of the Michael J. Fox Foundation for Parkinson's Research. He also serves on the board of directors of The Burton Corporation and has served on the board of numerous public and private companies. Mr. Golub is the brother of Lawrence E. Golub, Chairman of the Board. Mr. Golub earned his A.B. degree in Government from Harvard College. He received an M.Phil. in International Relations from Oxford University, where he was a Marshall Scholar, and an M.B.A. from Stanford Graduate School of Business, where he was named an Arjay Miller Scholar. Mr. Golub's experiences with Golub Capital and his focus on middle-market lending led the nominating and corporate governance committee of each of GBDC and GCIC to conclude that Mr. Golub is qualified to serve as a director.

Officers Who Are Not Directors

Ross A. Teune has served as GBDC's Chief Financial Officer and Treasurer since December 2010 and as GCIC's Chief Financial Officer and Treasurer since September 2014. Mr. Teune is a Senior Vice President at Golub Capital and is currently the Chief Financial Officer and Treasurer for GCIC and GBDC 3. Prior to being elected GBDC's Chief Financial Officer and Treasurer, Mr. Teune served as Senior Vice President of Finance at Golub Capital Incorporated from November 2007 to December 2008 and the Administrator from January 2009 to present with responsibility for the financial reporting for its privately managed debt funds. Mr. Teune served as Director of Strategic Planning at Merrill Lynch Capital from April 2006 to November 2007. Prior to this position, Mr. Teune was Vice President of Finance at Antares Capital Corporation from July 2002 to April 2006, where he was responsible for overseeing operations and financial reporting. Mr. Teune also served as the primary liaison to the tax, treasury, external reporting and market risk departments of Massachusetts Life Insurance Company, Antares Capital's parent company. Mr. Teune also worked at Heller Financial Corporation and KPMG LLP. Mr. Teune graduated from Hope College with a B.A. in Accounting and is a Certified Public Accountant (inactive).

Joshua M. Levinson has served as GBDC's Chief Compliance Officer since August 2011 and Secretary since December 2011, as GCIC's Chief Compliance Officer and Secretary since November 2014 and is also the Co-General Counsel and Chief Compliance Officer of Golub Capital, where he has primary responsibility for legal and compliance matters. Mr. Levinson is currently the Chief Compliance Officer and Secretary for GBDC 3. Mr. Levinson served as Counsel at Magnetar Capital from 2006 to 2010, where he was responsible for the legal affairs of a number of business units and also served as Secretary of Magnetar Spectrum Fund. Prior thereto, Mr. Levinson was a private equity and investment funds attorney at King & Spalding LLP and a corporate attorney at Wilson Sonsini Goodrich & Rosati. Mr. Levinson holds a B.S. from Vanderbilt University and received a J.D. from Georgetown University Law Center, where he was an associate editor of the Georgetown Law Journal.

Gregory A. Robbins is a Managing Director of Golub Capital and has served as GBDC's Managing Director since November 2013 and as GCIC's Managing Director since November 2014. He currently serves as Managing Director for GBDC 3. Prior to joining Golub Capital in 2004, Mr. Robbins was a Vice President in the Merchant Banking Group at Indosuez Capital. During his tenure at Indosuez Capital, Mr. Robbins originated, structured, executed and managed leveraged finance transactions for middle-market private equity sponsors across multiple assets classes. Prior thereto, Mr. Robbins was an associate at Saw Mill Capital, a private equity firm.

Jonathan D. Simmons is a Director of Golub Capital and has served as GBDC's Director of Corporate Strategy since February 2016 and as GCIC's Director of Corporate Strategy since November 2014. He also currently serves as Director of Corporate Strategy for GBDC 3. Prior to joining Golub Capital in 2009, Mr. Simmons served as a Senior Associate at Churchill Financial and as an investment banking Associate at J.P. Morgan Securities Inc. Mr. Simmons graduated magna cum laude from Colgate University with a B.A. in Mathematics and Economics.

Committees of the GBDC Board and the GCIC Board

GBDC Audit Committee and GCIC Audit Committee

The members of each of the GBDC and GCIC audit committee are John T. Baily, Kenneth F. Bernstein, Anita R. Rosenberg and William M. Webster IV, each of whom is financially literate and meets the independence standards established by the SEC and, with respect to GBDC, Nasdaq for audit committees and is independent for purposes of the 1940 Act. William M. Webster IV serves as Chairman of each of the audit committees. Each of the GBDC Board and the GCIC Board has determined that Mr. Baily, Mr. Bernstein and Mr. Webster are each an “audit committee financial expert” as that term is defined under Item 407 of Regulation S-K of the Exchange Act.

The purpose of each audit committee is to monitor (i) the integrity of the financial statements of GBDC and GCIC, as applicable, (ii) the independent auditor’s qualifications and independence, (iii) the performance of the internal audit function and independent auditors of GBDC and GCIC, as applicable and (iv) compliance with legal and regulatory requirements by GBDC and GCIC, as applicable. Each audit committee is directly responsible for approving and overseeing the independent accountants of GBDC and GCIC, as applicable, reviewing with the independent accountants the plans and results of the audit engagement, approving professional services provided by the independent accountants, reviewing the independence of the independent accountants and reviewing and overseeing the adequacy of the internal accounting controls of GBDC and GCIC, as applicable. Each audit committee is responsible for reviewing and discussing with management and the independent accountants the annual audited financial statements of GBDC and GCIC, as applicable, including disclosures made in management’s discussion and analysis, and recommending to the GBDC Board and the GCIC Board, as applicable, whether the audited financial statements should be included in the Annual Report on Form 10-K of GBDC and GCIC, as applicable. On a quarterly basis, each audit committee reviews and discusses with management and the independent accountants the earnings releases and quarterly financial statements of GBDC and GCIC, as applicable, prior to the filing of its respective Quarterly Reports on Form 10-Q, including the results of the independent accountants’ reviews of the quarterly financial statements. Periodically during each fiscal year, each audit committee meets, including private meetings, with the independent accountants and selected executive officers of GBDC and GCIC, as applicable, as appropriate, for consultation on audit, accounting and related financial matters. At least annually, the audit committee reviews a report from the independent accountants regarding the independent accountant’s internal quality-control procedures, any material issues raised by internal quality review, or peer review, of the firm or any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with any such issues, as well as all relationships between GBDC and the independent accountants. In its consideration of whether to recommend that stockholders ratify the selection of the independent accountants of GBDC and GCIC, as applicable, each audit committee considers both the independence of the independent accountants from GBDC or GCIC, as applicable, and management and whether retaining the independent accountants is in the best interests of GBDC or GCIC, as applicable, and the respective stockholders. Each audit committee reviews and approves the amount of audit fees and any other fees paid to the independent accountants of GBDC and GCIC, as applicable.

The function of each audit committee is oversight. The independent accountants are accountable to the GBDC Board or the GCIC Board, as applicable, and the audit committee, as representatives of the stockholders of GBDC or GCIC, as applicable. The applicable board of directors and the applicable audit committee have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent accountants to GBDC or GCIC, as applicable (subject, if applicable, to stockholder ratification).

In fulfilling their responsibilities, the members of each audit committee are not full-time employees of GBDC, GCIC or management and are not, and do not represent themselves to be, accountants or auditors by profession. Accordingly, it is not the duty or the responsibility of each audit committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures, to determine that the applicable financial statements are complete and accurate and are in accordance with generally accepted accounting principles, or to set auditor independence standards.

The responsibilities of each audit committee also include compliance oversight, including discussing with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the financial statements or accounting policies of GBDC or GCIC, as applicable. In addition, each audit committee reviews related party transactions and considers any conflicts of interest brought to its attention pursuant to GBDC’s and GCIC’s Code of Conduct or Code of Ethics, as applicable. See “Certain Relationships and Related Party Transactions of Golub Capital BDC, Inc.” and “Certain Relationships and Related Party Transactions of Golub Capital Investment Corporation.”

The audit committee is also responsible for aiding the GBDC Board or GCIC Board, as applicable, in fair value pricing debt and equity securities that are not publicly traded or for which current market values are not readily available. The GBDC Board, the GCIC Board and each audit committee utilize the services of independent valuation firms to help them determine the fair value of these securities. The GBDC audit committee’s charter is available on GBDC’s website *(www.golubcapitalbdc.com)* and the GCIC audit committee charter is attached as Annex A to GCIC’s proxy statement for its 2017 annual meeting of stockholders. Each audit committee met four times during the fiscal year ended September 30, 2018.

GBDC Nominating and Corporate Governance Committee and GCIC Nominating and Corporate Governance Committee

The members of each of the GBDC and GCIC nominating and corporate governance committee are John T. Baily, Kenneth F. Bernstein, Anita R. Rosenberg and William M. Webster IV, each of whom is independent for purposes of the 1940 Act and, with respect to GBDC, the Nasdaq corporate governance rules. William M. Webster IV serves as Chairman of each nominating and corporate governance committee. Each nominating and corporate governance committee is responsible for selecting, researching and nominating directors for election by the stockholders of GBDC or GCIC, as applicable, selecting nominees to fill vacancies on the GBDC Board or GBCIC Board or a committee of the GBDC Board or GCIC Board, as applicable, developing and recommending to the GBDC Board or GCIC Board, as applicable, a set of corporate governance principles and overseeing the evaluation of the GBDC Board or the GCIC Board, as applicable, and management. The GBDC nominating and corporate governance committee has adopted a written nominating and corporate governance committee charter that is available on GBDC's website *(www.golubcapitalbdc.com)*. The GCIC nominating and corporate governance committee has adopted a written nominating and corporate governance committee charter that is attached as Annex B to its proxy statement for GCIC's 2017 annual meeting of stockholders.

Each nominating and corporate governance committee considers stockholder recommendations for possible nominees for election as directors when such recommendations are submitted in accordance with the bylaws of GBDC or GCIC, as applicable, the respective nominating and corporate governance committee charter and any applicable law, rule or regulation regarding director nominations. The GBDC Bylaws provide that a GBDC stockholder who wishes to nominate a person for election as a director at a meeting of stockholders must deliver written notice to GBDC's corporate secretary, Joshua M. Levinson, c/o Golub Capital BDC, Inc., 666 Fifth Avenue, 18th Floor, New York, NY 10103. The GCIC Bylaws provide that a GCIC stockholder who wishes to nominate a person for election as a director at a meeting of Stockholders must deliver written notice to GCIC's corporate secretary, Joshua M. Levinson, c/o Golub Capital Investment Corporation, 666 Fifth Avenue, 18th Floor, New York, NY 10103. This notice must contain, as to each nominee, all information that would be required under applicable SEC rules to be disclosed in connection with election of a director and certain other information set forth in the GBDC Bylaws or GCIC Bylaws, as applicable, including the following minimum information for each director nominee: full name, age and address; principal occupation during the past five years; directorships on publicly held companies and investment companies during the past five years; number of shares of GBDC Common Stock or GCIC Common Stock, as applicable, owned, if any; and a written consent of the individual to stand for election if nominated by the GBDC Board or GCIC Board, as applicable, and to serve if elected by the stockholders. In order to be eligible to be a nominee for election as a director by a stockholder, such potential nominee must deliver to GBDC's or GCIC's corporate secretary, as applicable, a written questionnaire providing the requested information about the background and qualifications of such nominee and a written representation and agreement that such nominee is not and will not become a party to any voting agreements, any agreement or understanding with any person with respect to any compensation or indemnification in connection with services on the GBDC Board or GCIC Board, as applicable, and would be in compliance with all of the publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of GBDC or GCIC, as applicable.

Criteria considered by each nominating and corporate governance committee in evaluating the qualifications of individuals for election as members of the GBDC Board or GCIC Board, as applicable, include compliance with the independence and other applicable requirements of the 1940 Act, the SEC, and, with respect to GBDC, the Nasdaq corporate governance rules, and all other applicable laws, rules, regulations and listing standards; the criteria, policies and principles set forth in the applicable nominating and corporate governance committee's charter and the ability to contribute to effective management of GBDC or GCIC, as applicable, taking into account the company's needs and such factors as the individual's experience, perspective, skills and knowledge of the industry in which the company operates. Each nominating and corporate governance committee also may consider such other factors as it may deem are in the best interests of GBDC or GCIC, as applicable, and the applicable stockholders. The GBDC nominating and corporate governance committee met one time during the fiscal year ended September 30, 2018. The GCIC nominating and corporate governance committee met one time during the fiscal year ended September 30, 2018.

GBDC Compensation Committee

The members of the GBDC compensation committee are John T. Baily, Kenneth F. Bernstein, Anita R. Rosenberg and William M. Webster IV, each of whom meets the independence standards established by the SEC and the Nasdaq corporate governance rules. Anita R. Rosenberg serves as Chairperson of the GBDC compensation committee. The GBDC compensation committee is responsible for determining, or recommending to the GBDC Board for determination, the compensation, if any, of GBDC's chief executive officer and its other executive officers. Currently none of GBDC's executive officers are compensated by GBDC and, as a result, the GBDC compensation committee does not produce and/or review a report on executive compensation practices. The GBDC compensation committee is responsible for reviewing the reimbursement by GBDC to the Administrator of the allocable portion of GBDC's chief financial officer and chief compliance officer and their respective staffs on an annual basis.

The GBDC compensation committee also has the authority to engage compensation consultants following consideration of certain factors related to such consultants' independence. The GBDC compensation committee charter is available on GBDC's website (*www.golubcapitalbdc.com*). The GBDC compensation committee met two times during the fiscal year ended September 30, 2087.

Compensation of GBDC Directors

The following table shows information regarding the compensation earned by GBDC's directors for the fiscal year ended September 30, 2018. No compensation is paid to directors who are "interested persons."

Name	Aggregate Compensation from GBDC(1)	Pension or Retirement Benefits Accrued as Part of GBDC's Expenses(2)	Total Compensation from GBDC(1)
Independent Directors			
John T. Baily	$ 70,200	-	$ 70,200
Kenneth F. Bernstein	$ 68,300	-	$ 68,300
Anita R. Rosenberg	$ 70,200	-	$ 70,200
William M. Webster IV	$ 78,400	-	$ 78,400
Interested Director			
Lawrence E. Golub	-	-	-
David B. Golub	-	-	-

(1) The amounts listed are for the fiscal year ending September 30, 2018. For a discussion of the independent directors' compensation, see below.

(2) GBDC does not have a profit-sharing or retirement plan, and directors do not receive any pension or retirement benefits.

The GBDC Independent Directors will receive an annual fee of $63,400 for the fiscal year ending September 30, 2019. They also receive $1,700 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending in person or telephonically each regular board of directors meeting and $500 for each special telephonic meeting. They also receive $1,700 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with each committee meeting attended in person and $500 for each telephonic committee meeting (provided that such compensation will only be paid if the committee meeting is not held on the same day as any regular board meeting). The chairman of the GBDC audit committee receives an annual fee of $8,200. GBDC has obtained directors' and officers' liability insurance on behalf of its directors and officers. No compensation is paid to directors who are "interested persons." The GBDC Board reviews and determines the compensation of the GBDC Independent Directors.

Compensation of GCIC Directors

The following table shows information regarding the compensation earned by GCIC's directors for the fiscal year ended September 30, 2018. No compensation is paid to directors who are "interested persons."

Name	Aggregate Compensation from GCIC(1)	Pension or Retirement Benefits Accrued as Part of GCIC's Expenses(2)	Total Compensation from GCIC(1)
Independent Directors			
John T. Baily	$ 58,400	-	$ 58,400
Kenneth F. Bernstein	$ 57,300	-	$ 57,300
Anita R. Rosenberg	$ 58,400	-	$ 58,400
William M. Webster IV	$ 65,200	-	$ 65,200
Interested Director			
Lawrence E. Golub	-	-	-
David B. Golub	-	-	-

(1) The amounts listed are for the fiscal year ending September 30, 2018. For a discussion of the independent directors' compensation, see below.

(2) GCIC does not have a profit-sharing or retirement plan, and directors do not receive any pension or retirement benefits.

The GCIC Independent Directors will receive an annual fee of $63,600 for the fiscal year ending September 30, 2019. They also receive $1,800 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending in person or telephonically each regular board of directors meeting and $500 for each special telephonic meeting. They also receive $1,800 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with each committee meeting attended in person and $500 for each telephonic committee meeting (provided that such compensation will only be paid if the committee meeting is not held on the same day as any regular board meeting). The chairman of the GCIC audit committee receives an annual fee of $7,500. GCIC has obtained directors' and officers' liability insurance on behalf of its directors and officers. No compensation is paid to directors who are "interested persons." The GCIC Board reviews and determines the compensation of the GCIC Independent Directors.

Investment Committee

The investment committee of GC Advisors responsible for each of GBDC's and GCIC's investments meets regularly to consider the investments of GBDC and GCIC, direct its strategic initiatives and supervise the actions taken by GC Advisors on GBDC's and GCIC's behalf. In addition, the investment committee reviews and determines whether to make prospective investments identified by GC Advisors and monitors the performance of GBDC's and GCIC's investment portfolios. GC Advisors' investment professionals receive no compensation from GBDC or GCIC. The compensation of these individuals is paid by an affiliate of GC Advisors and includes an annual base salary and, in certain cases, an annual bonus based on an assessment of short-term and long-term performance.

Information regarding members of GC Advisors' investment committee is as follows:

Name	**Age**	**Position**
Lawrence E. Golub	59	Chairman of GBDC's and GCIC's board of directors
David B. Golub	56	Chief Executive Officer and Director of GBDC; President, Chief Executive Officer and Director of GCIC
Gregory W. Cashman	54	Senior Managing Director of Golub Capital
Andrew H. Steuerman	50	Senior Managing Director of Golub Capital

The address for each member of the investment committee is c/o Golub Capital BDC, Inc., 666 Fifth Avenue, 18th Floor, New York, NY 10103.

Members of GC Advisors' Investment Committee Who Are Not GBDC's or GCIC's Directors or Officers

Gregory W. Cashman has served on GC Advisors' investment committee since the registration of GC Advisors as a registered investment adviser. Mr. Cashman is a Senior Managing Director of Golub Capital. Mr. Cashman co-heads Golub Capital's Direct Lending Group, overseeing Underwriting, Deal Execution and Portfolio Management and is a member of the firm's investment and watch list committees. Mr. Cashman also oversees Golub Capital's Middle-market Club Investments business. Prior to joining Golub Capital in 1996, Mr. Cashman worked in various finance positions at Bristol-Myers Squibb Co. from 1993 to 1996, and was named Manager of Business Development for the venture capital arm of Bristol-Myers Squibb Co.'s Consumer Medicines Division. In that position, he was responsible for analyzing and negotiating investment and acquisition opportunities. Previously, Mr. Cashman spent four years as a senior accountant with Arthur Andersen & Co., serving emerging growth companies. He is a director or advisory director of a number of Golub Capital's portfolio companies. Mr. Cashman graduated from the McIntire School of The

University of Virginia with a B.S. in Commerce and received an M.B.A. from the Darden School of Business.

Andrew H. Steuerman has served on GC Advisors' investment committee since the registration of GC Advisors as a registered investment adviser. Mr. Steuerman is a Senior Managing Director of Golub Capital. Mr. Steuerman co-heads Golub Capital's Direct Lending group, overseeing Origination, Deal Execution and Capital Markets and is a member of the firm's investment and watch list committees. Prior to joining Golub Capital in 2004, Mr. Steuerman was a Managing Director at Albion Alliance from April 1998 to January 2004, where he originated, executed and supervised subordinated debt and equity investments for two private partnerships. Prior to Albion, Mr. Steuerman was a Vice President at Bankers Trust Alex Brown from 1997 to 1998 and an investment manager with New York Life Insurance Company from 1989 to 1997 in the Private Equity and Mezzanine Group. At New York Life, Mr. Steuerman was a senior member of the Private Equity Group managing leveraged senior loans, mezzanine investments, private equity securities and limited partnership assets. Mr. Steuerman graduated from Pace University with a B.B.A. in Finance and holds an M.B.A. in Finance from St. John's University.

Portfolio Management

Each investment opportunity requires the consensus and generally receives the unanimous approval of GC Advisors' investment committee. Follow-on investments in existing portfolio companies may require the investment committee's approval beyond that obtained when the initial investment in the company was made. In addition, temporary investments, such as those in cash equivalents, U.S. government securities and other high quality debt investments that mature in one year or less, may require approval by the investment committee. The day-to-day management of investments approved by the investment committee is overseen by Messrs. Lawrence and David Golub. Biographical information with respect to Messrs. Lawrence and David Golub is set out under "—Biographical Information—Interested Directors."

Each of Lawrence Golub and David Golub has ownership and financial interests in, and may receive compensation and/or profit distributions from, GC Advisors. Neither Lawrence Golub nor David Golub receives any direct compensation from GBDC or GCIC. As of the date of this joint proxy statement/prospectus, David Golub beneficially owned more than $1 million of GBDC Common Stock, and Lawrence Golub and David Golub each beneficially owned more than $1 million of GCIC Common Stock. Lawrence Golub and David Golub are also primarily responsible for the day-to-day management of approximately 22 other pooled investment vehicles, with over $23.3 billion of capital under management, and approximately 16 other accounts, with over $2.9 billion of capital under management, in which their affiliates receive incentive fees. See "Certain Relationships and Related Party Transactions of Golub Capital BDC, Inc." and "Certain Relationships and Related Party Transactions of Golub Capital Investment Corporation."

Golub Capital BDC, Inc. MANAGEMENT AGREEMENTS

Current GBDC Investment Advisory Agreement

GC Advisors is registered as an investment adviser under the Advisers Act. The beneficial interests in GC Advisors are majority owned, indirectly, by two affiliated trusts. The trustees of those trusts are Stephen A. Kepniss and David L. Finegold. Subject to the overall supervision of the GBDC Board and in accordance with the 1940 Act, GC Advisors manages GBDC's day-to-day operations and provides investment advisory services to GBDC. Services provided under the Current GBDC Investment Advisory Agreement are the same as those to be provided under the New Investment Advisory Agreement. See "GBDC Proposal 3: Approval of Advisory Agreement Amendment Proposal—Background" for a description of the advisory and related services provided by GC Advisors.

GC Advisors' services under the Current GBDC Investment Advisory Agreement are not exclusive. Subject to the requirements of the 1940 Act, GC Advisors may enter into one or more sub-advisory agreements under which GC Advisors may obtain assistance in fulfilling its responsibilities under the Current GBDC Investment Advisory Agreement.

Management Fee

Pursuant to the Current GBDC Investment Advisory Agreement, GBDC pays GC Advisors a fee for investment advisory and management services consisting of two components - a base management fee and an incentive fee. The cost of both the base management fee and the incentive fee is ultimately borne by GBDC's stockholders.

The base management fee under the Current GBDC Investment Advisory Agreement is calculated in the same manner as under the New Investment Advisory Agreement. See "GBDC Proposal 3: Approval of Advisory Agreement Amendment Proposal—Base Management Fee" for a description of the calculation of the 1.375% base management fee payable pursuant to the Current GBDC Investment Advisory Agreement. For the fiscal years ended September 30, 2018, 2017 and 2016, GBDC paid GC Advisors base management fees of $24.1 million, $23.5 million and $21.7 million, respectively, pursuant to the Current GBDC Investment Advisory Agreement.

GBDC pays GC Advisors an incentive fee under the Current GBDC Investment Advisory Agreement. GBDC has structured the calculation of the incentive fee to include a fee limitation such that an incentive fee for any quarter under the Current GBDC Investment Advisory Agreement can only be paid to GC Advisors if, after such payment, the cumulative incentive fees paid to GC Advisors since April 13, 2010, the effective date of GBDC's election to become a business development company, would be less than or equal to 20.0% of GBDC's Cumulative Pre-Incentive Fee Net Income (as calculated under the under the Current GBDC Investment Advisory Agreement described below).

GBDC accomplishes this limitation by subjecting each quarterly incentive fee payable under the Current Income and Capital Gains Incentive Fee Calculation to the Current GBDC Incentive Fee Cap. The Current GBDC 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 GBDC since April 13, 2010. To the extent the Current GBDC 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" under the Current GBDC Investment Advisory Agreement 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" under the Current GBDC Investment Advisory Agreement 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 GBDC receives 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 Current GBDC Investment Advisory Agreement and the Administration Agreement, 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 PIK interest, preferred stock with PIK dividends, and zero coupon securities, accrued income that GBDC has not yet received in cash. GC Advisors does not return to GBDC amounts paid to it on accrued income that GBDC has not yet received in cash if such income is not ultimately received by GBDC in cash. If GBDC does not ultimately receive income, a loss would be recognized, reducing future fees.

If GBDC Stockholders approve the Advisory Agreement Amendment Proposal at the GBDC Special Meeting, the New Investment Advisory Agreement will be effective as of the closing of the Merger. If the Merger does not close, then the New Investment Advisory Agreement will not go into effect, even if approved by the GBDC stockholders. Under the New Investment Advisory Agreement, the calculation of the cumulative incentive fee cap will be revised (i) to be calculated on a per share, rather than aggregate, basis and (ii) to exclude from the calculation of the incentive fee cap the unrealized depreciation and unrealized loss that results solely from the purchase accounting treatment of any premium paid for the acquisition of assets in a merger or other transaction, such as the premium to premium to NAV paid to GCIC Stockholders in the Merger. See "GBDC Proposal 3: Approval of Advisory Agreement Amendment Proposal" for a description of the New Incentive Fee Cap that would be effective upon closing of the Merger following GBDC Stockholder approval of the Advisory Agreement Amendment Proposal.

Incentive fees are calculated as described below and payable quarterly in arrears (or, upon termination of the Current GBDC Investment Advisory Agreement, as of the termination date).

Current Income and Capital Gains Incentive Fee Calculation

The Current Income and Capital Gains Incentive Fee Calculation has two parts: the income component and the capital gains component. The income component is calculated quarterly in arrears based on GBDC's Pre-Incentive Fee Net Investment Income (calculated in accordance with the Current GBDC Investment Advisory Agreement) for the immediately preceding calendar quarter. .

GBDC calculates the income component of the Current Income and Capital Gains Incentive Fee Calculation in the same manner as the Income Incentive Fee under the New Investment Advisory Agreement with the only change being that the determination of Pre-Incentive Fee Net Investment Income under the Current GBDC Investment Advisory Agreement does not include any adjustment for the amortization or accretion of any purchase premium or purchase discount to interest income resulting solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger. The income component under the Current GBDC Investment Advisory Agreement is calculated with respect to GBDC's 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 GBDC's 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. GBDC refers to this portion of its 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 GBDC's Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.5% in any calendar quarter.

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

The second part of the Current Capital Gain Incentive Fee equals (a) 20.0% of GBDC's Capital Gain Incentive Fee Base (as defined in the Current GBDC Investment Advisory Agreement), if any, calculated in arrears as of the end of each calendar year (or upon termination of the Current GBDC 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. GBDC's "Capital Gain Incentive Fee Base" under the Current GBDC Investment Advisory Agreement is calculated in the same manner as the New Capital Gain Incentive Fee Base provided that the calculation realized capital gains and losses and unrealized depreciation do not include an adjustment to the cost basis of investments to exclude amounts recognized solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger. The Current GBDC Capital Gain Incentive Fee Base equals (1) the sum of (i) GBDC's 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 GBDC's 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 GBDC's 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 GBDC's portfolio as of the applicable Capital Gain Incentive Fee calculation date and (b) the accreted or amortized cost basis of such investment.

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The Current GBDC Capital Gain Incentive Fee payable for the years ended September 30, 2018, 2017 and 2016 was $2.3 million, $0.4 million and $0, respectively. However, in accordance with GAAP, GBDC is required to accrue for the Current GBDC Capital Gain Incentive Fee on a quarterly basis and is further required to include the aggregate unrealized capital appreciation on investments when calculating the capital gain incentive fee accrual, 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 Current GBDC Investment Advisory Agreement. If the Current GBDC Capital Gain Incentive Fee Base, adjusted as required by GAAP to include unrealized appreciation, is positive at the end of a period, then GAAP requires GBDC to accrue a capital gain incentive fee equal to 20% of such amount, less the aggregate amount of the actual Current GBDC Capital Gain Incentive Fees paid or capital gain incentive fees accrued under GAAP in all prior periods. If such amount is negative, then there is no accrual for such period. The resulting accrual under GAAP for any capital gain incentive fee payable in a given period may result in additional expense if such cumulative amount is greater than in the prior period or a reversal of previously recorded expense if such cumulative amount is less than in the prior period. There can be no assurance that such unrealized capital appreciation will be realized in the future. Any payment due under the terms of the Current GBDC Investment Advisory Agreement is calculated in arrears at the end of each calendar year, and GBDC paid a $1.2 million Current GBDC Capital Gain Incentive Fee calculated in accordance with the Current GBDC Investment Advisory Agreement as of December 31, 2017. GBDC did not pay any capital gain incentive fee under the Current GBDC Investment Advisory Agreement for any period ended prior to December 31, 2017. For the years ended September 30, 2018, 2017 and 2016, GBDC accrued a capital gain incentive fee under GAAP of $1.5 million, $2.8 million, and $1.2 million, respectively.

If GBDC stockholders approve the Advisory Agreement Amendment Proposal at the GBDC Special Meeting, the New Investment Advisory Agreement will be effective as of the closing of the Merger. If the Merger does not close, then the New Investment Advisory Agreement will not go into effect, even if approved by the GBDC stockholders. Under the New Investment Advisory Agreement, the calculation of the capital gain incentive fee will be revised to exclude from the calculation of the capital gain incentive fee any unrealized depreciation and unrealized loss that results solely from the purchase accounting treatment of any premium paid for the acquisition of assets in a merger or other transaction, such as the premium to the premium to NAV paid to GCIC Stockholders in the Merger, rather than any economic loss incurred by GBDC. See "GBDC Proposal 3: Approval of Advisory Agreement Amendment Proposal" for a description of the New Capital Gain Incentive Fee that would be effective upon closing of the Merger following GBDC Stockholders approval of the Advisory Agreement Amendment Proposal.

For the fiscal years ended September 30, 2018, 2017 and 2016, GBDC paid GC Advisors incentive fees of $8.8 million, $7.4 million and $6.6 million, respectively, pursuant to the Current GBDC Investment Advisory Agreement.

Payment of GBDC's Expenses

All investment professionals of GC Advisors and/or its affiliates, when and to the extent engaged in providing investment advisory and management services to GBDC, and the compensation and routine overhead expenses of personnel allocable to these services to us, are provided and paid for by GC Advisors and/or its affiliates and not by GBDC. GBDC bears all other out-of-pocket costs and expenses of its operations and transactions. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Golub Capital BDC, Inc.—Overview—Expenses.”

Duration and Termination

Unless terminated earlier as described below, the Current GBDC Investment Advisory Agreement will continue in effect from year to year if approved annually by the GBDC Board or by the affirmative vote of the holders of a majority of GBDC’s outstanding voting securities, and, in either case, if also approved by a majority of GBDC’s directors who are not “interested persons,” as that term is defined in the 1940 Act, of GBDC or GC Advisors. The Current GBDC Investment Advisory Agreement automatically terminates in the event of its assignment, as defined in the 1940 Act, by GC Advisors and may be terminated by either party without penalty upon not less than 60 days’ written notice to the other. The holders of a majority of GBDC’s outstanding voting securities, by vote, may also terminate the Current GBDC Investment Advisory Agreement without penalty.

Indemnification

The Current GBDC Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, GC Advisors and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from GBDC for any damages, liabilities, costs and expenses (including reasonable attorneys’ fees and amounts reasonably paid in settlement) arising from the rendering of GC Advisors’ services under the Current GBDC Investment Advisory Agreement or otherwise as GBDC’s investment adviser.

Board Approval of the Current GBDC Investment Advisory Agreement

At a meeting of the GBDC Board held in May 2018, the GBDC Board voted unanimously to reapprove the Current GBDC Investment Advisory Agreement. In reaching a decision to approve the Current GBDC Investment Advisory Agreement, the GBDC Board reviewed a significant amount of information and considered, among other things:

- the nature, extent and quality of services provided to GBDC by GC Advisors;
- the relative investment performance of GBDC since April 1, 2016 and since its inception;

- the fees paid by other comparable business development companies; and

· various other matters.

Based on the information reviewed and the considerations detailed above, the GBDC Board including all of the directors who are not “interested persons,” as that term is defined in the 1940 Act, of GBDC or GC Advisors, concluded that the investment advisory fee rates and terms are fair and reasonable in relation to the services provided and approved the renewal of the Current GBDC Investment Advisory Agreement for a one year term.

Administration Agreement

Pursuant to the Administration Agreement, the Administrator furnishes GBDC with office facilities and equipment and provides clerical, bookkeeping, recordkeeping and other administrative services at such facilities. Under the Administration Agreement, the Administrator performs, or oversees the performance of, GBDC’s required administrative services, which include being responsible for the financial records that GBDC is required to maintain and preparing reports to its stockholders and reports filed with the SEC. In addition, the Administrator assists GBDC in determining and publishing its net asset value, oversees the preparation and filing of its tax returns and the printing and dissemination of reports to its stockholders, and generally oversees the payment of its expenses and the performance of administrative and professional services rendered to it by others. The Administrator may retain third parties to assist in providing administrative services to GBDC. To the extent that the Administrator outsources any of its functions, GBDC pays the fees associated with such functions on a direct basis without profit to the Administrator. GBDC reimburses the Administrator for the allocable portion (subject to review and approval of the GBDC Board) 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 GBDC’s allocable portion of the cost of its chief financial officer and chief compliance officer and their respective staffs. The GBDC Board reviews the expenses reimbursed to the Administrator, including any allocation of expenses among GBDC and other entities for which the Administrator provides similar services, to determine that these expenses are reasonable and comparable to administrative services charged by unaffiliated third party asset managers. In addition, if requested to provide managerial assistance to GBDC’s portfolio companies, the Administrator is paid an additional amount based on the cost of the services provided, which shall not exceed the amount GBDC receives from such portfolio companies for providing this assistance. In May 2018, the Administration Agreement was renewed for a one-year term with the unanimous approval of the GBDC Board. The Administration Agreement may be terminated by either party without penalty upon 60 days’ written notice to the other party.

Indemnification

The Administration Agreement provides that, absent willful misfeasance, bad faith or negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, the Administrator and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from GBDC for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Administrator's services under the Administration Agreement or otherwise as GBDC's administrator.

License Agreement

GBDC has entered into a license agreement with Golub Capital LLC under which Golub Capital LLC has granted GBDC a non-exclusive, royalty-free license to use the name "Golub Capital." Under this agreement, GBDC will have a right to use the "Golub Capital" name and the agreement will remain in effect for so long as GC Advisors or one of its affiliates remains GBDC's investment adviser. Other than with respect to this limited license, GBDC will have no legal right to the "Golub Capital" name.

Staffing Agreement

GBDC does not have any internal management capacity or employees. GBDC depends on the diligence, skill and network of business contacts of the senior investment professionals of GC Advisors to achieve its investment objective. GC Advisors is an affiliate of Golub Capital LLC and depends upon access to the investment professionals and other resources of Golub Capital LLC and its affiliates to fulfill its obligations to GBDC under the Current GBDC Investment Advisory Agreement. GC Advisors also depends upon Golub Capital LLC to obtain access to deal flow generated by the professionals of Golub Capital LLC and its affiliates. Under the Staffing Agreement, Golub Capital LLC provides GC Advisors with the resources necessary to fulfill these obligations. The Staffing Agreement provides that Golub Capital LLC will make available to GC Advisors experienced investment professionals and access to the senior investment personnel of Golub Capital LLC for purposes of evaluating, negotiating, structuring, closing and monitoring GBDC's investments. The Staffing Agreement also includes a commitment that the members of GC Advisors' investment committee serve in such capacity. The Staffing Agreement remains in effect until terminated and may be terminated by either party without penalty upon 60 days' written notice to the other party. Services under the Staffing Agreement are provided to GC Advisors on a direct cost reimbursement basis, and such fees are not GBDC's obligation.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS OF GOLUB CAPITAL BDC, INC.

GBDC has entered into agreements with GC Advisors, in which members of GBDC’s senior management and members of GC Advisors’ investment committee have ownership and financial interests. Members of GBDC’s senior management and the investment committee also serve as principals of other investment advisers affiliated with GC Advisors that do and may in the future sponsor or manage accounts with investment objectives similar to GBDC’s investment objectives. In addition, GBDC’s executive officers and directors and the members of GC Advisors and its investment committee serve or may serve as officers, directors or principals of entities that operate in the same, or related, line of business as GBDC does or of accounts managed or sponsored by GBDC’s affiliates. These accounts may have investment objectives similar to GBDC’s investment objective. Certain of these accounts may provide for higher management or incentive fees, allow GC Advisors to recover greater expense reimbursement or overhead allocations, or permit GC Advisors and its affiliates to receive higher origination and other transaction fees. For example, the 1940 Act restricts GC Advisors from receiving more than a 1% fee in connection with loans that GBDC acquires or originates, a limitation that does not exist for certain other accounts.

Subject to certain 1940 Act restrictions on co-investments with affiliates, GC Advisors offers GBDC the right to participate in all investment opportunities that it determines are appropriate for GBDC in view of GBDC’s 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, GBDC 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.

GC Advisors and its affiliates have both subjective and objective policies and procedures in place that are designed to manage the potential conflicts of interest between GC Advisors’ fiduciary obligations to GBDC and its similar fiduciary obligations to other clients. To the extent that GBDC competes 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, GBDC may generally share equitably with other accounts sponsored or managed by GC Advisors or its affiliates in investment opportunities, particularly those involving a security with limited supply or involving differing classes of securities of the same issuer which may be suitable for GBDC and such other accounts. There can be no assurance that GC Advisors’ or its affiliates’ efforts to allocate any particular investment opportunity fairly among all clients for whom such opportunity is appropriate will result in an allocation of all or part of such opportunity to GBDC. Not all conflicts of interest can be expected to be resolved in GBDC’s favor.

GC Advisors has historically sponsored or managed, and currently sponsors or manages, accounts with similar or overlapping investment strategies and has put in place a conflict-resolution policy that addresses the co-investment restrictions set forth under the 1940 Act. GC Advisors seeks to ensure the equitable allocation of investment opportunities when GBDC is able to invest alongside other accounts sponsored or managed by GC Advisors and its affiliates. When GBDC invests 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 GBDC and another similar eligible account, the opportunity will be allocated pro rata based on relative capital available for investment of each of GBDC and such other eligible accounts, subject to minimum and maximum investment size limits. Where there is an insufficient amount of any investment opportunity to satisfy GBDC and other accounts sponsored or managed by GC Advisors or its affiliates, the allocation policy further provides that allocations among GBDC and such other accounts will generally be made pro rata to GBDC and each other eligible account based on the capital available for investment of each of GBDC and such other eligible accounts, subject to the minimum and maximum investment size limits for each such party. 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, GBDC and such other entities would be making different investments in the same issuer, GC Advisors will need to decide whether GBDC 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.

GBDC has in the past and expect in the future to co-invest on a concurrent basis with other affiliates of GC Advisors, unless doing so is impermissible with existing regulatory guidance, applicable regulations, the terms of any exemptive relief granted to GBDC and GBDC's allocation procedures. On February 27, 2017, GBDC, along with GC Advisors and certain other funds and accounts sponsored or managed by GC Advisors and its affiliates, received exemptive relief from the SEC that permits GBDC greater flexibility to negotiate the terms of co-investments if the GBDC Board determines that it would be advantageous for GBDC to co-invest with other accounts sponsored or managed by GC Advisors or its affiliates in a manner consistent with GBDC's investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. GBDC believes that co-investment by GBDC and accounts sponsored or managed by the GC Advisors and its affiliates may afford GBDC additional investment opportunities and the ability to achieve greater diversification. Under the terms of this exemptive relief, a "required majority" (as defined in Section 57(o) of the 1940 Act) of GBDC's independent directors is required to make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the proposed transaction are reasonable and fair to GBDC and its stockholders and do not involve overreaching of GBDC or its stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of GBDC's stockholders and is consistent with GBDC's investment strategies and policies.

GC Advisors and its affiliates have other clients with similar or competing investment objectives, including GCIC, GBDC 3 and several private funds that are pursuing an investment strategy similar to GBDC's investment strategy, some of which may seek new capital from time to time. In serving these clients, GC Advisors may have obligations to other clients or investors in those entities. GBDC's 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. The GBDC Board regularly reviews the allocation policy of Golub Capital and annually reviews the code of ethics of GC Advisors.

GBDC's senior management, members of GC Advisors' investment committee and other investment professionals from GC Advisors may serve as directors of, or in a similar capacity with, companies in which GBDC invests or in which GBDC is considering making an investment. Through these and other relationships with a company, these individuals may obtain material non-public information that might restrict GBDC's ability to buy or sell the securities of such company under the policies of the company or applicable law. In addition, GBDC has adopted a formal code of ethics that governs the conduct of its and GC Advisors' officers, directors and employees. GBDC's officers and directors also remain subject to the duties imposed by both the 1940 Act and the DGCL.

GBDC has entered into the Current GBDC Investment Advisory Agreement with GC Advisors pursuant to which GBDC pays GC Advisors a base management fee and incentive fee. The GBDC Board reapproved the Current GBDC Investment Advisory Agreement for a one-year term in May 2018. The incentive fee is computed and paid on income that GBDC may not have yet received in cash. This fee structure may create an incentive for GC Advisors to make certain types of investments. Additionally, GBDC relies on investment professionals from GC Advisors to assist the GBDC Board with the valuation of GBDC's portfolio investments. GC Advisors' base management fee and incentive fee are based on the value of GBDC's investments and there may be a conflict of interest when personnel of GC Advisors are involved in the valuation process of GBDC's portfolio investments.

GBDC has entered into a license agreement with Golub Capital LLC under which Golub Capital LLC granted GBDC a non-exclusive, royalty-free license to use the name "Golub Capital."

Pursuant to the Administration Agreement, the Administrator furnishes GBDC with office facilities and equipment and provides clerical, bookkeeping, recordkeeping and other administrative services at such facilities. The GBDC Board reapproved the Administration Agreement for a one-year term in May 2018. Under GBDC's Administration Agreement, the Administrator performs, or oversees the performance of, GBDC's required administrative services, which include, among other things, being responsible for the financial records that GBDC is required to maintain and preparing reports to its stockholders and reports filed with the SEC. GC Advisors is the sole member of and controls Golub Capital LLC.

GC Advisors is an affiliate of Golub Capital LLC, with whom it has entered into the Staffing Agreement. Under this agreement, Golub Capital LLC makes available to GC Advisors experienced investment professionals and access to the senior investment personnel and other resources of Golub Capital LLC and its affiliates. The Staffing Agreement provides GC Advisors with access to deal flow generated by the professionals of Golub Capital LLC and its affiliates and commits the members of GC Advisors' investment committee to serve in that capacity. GC Advisors seeks to capitalize on what GBDC believes to be the significant deal origination, credit underwriting, due diligence, investment structuring, execution, portfolio management and monitoring experience of Golub Capital LLC's investment professionals.

GBDC has entered into an unsecured revolving credit facility with GC Advisors.

During the first nine months of the calendar year 2018, the Golub Capital Employee Grant Program Rabbi Trust (the "Trust") purchased approximately $7.2 million of shares, or 396,099 shares, of GBDC Common Stock from GCOP LLC, an affiliate of GC Advisors, for the purpose of awarding incentive compensation to employees of Golub Capital. During calendar year 2017, the Trust purchased approximately $17.7 million of shares, or 955,896 shares, of GBDC Common Stock, for the purpose of awarding incentive compensation to employees of Golub Capital. During calendar year 2016, the Trust purchased approximately $1.5 million of shares, or 95,035 shares, of GBDC Common Stock, for the purpose of awarding incentive compensation to employees of Golub Capital.

GC Advisors serves as collateral manager to the 2014 Issuer, GBDC's direct subsidiary and the 2018 Issuer, GBDC's indirect subsidiary, under collateral management agreements and receives a fee for providing these services that is offset against the base management fee payable by GBDC under the Current GBDC Investment Advisory Agreement. Prior to the redemption of the 2010 Notes on July 20, 2018, GC Advisors served as the collateral manager to the 2010 Issuer, GBDC's indirect subsidiary.

Golub Capital LLC serves as administrative agent for GBDC SLF, an unconsolidated Delaware limited liability company that invests in senior secured loans and is co-managed by GBDC and RGA Reinsurance Company. Pursuant to the Administrative and Loan Services Agreement between GBDC SLF and Golub Capital LLC, Golub Capital LLC provides certain loan servicing and administrative functions to GBDC SLF and is reimbursed for certain of its costs and expenses by GBDC SLF.

The GBDC audit committee, in consultation with GBDC's Chief Executive Officer, Chief Compliance Officer and legal counsel, has established a written policy to govern the review of potential related party transactions. The GBDC audit committee conducts quarterly reviews of any potential related party transactions and, during these reviews, it also considers any conflicts of interest brought to its attention pursuant to GBDC's Code of Conduct or Code of Ethics.

CONTROL PERSONS AND PRINCIPAL STOCKHOLDERS OF GOLUB CAPITAL BDC, INC.

As of November 27, 2018, there were 60,165,454 shares of GBDC Common Stock outstanding. The following table sets out certain ownership information as of December 18, 2018 with respect to GBDC Common Stock for those persons who directly or indirectly own, control or hold with the power to vote five percent or more of its outstanding common stock, each of its directors and officers and all officers and directors as a group.

Name and Address	Type of Ownership	Shares Owned	Percentage		**Estimated Pro Forma Percentage**[(2)]	
Lawrence E. Golub[(1)]	-	-	-		4.8	%
David B. Golub[(1)]	Beneficial	100,312	*	%	4.8	%
John T. Baily[(1)]	Beneficial	33,706	*	%	*	%
Kenneth F. Bernstein[(1)]	Beneficial	51,728	*	%	*	%
Anita R. Rosenberg[(1)]	Beneficial	28,760	*	%	*	%
William M. Webster IV[(1)]	Beneficial	191,514	*	%	*	%
Ross A. Teune[(1)]	Beneficial	12,734	*	%	*	%
Joshua M. Levinson[(1)]	Beneficial	21,511	*	%	*	%
All officers and directors as a group (8 persons)	Beneficial	440,265	*	%	5.2	%

*Represents less than 1.0%.

(1) The business address for each of GBDC's officers and directors is c/o Golub Capital BDC, Inc., 666 Fifth Avenue, 18th Floor, New York, NY 10103.

(2) Estimated Pro Forma Percentage assumes the conversion of 67,103,001.653 shares of GCIC Common Stock, which was the number of shares of GCIC Common Stock outstanding as of November 27, 2018, into 58,044,096 shares of GBDC Common Stock and 60,165,454 shares of GBDC Common Stock outstanding on a pro forma basis. See "Control Persons and Principal Stockholders of Golub Capital Investment Corporation" for ownership information with respect to GCIC Common Stock held by each of the officers and directors of GBDC and GCIC.

GBDC is not part of a "family of investment companies," as that term is defined in the 1940 Act. The following table sets out the dollar range of GBDC's equity securities that each of its directors beneficially owned as of December 14, 2018 based on the closing price of $17.31 on December 14, 2018.

Name of Director	**Dollar Range of Equity Securities in Golub Capital BDC, Inc.(1)**
Independent Directors	
John T. Baily	Over $100,000
Kenneth F. Bernstein	Over $100,000
Anita R. Rosenberg	Over $100,000
William M. Webster IV	Over $100,000
Interested Directors	
Lawrence E. Golub	None
David B. Golub	Over $100,000

(1) Dollar ranges are as follows: none, $1 - $10,000, $10,001 - $50,000, $50,001 - $100,000, or over $100,000.

The following table sets forth the dollar range of limited partnership interests in other private funds advised by Golub Capital and beneficially owned by any of GBDC's independent directors and his or her immediate family as of December 14, 2018.

Name of Director Independent Directors	Name of Owners	Name of Investment	Title of Class	Value of Securities(1)
William M. Webster IV	William M. Webster IV; J. Lyles Glenn, TTE, FBO William M. Webster IV Trust UAD 3/15/99	Golub Capital Partners 9, L.P.; Golub Capital Partners 10, L.P.; Golub Capital Partners 11, L.P.; Golub Capital Partners 11R, L.P.; Golub Capital Partners 12, L.P.; GC Coinvestment, L.P.; GC 2009 Mezzanine Partners, L.P.; Golub Capital International Ltd.; LEG Partners, L.P.; GEMS Fund 4, L.P.; GC Synexus Fund LP; Golub Capital Investment Corporation	N/A - Single Class	Over $100,000 in each

(1) Dollar ranges are as follows: none, $1 - $10,000, $10,001 - $50,000, $50,001 - $100,000, or over $100,000.

BUSINESS OF GOLUB CAPITAL INVESTMENT CORPORATION

General

GCIC is 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, GCIC has elected to be treated as an RIC under Subchapter M of the Code.

GCIC was formed in September 2014 to make investments and generate current income and capital appreciation by investing primarily in one stop and other senior secured loans of U.S. middle-market companies that are, in most cases, sponsored by private equity firms. GCIC commenced operations on December 31, 2014. GCIC structures its one stop loans as senior secured loans, and GCIC obtains 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, GCIC, together with its affiliates, are the sole lenders of one stop loans, which can afford it additional influence over the borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.

GCIC’s 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. GCIC may also selectively invest in 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. GCIC intends to achieve its investment objective by (1) accessing the established loan origination channels developed by Golub Capital, a leading lender to middle-market companies with over $25.0 billion in capital under management as of September 30, 2018, (2) selecting investments within its 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.

GCIC seeks to create a portfolio that includes primarily one stop and senior secured 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. GCIC may also selectively invest more than $30.0 million in some of its portfolio companies and generally expects that the size of its individual investments will vary proportionately with the size of its capital base.

GCIC generally invests 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 GCIC's 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 GCIC's risk of losing part or all of its investment.

GCIC's Investment Adviser

GCIC's investment activities are managed by its 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 GCIC's investments and monitoring GCIC's 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 GCIC Investment Advisory Agreement with GC Advisors, GCIC pays GC Advisors a base management fee and an incentive fee for its services. See "Golub Capital Investment Corporation Management Agreements—GCIC 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 GCIC to GC Advisors. Unlike most closed-end funds whose fees are based on assets net of leverage, GCIC's base management fee is based on its 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 GCIC incurs debt or uses leverage. For purposes of the GCIC 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. The GCIC Board is charged with protecting GCIC's 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, GCIC's independent directors periodically review GC Advisors' services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, GCIC's independent directors consider whether GCIC's fees and expenses (including those related to leverage) remain appropriate. See "Golub Capital Investment Corporation Management Agreements—GCIC Investment Advisory Agreement—Board Approval of the GCIC 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 investment opportunities, which GCIC refers 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 GCIC's investment adviser, GC Advisors is obligated to allocate investment opportunities among GCIC and its other clients fairly and equitably over time in accordance with its allocation policy. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of Golub Capital Investment Corporation—Related Party Transactions." However, there can be no assurance that such opportunities will be allocated to GCIC 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.

An affiliate of GC Advisors, the Administrator, provides the administrative services necessary for GCIC to operate. See "Golub Capital Investment Corporation Management Agreements—GCIC Administration Agreement" for a discussion of the fees and expenses (subject to the review and approval of the GCIC Independent Directors) GCIC is 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, 2018, Golub Capital had over $25.0 billion of capital under management. Since its inception, Golub Capital has closed deals with over 260 middle-market sponsors and repeat transactions with over 170 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, 2018, Golub Capital's more than 100 investment professionals had an average of over 12 years of investment experience and were supported by more than 250 administrative and back office personnel that focus on operations, finance, legal and compliance, accounting and reporting, marketing, information technology and office management.

Investment Criteria/Guidelines

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

GCIC primarily targets U.S. middle-market companies controlled by private equity investors that require capital for growth, acquisitions, recapitalizations, refinancings and leveraged buyouts. GCIC may also make opportunistic loans to independently owned and publicly held middle-market companies. GCIC seeks 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 less than $100.0 million annually;
- sustainable leading positions in their respective markets;
- scalable revenues and operating cash flow;
- 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 GCIC’s 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 GCIC believes 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.

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Investment Process Overview

GCIC views its 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. GCIC believes those originators' strength and breadth of relationships across a wide range of markets generate numerous financing opportunities, which GCIC believes enables GC Advisors to be highly selective in recommending investments to it.

Underwriting. GCIC utilizes 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 GCIC considers 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 GCIC's investment and (3) a conclusion that overall "downside" risk is manageable. While the size of GCIC's equity cushion will vary over time and across industries, the equity cushion generally sought by GC Advisors today is between 35% and 50% of total portfolio capitalization. GCIC generally focuses on the criteria developed by Golub Capital for evaluating prospective portfolio companies, and GCIC puts more emphasis on credit considerations (such as (1) loan-to-value ratio (which is the amount of GCIC's loan divided by the enterprise value of the company in which GCIC is 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. GCIC's due diligence process for middle-market credits will typically entail:

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

- 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 surveys 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 GCIC, 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. GCIC views active portfolio monitoring as a vital part of its investment process. GCIC considers board observation rights, where appropriate, regular dialogue with company management and sponsors and detailed, internally generated monitoring reports to be critical to its 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 GCIC's investment plan.

As part of the monitoring process, GC Advisors regularly assesses the risk profile of each of GCIC's 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 GCIC's industry or used by its competitors. It is based on the following categories, which GCIC refers to as GC Advisors' internal performance rating:

Internal Performance Ratings

Rating	**Definition**
5	Involves the least amount of risk in GCIC's 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 GCIC will reduce the fair market value of the loan to the amount GCIC anticipates will be recovered.

GCIC's 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 its 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 GCIC's portfolio. In connection with GCIC's valuation process, GC Advisors and the GCIC Board review these internal performance ratings on a quarterly basis.

The following table shows the distribution of GCIC's investments on the 1 to 5 internal performance rating scale at fair value as of September 30, 2018 and 2017:

	September 30, 2018			September 30, 2017		
Internal Performance Rating	Investments at Fair Value (In thousands)	Percentage of Total Investments		Investments at Fair Value (In thousands)	Percentage of Total Investments	
5	$104,563	6.3	%	$22,656	1.6	%
4	1,439,656	86.0		1,246,641	89.2	
3	110,695	6.6		127,974	9.2	
2	18,813	1.1		155	0.0	*
1	711	0.0	*	302	0.0	*
Total	$1,674,438	100.0	%	$1,397,701	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 GCIC's investments, subject to the oversight of the GCIC Board. 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 GCIC's 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. GCIC believes 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 GCIC's 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 GCIC has determined that a prospective portfolio company is suitable for investment, GCIC works with the management of that company and its other capital providers to structure an investment. GCIC negotiates among these parties to agree on how its investment is expected to perform relative to the other capital in the portfolio company's capital structure.

GCIC structures its investments, which typically have maturities of three to seven years as described below. GCIC's 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 GCIC structures investments in senior secured loans, GCIC obtains 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. GCIC structures its one stop loans as senior secured loans. GCIC obtains 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, GCIC is the sole lender, or GCIC together with its affiliates are the sole lenders, of one stop loans, which can afford GCIC 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. GCIC refers 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, GCIC may adjust GCIC's characterization of the earnings of such borrowers for a reduction or elimination of such discretionary expenses, if appropriate.

Second Lien Loans. GCIC structures these investments as junior, secured loans. GCIC obtains 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. GCIC structures these investments as unsecured, subordinated loans that provide for relatively high, fixed interest rates that provide GCIC with significant current interest income. Subordinated loans rank senior only to a borrower's equity securities and rank junior to all of such borrower's other indebtedness in priority of payment.

These loans typically have interest-only payments (often representing a combination of cash pay and payment-in-kind, or PIK, interest) in the early years. 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, GCIC may purchase minority equity interests or receive nominally priced warrants or options to buy a minority equity interest in the portfolio company in connection with a loan, which can allow GCIC to achieve additional investment return from this equity interest. GCIC may structure such warrants to include provisions protecting its 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.

GCIC Senior Loan Fund. GCIC has invested in GCIC SLF, which as of September 30, 2018, consisted of a portfolio of loans to different borrowers in industries similar to the companies in GCIC's portfolio. GCIC SLF invests primarily in senior secured loans of middle market companies, which debt securities are expected to be 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 GCIC's senior secured and one stop loans. GCIC SLF may also invest in more liquid senior secured loans.

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

- selecting investments that GCIC believes have a very low probability of loss;
- requiring a total return on GCIC's investments that GCIC believes will compensate it appropriate for credit risk; and
- negotiating covenants in connection with GCIC's investments that afford its portfolio companies as much flexibility in managing their businesses as possible, consistent with the preservation of GCIC's capital. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control provisions and board rights.

GCIC expects to hold most of its investments to maturity or repayment, but GCIC may sell some of its investments earlier if a liquidity event occurs, such as a sale, recapitalization or worsening of the credit quality of the portfolio company.

Investments

GCIC seeks to create a portfolio that includes primarily one stop and senior secured 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 GCIC's ten largest portfolio company investments as of September 30, 2018, as well as the top ten industries in which GCIC was invested as of September 30, 2018, in each case excluding GCIC SLF, calculated as a percentage of GCIC's total investments as of such date.

Portfolio Company	Fair Value of Investments (In thousands)	Percentage of Total Investments
Diligent Corporation	$ 49,298	2.9 %
Transaction Data Systems, Inc.	46,149	2.8
Clarkson Eyecare LLC	43,215	2.6
Sovos Compliance	40,027	2.4
MRI Software LLC	39,381	2.4
Quickbase, Inc.	38,752	2.3
DCA Investment Holding, LLC	37,245	2.2

Pet Holdings ULC	33,036	2.0	
Eyecare Services Partners Holdings LLC	31,679	1.9	
Saba Software, Inc.	29,396	1.8	
	$ 388,178	23.3	%

Industry	Fair Value of Investments (In thousands)	Percentage of Total Investments	
Diversified/Conglomerate Service	$ 532,571	31.8	%
Healthcare, Education and Childcare	316,305	18.9	
Electronics	136,119	8.1	
Beverage, Food and Tobacco	99,054	5.9	
Retail Stores	89,072	5.3	
Personal, Food and Miscellaneous Services	76,775	4.6	
Insurance	59,643	3.6	
Leisure, Amusement, Motion Pictures, Entertainment	55,000	3.3	
Diversified/Conglomerate Manufacturing	54,681	3.3	
Buildings and Real Estate	48,701	2.9	
	$ 1,467,921	87.7	%

Managerial Assistance

As a business development company, GCIC offers, and must provide upon request, managerial assistance to its 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 GCIC's behalf to portfolio companies that request this assistance. GCIC 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 the GCIC Board, including its independent directors.

Competition

GCIC's 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 GCIC's competitors are substantially larger and have considerably greater financial, technical and marketing resources than GCIC does. For example, GCIC believes some competitors may have access to funding sources that are not available to it. In addition, some of GCIC's 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 GCIC. Furthermore, many of GCIC's competitors are not subject to the regulatory restrictions that the 1940 Act imposes on GCIC as a business development company or to the source-of-income, asset diversification and distribution requirements GCIC must satisfy to maintain its qualification as a RIC.

GCIC uses the expertise of the investment professionals of Golub Capital and its affiliates to which GCIC has access to assess investment risks and determine appropriate pricing for its investments in portfolio companies. In addition, the relationships of the senior members of Golub Capital and its affiliates enable GCIC to learn about, and compete effectively for, financing opportunities with attractive middle-market companies in the industries in which GCIC invests.

Administration

GCIC does not have any direct employees, and its day-to-day investment operations are managed by GC Advisors. GCIC has a chief executive officer, chief financial officer, chief compliance officer, managing director and director of corporate strategy, and to the extent necessary, the GCIC Board may elect to hire additional personnel going forward. GCIC's officers are officers and/or employees of Golub Capital LLC, an affiliate of GC Advisors, and GCIC's allocable portion of the cost of its chief financial officer and chief compliance officer and their respective staffs is paid by GCIC pursuant to the GCIC Administration Agreement with the Administrator. See "Golub Capital Investment Corporation Management Agreements—GCIC Administration Agreement."

Properties

GCIC does not own any real estate or other physical properties materially important to its operation. GCIC's headquarters are located at 666 Fifth Avenue, 18th Floor, New York, NY 10103 and are provided by Golub Capital LLC pursuant to the GCIC Administration Agreement. GCIC believes that its office facilities are suitable and adequate to its business.

Legal Proceedings

GCIC, GC Advisors and Golub Capital LLC may, from time to time, be involved in legal and regulatory proceedings arising out of their respective operations in the normal course of business or otherwise. While there can be no assurance of the ultimate disposition of any such proceedings, each of GCIC, GC Advisors and Golub Capital LLC do not believe it is currently subject to any material legal proceedings.

management's discussion and analysis of financial condition and results of operations of Golub Capital Investment Corporation

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. You should read the following discussion in conjunction with the audited consolidated financial statements and related notes thereto and other financial information appearing elsewhere in this joint proxy statement/prospectus. Many of the amounts and percentages presented in this section have been rounded for convenience of presentation and all amounts are presented in thousands (unless otherwise indicated), except share and per share amounts.

GCIC cannot assure you that the Merger will be consummated as scheduled, or at all. See "Risk Factors—Risks Related to the Merger" for a description of the risks associated with a failure to consummate the Merger and a description of the risks that the combined company may face if the Merger is consummated.

Overview

GCIC is 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, GCIC has elected to be treated as a RIC under Subchapter M of the Code. As a business development company and a RIC, GCIC is also subject to certain constraints, including limitations imposed by the 1940 Act and the Code. GCIC was formed in September 2014 and commenced operations on December 31, 2014.

GCIC's investment objective is to generate current income and capital appreciation by investing primarily in one stop (a loan that combines characteristics of traditional first lien senior secured loans and second lien or subordinated loans and that are often referred to by other middle-market lenders as unitranche loans) and other senior secured loans of U.S. middle-market companies. GCIC may also selectively invest in second lien and subordinated loans of, and warrants and minority equity securities in, U.S. middle-market companies. GCIC intends to achieve its 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 $25.0 billion in capital under management as of September 30, 2018, (2) selecting investments within GCIC's 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.

GCIC's investment activities are managed by GC Advisors and supervised by the GCIC Board of which a majority of the members are independent of GCIC, GC Advisors and its affiliates.

Under the GCIC Investment Advisory Agreement, which was most recently reapproved by the GCIC Board in May 2018, GCIC has agreed to pay GC Advisors an annual base management fee based on GCIC's average adjusted gross assets as well as an incentive fee based on GCIC's investment performance. Under the GCIC Administration Agreement, GCIC is provided with certain administrative services by an Administrator, which is currently Golub Capital LLC.

Under the GCIC Administration Agreement, GCIC has agreed to reimburse the Administrator for GCIC's allocable portion (subject to the review and approval of the GCIC Independent Directors) of overhead and other expenses incurred by the Administrator in performing its obligations under the GCIC Administration Agreement.

GCIC seeks to create a portfolio that includes primarily one stop and other senior secured 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. GCIC may also selectively invest more than $30.0 million in some of its portfolio companies and generally expects that the size of its individual investments will vary proportionately with the size of its capital base.

GCIC generally invests 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 GCIC's 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 GCIC's risk of losing part or all of its investment.

As of September 30, 2018 and 2017, GCIC's portfolio at fair value was comprised of the following:

	As of September 30, 2018			As of September 30, 2017		
Investment Type	**Investments at Fair Value (In thousands)**	Percentage of Total Investments		**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**	
Senior secured	$ 211,035	12.6	%	$ 165,620	11.8	%
One stop	1,384,902	82.7		1,161,275	83.1	
Subordinated debt	280	0.0	*	55	0.0	*
LLC equity interests in GCIC SLF(1)	49,939	3.0		50,104	3.6	
Equity	28,282	1.7		20,647	1.5	
Total	$ 1,674,438	100.0	%	$ 1,397,701	100.0	%

*Represents an amount less than 0.1%

(1) Proceeds from the LLC equity interests invested in GCIC SLF were utilized by GCIC 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. GCIC refers 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, GCIC may adjust its characterization of the earnings of such borrowers for a reduction or elimination of such discretionary expenses, if appropriate. As of September 30, 2018 and 2017, one stop loans included $134.9 million and $67.7 million, respectively, of late stage lending loans at fair value.

As of September 30, 2018 and 2017, GCIC had debt and equity investments in 186 and 167 portfolio companies, respectively, and an investment in GCIC SLF.

The weighted average investment income yield of GCIC's earning portfolio company investments, which represented nearly 100% of its debt investments, as well as the total return based on its average net asset value and the total return based on the change in the net asset value of its stock and assuming distributions were reinvested in accordance with GCIC's dividend reinvestment plan, in each case for the years ended September 30, 2018, 2017 and 2016 was as follows:

	For the years ended September 30,					
	2018		2017		2016	
Weighted average income yield(1)(2)	8.4	%	7.7	%	7.4	%
Weighted average investment income yield(1)(3)	9.2	%	8.2	%	7.8	%
Total return based on average net asset value(4)	9.2	%	8.3	%	9.2	%
Total return based on net asset value per share(5)	9.6	%	8.5	%	8.7	%

(1) For the years ended September 30, 2018 and 2017 the weighted average income yield and weighted average investment income yield do not reflect interest income from subordinated notes in GCIC SLF, which were redeemed on December 30, 2016.

(2) Represents income from interest, including subordinated notes in GCIC SLF, and fees, excluding amortization of capitalized fees and discounts divided by the average fair value of earning portfolio company investments, and does not represent a return to any investor in GCIC.

(3) Represents income from interest, including subordinated notes in GCIC SLF, fees and amortization of capitalized fees and discounts divided by the average fair value of earning portfolio company investments, and does not represent a return to any investor in GCIC.

(4) Total return based on average net asset value is calculated as (a) the net increase in net assets resulting from operations divided by (b) the daily average of total net assets. Total return does not include sales load.

(5) Total return based on net asset value assumes distributions are reinvested in accordance with the dividend reinvestment plan. Total return does not include sales load.

As of September 30, 2018, GCIC has earned an inception-to-date internal rate of return ("IRR") of 9.0% for stockholders taken as a whole. For the years ended September 30, 2018, 2017, and 2016 GCIC has earned a year-to-date IRR of 9.5%, 8.5%, and 8.9% respectively, for stockholders taken as a whole. An individual stockholder's IRR may vary based on the timing of their capital transactions. The IRR is the annualized effective compound rate of return that brings a series of cash flows to the current value of the cash invested. The IRR was computed based on the actual dates of cash inflows (share issuances, including share issuances through the dividend reinvestment plan), outflows (capital distributions), the stockholders' NAV at the end of the period and distributions declared and payable at the end of the period (residual value of the stockholders' NAV and distributions payable as of each measurement date).

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Revenues: GCIC generates revenue in the form of interest and fee income on debt investments and capital gains and distributions, if any, on portfolio company investments that it originates or acquires. GCIC's debt investments, whether in the form of senior secured, one stop, or subordinated loans, typically have a term of three to seven years and bear interest at a fixed or floating rate. In some instances, GCIC receives payments on its debt investments based on scheduled amortization of the outstanding balances. In addition, GCIC receive repayments of some of its debt investments prior to their scheduled maturity date. The frequency or volume of these repayments fluctuates significantly from period to period. GCIC's portfolio activity also reflects the proceeds of sales of securities. In some cases, GCIC's 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, GCIC 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 GCIC accretes or amortizes such amounts as interest income. GCIC records prepayment premiums on loans as fee income. For additional details on revenues, see "—Critical Accounting Policies—Revenue Recognition."

GCIC recognizes realized gains or losses on investments based on the difference between the net proceeds from the disposition and the amortized cost basis of the investment, without regard to unrealized gains or losses previously recognized. GCIC records current period changes in fair value of investments that are measured at fair value as a component of the net change in unrealized appreciation (depreciation) on investments and foreign currency translation in the Consolidated Statements of Operations.

Expenses: GCIC's primary operating expenses include the payment of fees to GC Advisors under the GCIC Investment Advisory Agreement and interest expense on its outstanding debt. GCIC bears all out-of-pocket costs and expenses of its operations and transactions, including:

- calculating GCIC's 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 GCIC and in monitoring GCIC's investments and performing due diligence on GCIC's 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;
- administration fees and expenses, if any, payable under the GCIC Administration Agreement (including payments based upon GCIC's allocable portion of the Administrator's overhead in performing its obligations under the GCIC Administration Agreement, including rent and the allocable portion of the cost of GCIC's 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;
- 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;

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- 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;
- GCIC's 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 GCIC or the Administrator in connection with administering GCIC's business.

GCIC expects its 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 GCIC 2016 Issuer, under the GCIC 2016 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 GCIC 2016 Issuer at the beginning of the collection period relating to each payment date, which is payable in arrears on each payment date. Under the GCIC 2016 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 GCIC 2016 Issuer to GC Advisors and offset against the management fees payable under the GCIC Investment Advisory Agreement. In addition, the GCIC 2016 Issuer paid Wells Fargo Securities, LLC structuring and placement fees for its services in connection with the initial structuring of the GCIC 2016 Debt Securitization. Term debt securitizations are also known as collateralized loan obligations and are a form of secured financing incurred by GCIC, which is consolidated by GCIC and subject to its overall asset coverage requirement. The GCIC 2016 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 GCIC 2016 Debt Securitization.

GCIC believes that these administrative expenses approximate the amount of ongoing fees and expenses that GCIC would be required to pay in connection with a traditional secured credit facility. GCIC’s common stockholders indirectly bear all of these expenses.

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Recent Developments

On August 7, 2018 and November 27, 2018, the GCIC Board declared distributions to holders of record as set forth in the table below:

Record Date	Payment Date	Amount Per Share
October 17, 2018	December 28, 2018	Net increase in net assets resulting from operations earned by GCIC (if positive) as determined in accordance with GAAP for the period October 1, 2018 through October 31, 2018 per share
November 28, 2018	December 28, 2018	Net increase in net assets resulting from operations earned by GCIC (if positive) as determined in accordance with GAAP for the period November 1, 2018 through November 30, 2018 per share
December 26, 2018	February 27, 2019	Net increase in net assets resulting from operations earned by GCIC (if positive) as determined in accordance with GAAP for the period December 1, 2018 through December 31, 2018 per share
January 21, 2019	February 27, 2019	Net increase in net assets resulting from operations earned by GCIC (if positive) as determined in accordance with GAAP for the period January 1, 2019 through January 31, 2019 per share

GCIC issued capital calls to stockholders that were due on October 15, 2018, November 26, 2018 and December 20, 2018 which are summarized in the following table:

	Date	Shares Issued	NAV ($) per share	*Proceeds (in thousands)*
Issuance of shares	10/15/2018	2,018,759.065	$ 15.00	$ 30,281
Issuance of shares	11/26/2018	2,497,171.129	$ 15.00	$ 37,458
Issuance of Shares	12/20/2018	2,919,162.403	$ 15.00	$ 43,787

On November 2, 2018, GCIC Funding, entered into a joinder supplement (the "Joinder Supplement") to the documents governing the GCIC Credit Facility. The Joinder Supplement was effective as of November 2, 2018 and increased the size of the GCIC Credit Facility from $500 million to $550 million.

On November 19, 2018, GCIC announced that S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch") each intends to issue presale reports regarding the approximately $900 million term debt securitization (the "GCIC 2018 Debt Securitization") to be completed by GCIC. The presale report issued by S&P is expected to be publicly available on the website of S&P, www.standardandpoors.com, until final ratings that will be issued by S&P are withdrawn, and the presale report issued by Fitch is expected to be publicly available on the website of Fitch, www.fitchratings.com, for 14 days from the date of issuance. Each of S&P and Fitch also intends to publish preliminary ratings of the notes to be issued in the GCIC 2018 Debt Securitization. The preliminary ratings assigned by S&P are expected to be publicly available on the website of S&P, www.standardandpoors.com, from the date of issuance until they are replaced with final ratings, and the preliminary ratings assigned by Fitch are expected to be publicly available on the website of Fitch, www.fitchratings.com, from the date of issuance until they are replaced with final ratings. GCIC makes no representation or warranty regarding the completeness, accuracy or availability of the information contained in the presale reports or preliminary ratings, and readers should not place undue reliance on such information. In addition, a securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

On November 27, 2018, GCIC issued 439,833.975 shares of common stock through the dividend reinvestment program.

On November 27, 2018, GCIC entered into a definitive agreement to merge with GBDC with GBDC as the surviving entity. The GCIC Board and the GBDC Board, including all of the respective independent directors, have approved the Merger Agreement and the transactions contemplated therein. Under the terms of the proposed Merger, GCIC's stockholders will receive 0.865 shares of GBDC for each of GCIC's shares, subject to adjustment only in the event of reclassification, recapitalization, or similar transaction by either company. The combined company will remain externally managed by GC Advisors. The combined company will trade under the ticker "GBDC" on the Nasdaq Global Select Market and all current GBDC officers and directors will remain in their current roles after closing of the merger. Consummation of the proposed Merger is subject to GCIC's and GBDC's stockholder's approvals, customary regulatory approvals and other closing conditions. Assuming satisfaction of these conditions, the transaction is expected to close in the first half of 2019.

As a result of the Merger, GCIC will be subject to certain additional risks. See “Risk Factors.”

On December 13, 2018, GCIC completed the GCIC 2018 Debt Securitization. The GCIC 2018 Notes were issued by the GCIC 2018 Issuer and are backed by a diversified portfolio of senior secured and second lien loans. The transaction was executed through a private placement of approximately $490.0 million of AAA(sf)/AAAsf Class A-1 GCIC 2018 Notes, which bear interest at the three-month LIBOR plus 1.48%; $38.5 million of AAA(sf) Class A-2 GCIC 2018 Notes, which bear interest at a fixed interest rate of 4.665%; $18.0 million of AA(sf) Class B-1 GCIC 2018 Notes, which bear interest at the three-month LIBOR plus 2.25%; $27.0 million of AA(sf) Class B-2 GCIC 2018 Notes, which bear interest at the three-month LIBOR plus 1.75%; $95.0 million of A(sf) Class C GCIC 2018 Notes, which bear interest at the three-month LIBOR plus 2.30%; $60.0 million of BBB-(sf) Class D GCIC 2018 Notes, which bear interest at the three-month LIBOR plus 2.75%; and $179.7 million of Subordinated GCIC 2018 Notes, which do not bear interest. GCIC indirectly retained all of the Class B-2, C, and D GCIC 2018 Notes and the Subordinated GCIC 2018 Notes. Through January 20, 2023, all principal collections received on the underlying collateral may be used by the GCIC 2018 Issuer to purchase new collateral under the direction of GC Advisors in its capacity as collateral manager of the GCIC 2018 Issuer and in accordance with GCIC’s investment strategy, allowing GCIC to maintain the initial leverage in the GCIC 2018 Debt Securitization. The Secured GCIC 2018 Notes are scheduled to mature on January 20, 2031, and the Subordinated GCIC 2018 Notes are scheduled to mature on December 13, 2118.

The cash proceeds of the private placement of the GCIC 2018 Notes, net of expenses, were used, in part, to redeem certain of the outstanding GCIC 2016 Notes issued by the GCIC 2016 Issuer, as part of the GCIC 2016 Debt Securitization, pursuant to the terms of the indenture governing such GCIC 2016 Notes, a series of contemporaneous transactions by the GCIC 2018 Issuer to purchase certain ownership interests in portfolio company investments securing the GCIC 2018 Debt Securitization pursuant to the two loan sale agreements that govern the GCIC 2018 Debt Securitization, as discussed further below, and to repay certain amounts outstanding under the GCIC Credit Facility, as discussed further below. In connection with the closing on December 13, 2018 (the “GCIC 2018 Closing Date”) of the GCIC 2018 Debt Securitization, the portion of the GCIC 2016 Notes held by GCIC were redeemed in exchange for the distribution of assets to GCIC on account of the redemption of such GCIC 2016 Notes and GCIC’s membership interests in the GCIC 2016 Issuer.

Two loan sale agreements govern the GCIC 2018 Debt Securitization. Under the terms of the loan sale agreement entered into upon closing on the GCIC 2018 Closing Date (the “GCIC 2018 Closing Date Loan Sale Agreement”), (1) GCIC and GCIC Funding transferred to GC Advisors a portion of its ownership interest in the portfolio company investments securing the GCIC 2018 Debt Securitization for the purchase price and other consideration set forth in the GCIC 2018 Closing Date Loan Sale Agreement, (2) immediately thereafter, GC Advisors sold to the GCIC 2018 Issuer all of its ownership interest in such portfolio company investments for the purchase price and other consideration set forth in the GCIC 2018 Closing Date Loan Sale Agreement, (3) immediately thereafter, as consideration for its acquisition of such portfolio company investments, the GCIC 2018 Issuer issued to GC Advisors 100% of the U.S. retention interest in the form of a portion of the Subordinated GCIC 2018 Notes, and (4) immediately thereafter, GC Advisors transferred such Subordinated GCIC 2018 Notes to the GCIC 2018 Retention Provider (defined below), as directed by GCIC in consideration for GC Advisors’ previous acquisition from GCIC of certain of the portfolio company investments securing the GCIC 2018 Debt Securitization.

Under the terms of the other loan sale agreement governing the GCIC 2018 Debt Securitization, which provides for the sale of assets on the GCIC 2018 Closing Date as well as future sales from GCIC to the GCIC 2018 Issuer through GCIC CLO II Depositor LLC (the "GCIC 2018 Retention Provider"), a direct, wholly-owned and consolidated subsidiary of GCIC, (5) GCIC sold and/or contributed to the GCIC 2018 Retention Provider the remainder of the ownership interests in the portfolio company investments securing the GCIC 2018 Debt Securitization and, (6) the GCIC 2018 Retention Provider, in turn, sold to the GCIC 2018 Issuer all of its ownership interest in such portfolio company investments for the purchase price and other consideration set forth in one of the loan sale agreements. Following these transfers, the GCIC 2018 Issuer, and not GC Advisors, the GCIC 2018 Retention Provider or GCIC, held all of the ownership interest in the portfolio company investments securing the GCIC 2018 Debt Securitization. GCIC made customary representations, warranties and covenants in these loan sale agreements.

The Secured GCIC 2018 Notes are the secured obligations of the GCIC 2018 Issuer, the Subordinated GCIC 2018 Notes are unsecured obligations of the GCIC 2018 Issuer, and an indenture governing the GCIC 2018 Notes includes customary covenants and events of default. The GCIC 2018 Notes have not been, and will not be, registered under the Securities Act of 1933, as amended, or any state "blue sky" laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from registration.

GC Advisors serves as collateral manager to the GCIC 2018 Issuer under a collateral management agreement and will receive a fee for providing these services. Pursuant to the GCIC Investment Advisory Agreement, the total fees paid to GC Advisors for rendering collateral management services, which are less than the management fee payable under the GCIC Investment Advisory Agreement, will be offset against such management fee.

The pool of loans in the GCIC 2018 Debt Securitization must meet certain requirements, including asset mix and concentration, collateral coverage, term, agency rating, minimum coupon, minimum spread and sector diversity requirements.

In connection with the GCIC 2018 Debt Securitization, GCIC Funding pre-paid, without penalty, $275.0 million in principal amount under the GCIC Credit Facility, and entered into the Termination and Release of Security Interest Letter Agreement (the "Letter Agreement"), dated as of December 13, 2018, which, among other things, decreases the borrowing capacity under the GCIC Credit Facility to $275.0 million from $550.0 million. The other material terms of the GCIC Credit Facility were unchanged.

Market Trends

GCIC has identified the following trends that may affect its business:

Target Market. GCIC believes 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 GCIC believes that this market segment will continue to produce significant investment opportunities for GCIC.

Specialized Lending Requirements. GCIC believes 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 GCIC's 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. GCIC believes there is a large pool of uninvested private equity capital for middle-market companies. GCIC expects 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 GCIC.

Competition from Bank Lenders. GCIC believes 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. GCIC believes these factors may result in opportunities for alternative funding sources to middle-market companies and therefore more market opportunities for GCIC.

Market Environment: GCIC believes 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, GCIC believes that its scale and strong market position will continue to allow it to find investment opportunities with attractive risk-adjusted returns.

Consolidated Results of Operations

Consolidated operating results for the years ended September 30, 2018, 2017 and 2016 are as follows:

	For the years ended September 30,			Variances	
	2018	2017	2016	2018 vs. 2017	2017 vs. 2016
	(In thousands)				
Interest income	$120,632	$86,697	$50,432	$33,935	$ 36,265
Income from accretion of discounts and origination fees	9,764	5,895	3,303	3,869	2,592
Interest and dividend income from investments in GCIC SLF [(1)]	5,647	4,682	3,023	965	1,659
Dividend income	80	158	67	(78)	91
Fee income	3,258	1,046	554	2,212	492
Total investment income	139,381	98,478	57,379	40,903	41,099
Net expenses	65,196	48,174	27,023	17,022	21,151
Net investment income	74,185	50,304	30,356	23,881	19,948
Net realized gain (loss) on investments and foreign currency transactions	3,716	1,419	856	2,297	563
Net change in unrealized appreciation (depreciation) on investments and foreign currency translation	(132)	3,158	5,855	(3,290)	(2,697)
Net increase in net assets resulting from operations	$77,769	$54,881	$37,067	$22,888	$ 17,814
Average earning debt investments, at fair value	$1,454,487	$1,136,286	$695,078	$318,201	$ 441,208
Average investment in subordinated notes of GCIC SLF, at fair value	—	8,609	32,022	(8,609)	(23,413)
Average earning portfolio company investments, at fair value [(2)]	$1,454,487	$1,144,895	$727,100	$309,592	$ 417,795

(1) The investments in GCIC SLF include GCIC's investments in LLC equity interests in GCIC SLF for the year ended September 30, 2018. For the years ended September 30, 2017 and 2016, the investments in GCIC SLF include GCIC's investments in both subordinated notes (prior to their redemption by GCIC SLF on December 30, 2016) and LLC equity interests in GCIC SLF.

(2) Does not include GCIC's investment in LLC equity interests in GCIC SLF.

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. In addition, as GCIC has continued to raise and deploy capital, GCIC has experienced significant growth in total assets, total liabilities and net assets from September 30, 2017 to September 30, 2018 and from September 30, 2016 to September 30, 2017. As a result, annual comparisons of operating results may not be meaningful.

Investment Income

Investment income increased from the year ended September 30, 2017 to the year ended September 30, 2018 by $40.9 million primarily as a result of an increase in the average earning debt investment balance, which is the average balance of accruing loans in GCIC's investment portfolio, of $318.2 million, an increase in the LIBOR, as well as increases in dividend income from investments in GCIC SLF, prepayment fee income and accretion of discounts and origination fees resulting from increased debt investment payoffs. Investment income increased from the year ended September 30, 2016 to the year ended September 30, 2017 by $41.1 million primarily as a result of an increase in the average earning investment balance, which is the average balance of accruing loans, in GCIC's investment portfolio of $441.2 million and increases in prepayment fee income and accretion of discounts resulting from increased debt investment payoffs.

The income yield by debt security type for the years ended September 30, 2018, 2017 and 2016 was as follows:

	For the years ended September 30,					
	2018		2017		2016	
Senior secured	7.1	%	6.4	%	6.2	%
One stop	8.6	%	7.9	%	7.5	%
Subordinated debt	14.3	%	19.8	%	19.8	%
Subordinated notes in GCIC SLF [(1)]	N/A		8.5	%	8.4	%

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(1) GCIC SLF's proceeds from the subordinated notes were utilized by GCIC SLF to invest in senior secured loans. GCIC SLF redeemed the outstanding balance on the subordinated notes on December 30, 2016.

Income yields on one stop and senior secured loans increased for the year ended September 30, 2018 primarily due to the rise in LIBOR. As of September 30, 2018, GCIC has two subordinated debt investments as shown in the Consolidated Schedule of Investments. Due to the limited number of second lien and subordinated debt investments, annual income yields on second lien and subordinated debt investments can be significantly impacted by the addition, subtraction or refinancing of one investment.

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 GCIC's expenses for the years ended September 30, 2018, 2017 and 2016:

	For the years ended September 30,			Variances	
	2018	2017	2016	2018 vs. 2017	2017 vs. 2016
	(In thousands)				
Interest and other debt financing expenses	$ 29,331	$ 19,389	$ 9,642	$ 9,942	$ 9,747
Amortization of debt issuance costs	2,002	3,146	2,290	(1,144)	856
Base management fee, net of waiver	15,671	12,127	7,415	3,544	4,712
Income Incentive Fee, net of waiver	13,205	8,891	4,912	4,314	3,979
Capital gain incentive fee, net of waiver	644	1,047	624	(403)	423
Professional fees	2,014	1,919	1,122	95	797
Administrative service fee	2,119	1,554	941	565	613
General and administrative expenses	210	101	77	109	24
Net expenses	$ 65,196	$ 48,174	$ 27,023	$ 17,022	$ 21,151
Average debt outstanding	$ 723,389	$ 574,927	$ 339,487	$ 148,462	$ 235,440

Interest Expense

Interest and other debt financing expenses increased by $9.9 million from the year ended September 30, 2017 to the year ended September 30, 2018 primarily due to an increase in LIBOR and in the weighted average of outstanding borrowings from $574.9 million for the year ended September 30, 2017 to $723.4 million for the year ended September 30, 2018. The increase in GCIC's weighted average debt outstanding was driven by an increase in the weighted average debt outstanding under the GCIC Credit Facility, from $254.6 million for the year ended September 30, 2017 to $391.7 million for the year ended September 30, 2018. The effective annualized average interest rate on GCIC's outstanding debt increased from 3.9% for the year ended September 30, 2017 to 4.3% for the year ended September 30, 2018 primarily due to the increase in LIBOR.

Interest and other debt financing expenses increased by $9.7 million from the year ended September 30, 2016 to the year ended September 30, 2017 primarily due to an increase in the weighted average of outstanding borrowings from $339.5 million for the year ended September 30, 2016 to $574.9 million for the year ended September 30, 2017 and an increase in the effective annual interest rate. The increase in GCIC's weighted average debt outstanding was driven by an increase in the weighted average debt outstanding under the GCIC 2016 Debt Securitization from $31.7 million for the year ended September 30, 2016 to $252.5 million for the year ended September 30, 2017 and an increase in the weighted average debt outstanding under the SMBC Revolver from $27.9 million for the year ended September 30, 2016 to $67.8 million for the year ended September 30, 2017. This was partially offset by a decrease in the weighted average debt outstanding under the GCIC Credit Facility from $278.5 million for the year ended September 30, 2016 to $254.6 million for the year ended September 30, 2017. The effective average interest rate on GCIC's outstanding debt increased from 3.5% for the year ended September 30, 2016 to 3.9% for the year ended September 30, 2017 primarily due to the increase in LIBOR.

Management Fee

The base management fee increased as a result of a sequential increase in average adjusted assets from 2016 to 2018.

Incentive Fees

The incentive fee payable under the GCIC Investment Advisory Agreement consists of two parts: (1) the GCIC Income Incentive Fee and (2) the GCIC Capital Gain Incentive Fee. The GCIC Income Incentive Fee increased by $4.3 million from the year ended September 30, 2017 to the year ended September 30, 2018 primarily as a result of the $318.2 million increase in GCIC's average earning debt investment balances that resulted in an increase in GCIC's Pre-Incentive Fee Net Investment Income. The GCIC Income Incentive Fee increased by $4.0 million from the year ended September 30, 2016 to the year ended September 30, 2017 primarily as a result of the $441.2 million increase in GCIC's average earning debt investment balances that resulted in an increase in GCIC's Pre-Incentive Fee Net Investment Income. For the year ended September 30, 2018, GCIC was fully through the catch-up provision of the GCIC Income Incentive Fee calculation and the GCIC Income Incentive Fee earned by GC Advisors as a percentage of GCIC's Pre-Incentive Fee Net Investment Income, net of waiver, was 15.0%. For the year ended September 30, 2017, the GCIC Income Incentive Fee calculation, the GCIC Income Incentive Fee earned by GC Advisors as a percentage of GCIC's Pre-Incentive Fee Net Investment Income was 14.8%.

The GCIC Capital Gain Incentive Fee payable as calculated under the GCIC Investment Advisory Agreement for the years ended September 30, 2018, 2017 and 2016 was $0. However, in accordance with GAAP, GCIC is 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 GCIC Investment Advisory Agreement.

The accrual for capital gain incentive fee under GAAP was $0.9 million, or $0.02 per share, for the year ended September 30, 2018, $1.4 million, or $0.03 per share, for the year ended September 30, 2017, and $0.8 million, or $0.03 per share, for the year ended September 30, 2016. The decrease in accruals for a capital gain incentive fee under GAAP for the year ended September 30, 2018 from the year ended September 30, 2017 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, 2017 from the year ended September 30, 2016 was primarily the result of reduced unrealized appreciation of debt and equity investments. For additional details on unrealized appreciation and depreciation of investments, refer to the "Net Realized and Unrealized Gains and Losses" section below.

As of September 30, 2018 and 2017, the cumulative capital gain incentive fee accrual in accordance with GAAP was $2.3 million and $1.7 million, respectively, of which $0 and $0, respectively, was payable as a GCIC Capital Gain Incentive Fee pursuant to the GCIC Investment Advisory Agreement.

Professional Fees, Administrative Service Fees, and General and Administrative Expenses

The Administrator pays for certain expenses incurred by GCIC. These expenses are subsequently reimbursed in cash. Total expenses reimbursed by GCIC to the Administrator for the year ended September 30, 2018, 2017 and 2016 were $1.4 million, $1.2 million and $0.6 million, respectively.

As of September 30, 2018 and 2017, included in accounts payable and accrued expenses were $0.2 million and $0.5 million, respectively, for accrued expenses paid on behalf of GCIC by the Administrator.

Net Realized and Unrealized Gains and Losses

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

	Years ended September 30,			Variances	
	2018	2017	2016	2018 vs. 2017	2017 vs. 2016
	(In thousands)				
Net realized gain (loss) on investments	$3,732	$1,419	$856	$2,313	$ 563
Foreign currency transactions	(16)	—	—	(16)	—
Net realized gain (loss) on investments and foreign currency transactions	$3,716	$1,419	$856	$2,297	$ 563
Unrealized appreciation on investments	16,465	12,960	11,769	3,505	1,191
Unrealized (depreciation) on investments	(17,920)	(9,325)	(6,695)	(8,595)	(2,630)
Unrealized appreciation on investments in GCIC SLF[(1)]	1,279	—	781	1,279	(781)
Unrealized (depreciation) on investments in GCIC SLF[(1)]	—	(477)	—	477	(477)
Unrealized appreciation on translation of assets and liabilities in foreign currencies	44	—	—	44	—
Net change in unrealized appreciation (depreciation) on investments and foreign currency translation	$(132)	$3,158	$5,855	$(3,290)	$ (2,697)

(1) Unrealized appreciation (depreciation) on investments in GCIC SLF includes GCIC's investment in subordinated notes and LLC equity interests in GCIC SLF.

For the year ended September 30, 2018, GCIC had a net realized gain of $3.7 million primarily due to the net realized gains on the sale of several equity investments that was partially offset by realized losses on the liquidation of two under-performing debt investments.

For the year ended September 30, 2018, GCIC had $16.5 million in unrealized appreciation on 140 portfolio company investments, which was partially offset by $17.9 million in unrealized depreciation on 150 portfolio company investments. Unrealized appreciation during the year ended September 30, 2018 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 under-performing portfolio company investments that were liquidated 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 during year ended September 30, 2018.

For the year ended September 30, 2018, GCIC had $1.3 million in unrealized appreciation on GCIC's investment in GCIC SLF LLC equity interests, which was primarily driven by net positive credit related adjustments associated with GCIC SLF's investment portfolio.

For the year ended September 30, 2017, GCIC had a net realized gain of $1.4 million primarily due to the net realized gains on the sale of portfolio company investments to GCIC SLF and the sale of two equity investments that was partially offset by the realized loss on the sale of a debt and equity investment in a single portfolio company.

For the year ended September 30, 2017, GCIC had $13.0 million in unrealized appreciation on 126 portfolio company investments, which was partially offset by $9.3 million in unrealized depreciation on 116 portfolio company investments. Unrealized appreciation during the year ended September 30, 2017 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 during year ended September 30, 2017.

For the year ended September 30, 2017, GCIC had $0.5 million in unrealized depreciation on GCIC's investment in GCIC SLF LLC equity interests, which was primarily driven by net negative credit related adjustments associated with GCIC SLF's investment portfolio.

For the year ended September 30, 2016, GCIC had $11.8 million in unrealized appreciation on 128 portfolio company investments, which was partially offset by $6.7 million in unrealized depreciation on 99 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. Unrealized depreciation primarily resulted from the amortization of discounts and negative credit related adjustments that caused a reduction in fair value.

For the year ended September 30, 2016, GCIC had $0.8 million in unrealized appreciation on GCIC's investment in GCIC SLF LLC equity interests. 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 held by GCIC SLF.

For the year ended September 30, 2016, GCIC had a net realized gain of $0.9 million primarily due to the sale of portfolio company investments to GCIC SLF that were partially offset by the realized loss on the sale of one nonaccrual portfolio company investment.

Liquidity and Capital Resources

For the year ended September 30, 2018, GCIC experienced a net decrease in cash, cash equivalents, foreign currencies and restricted cash and cash equivalents of $12.6 million. During the period GCIC used $194.3 million in operating activities, primarily as a result of fundings of portfolio investments of $757.6 million, partially offset by proceeds from principal payments and sales of portfolio investments of $495.7 million and net investment income of $74.2 million. Lastly, cash provided by financing activities was $181.7 million, primarily driven by borrowings on debt of $644.8 million and proceeds from the issuance of common shares of $150.9 million that were partially offset by repayments of debt of $552.6 million and distributions paid of $34.6 million.

For the year ended September 30, 2017, GCIC experienced a net decrease in cash, cash equivalents and restricted cash and cash equivalents of $24.6 million. During the period GCIC used $268.9 million in operating activities, primarily as a result of fundings of portfolio investments of $592.8 million, partially offset by proceeds from principal payments and sales of portfolio investments of $276.9 million and net investment income of $50.3 million. Lastly, cash provided by financing activities was $244.3 million, primarily driven by borrowings on debt of $562.8 million and proceeds from the issuance of common shares of $121.7 million that were partially offset by repayments of debt of $413.2 million and distributions paid of $26.3 million.

For the year ended September 30, 2016, GCIC experienced a net increase in cash, cash equivalents and restricted cash and cash equivalents of $62.8 million. During the period GCIC used $475.5 million in operating activities, primarily as a result of fundings of portfolio investments of $803.4 million. This was partially offset by proceeds from principal payments and sales of portfolio investments of $298.9 million and net investment income of $30.4 million. Lastly, cash provided by financing activities was $538.3 million, primarily driven by proceeds from issuance of common shares of $286.6 million and borrowings on debt of $1,005.0 million that were partially offset by repayments of debt of $734.1 million and distributions paid of $15.0 million.

As of September 30, 2018 and 2017, GCIC had cash, cash equivalents and foreign currencies of $14.7 million and $22.9 million, respectively. In addition, GCIC had restricted cash and cash equivalents of $23.9 million and $28.3 million as of September 30, 2018 and 2017, respectively. Cash and cash equivalents are available to fund new investments, pay operating expenses and pay distributions. As of September 30, 2018, $10.0 million of GCIC's restricted cash and cash equivalents could be used to fund new investments that meet the investment guidelines established in the GCIC 2016 Debt Securitization, which is described in further detail in Note 7 to GCIC's consolidated financial statements, and for the payment of interest expense on the notes issued in the GCIC 2016 Debt Securitization. As of September 30, 2018, $13.8 million of GCIC's restricted cash and cash equivalents could be used to fund investments that meet the guidelines under the GCIC Credit Facility, as well as for the payment of interest expense and revolving debt of the GCIC Credit Facility.

As of September 30, 2018, the GCIC Credit Facility allowed GCIC Funding to borrow up to $500.0 million at any one time outstanding, subject to leverage and borrowing base restrictions. As of September 30, 2018 and 2017, GCIC had $434.8 million and $342.7 million outstanding under the GCIC Credit Facility, respectively. As of September 30, 2018 and 2017, subject to leverage and borrowing base restrictions, GCIC had approximately $65.2 million and $77.3 million, respectively, of remaining commitments and $12.8 million and $59.0 million, respectively, of availability on the GCIC Credit Facility.

As of September 30, 2018, the SMBC Revolver allowed GCIC to borrow up to $75.0 million at any one time outstanding, subject to leverage and borrowing base restrictions. As of each of September 30, 2018 and 2017, GCIC had $75.0 million outstanding under the SMBC Revolver. As of each of September 30, 2018 and 2017, subject to leverage and borrowing base restrictions, GCIC had $0 of remaining commitments and $0 of availability under the SMBC Revolver.

As of September 30, 2018, GCIC was permitted to borrow up to $40.0 million at any one time outstanding, under the terms of a revolving line of credit with GC Advisors (the "GCIC Adviser Revolver"). GCIC entered into the GCIC Adviser Revolver in order to have the ability to borrow funds on a short-term basis and have in the past, and generally intend in the future, that borrowings under the GCIC Adviser Revolver will be repaid within the same quarter in which they are drawn. As of each of September 30, 2018 and 2017, GCIC had no amounts outstanding under the GCIC Adviser Revolver.

On August 16, 2016, GCIC completed the GCIC 2016 Debt Securitization in which the GCIC 2016 Issuer issued an aggregate of $410.1 million of GCIC 2016 Notes, including $220.0 million of Class A GCIC 2016 Notes, which bear interest at a rate of three-month LIBOR plus 2.15%, $32.5 million of Class B GCIC 2016 Notes, which bear interest at a rate of three-month LIBOR plus 3.00%, $42.3 million of Class C GCIC 2016 Notes, which bear interest at a rate of three-month LIBOR plus 3.10%, and $28.6 million of Class D GCIC 2016 Notes, which bear interest at a rate of three-month LIBOR plus 3.25%, and $86.7 million of LLC equity interests in the GCIC 2016 Issuer that do not bear interest. GCIC retained all of the Class C and Class D GCIC 2016 Notes and LLC equity interests in the GCIC 2016 Issuer totaling $42.3 million, $28.6 million and $86.7 million, respectively. The Class A and Class B GCIC 2016 Notes are included in the September 30, 2018 and September 30, 2017 Consolidated Statements of Financial Condition as GCIC's debt and the Class C GCIC 2016 Notes, Class D GCIC 2016 Notes and LLC equity interests in the GCIC 2016 issuer were eliminated in consolidation. As of each of September 30, 2018 and 2017, GCIC had outstanding debt under the GCIC 2016 Debt Securitization of $252.5 million.

As of September 30, 2018 and 2017, GCIC had investor capital subscriptions totaling $1,136.9 million and $1,301.6 million, respectively, of which $841.6 million and $716.0 million, respectively, had been called and contributed, leaving $295.4 million and $585.6 million of uncalled investor capital subscriptions, respectively. Prior to the completion of a public offering or other liquidity event, GCIC expects to target a leverage ratio of between 0.85x to 0.90x and may issue capital calls to stock holders as GCIC's leverage ratio is at or approaching its target. GC Advisors has determined that it is possible that not all remaining undrawn commitments to purchase GCIC Common Stock will be drawn prior to a public offering or other liquidity event, and as a result, GCIC expects to reach agreements from time to time with one or more stockholders to cancel all or a portion of their remaining undrawn commitments. GCIC does not expect such agreements to be material to it, individually or in the aggregate.

On January 1, 2018 and April 1, 2018, GCIC reached agreements to cancel undrawn subscriptions totaling $55.8 million and $20.7 million in the aggregate, respectively. Additionally, as of September 30, 2018 undrawn subscriptions totaling $58.0 million had expired pursuant to the terms of the respective subscription agreements. On

May 4, 2018, the GCIC Board authorized GCIC to negotiate from time to time certain repurchases of shares of GCIC Common Stock in an aggregate amount not to exceed $100 million at prices not in excess of the most recently computed net asset value of common stock at the time of any such repurchase. Effective July 1, 2018, GCIC entered into agreements with certain stockholders to purchase 1,706,418.667 shares of common stock at a price per share of $15.00 for an aggregate purchase price of $25.6 million.

In accordance with the 1940 Act, with certain limited exceptions, GCIC is currently allowed to borrow amounts such that GCIC's asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. The SBCAA, which was signed into law on March 23, 2018, among other things, amended Section 61(a) of the 1940 Act to add a new Section 61(a)(2) that reduces the asset coverage requirement applicable to business development companies from 200% to 150% so long as the business development company meets certain disclosure requirements, obtains certain approvals and, in the case of unlisted business development companies, makes an offer to repurchase the shares of its stockholders. The reduced asset coverage requirement would permit a business development company to have a ratio of total consolidated assets to outstanding indebtedness of 2:1 as compared to a maximum of 1:1 under the 200% asset coverage requirement. Effectiveness of the reduced asset coverage requirement to a business development company requires approval by either (1) a "required majority," as defined in Section 57(o) of the 1940 Act, of such business development company's board of directors with effectiveness one year after the date of such approval or (2) a majority of votes cast at a special or annual meeting of such business development company's stockholders at which a quorum is present, which is effective the day after such stockholder approval. GCIC is still evaluating the merits of operating with a higher leverage ratio, and has not sought or obtained either approval and, as a result, remains subject to the 200% asset coverage requirement under Section 61(a)(1) of the 1940 Act. As of September 30, 2018, GCIC's asset coverage for borrowed amounts was 221.8%.

As of September 30, 2018 and 2017, GCIC had outstanding commitments to fund investments, excluding GCIC's investment in GCIC SLF, totaling $205.5 million and $133.6 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, 2018 and 2017, respectively, subject to the terms of each loan's respective credit agreement. As of September 30, 2018, GCIC believes that it had sufficient assets and liquidity to adequately cover future obligations under its unfunded commitments based on historical rates of drawings upon unfunded commitments, cash and restricted cash balances that it maintains, availability under the GCIC Credit Facility, SMBC Revolver and GCIC Adviser Revolver, ongoing principal repayments on debt investments assets and uncalled investor capital subscriptions.

Although GCIC expects to fund the growth of its investment portfolio through net proceeds from capital calls on existing investor capital subscriptions and through its dividend reinvestment plan as well as future borrowings, to the extent permitted by the 1940 Act, GCIC cannot assure you that its efforts to raise capital will be successful. In addition, GCIC may, from time to time, amend or refinance its leverage facilities and securitization financings, to the extent permitted by applicable law. To the extent GCIC is not able to raise capital on what it believes are favorable terms, GCIC will focus on optimizing returns by investing in capital generated by repayments into new investments it believes are attractive from a risk/reward perspective. Furthermore, to the extent GCIC is not able to raise capital and are at or near its targeted leverage ratios, GCIC may receive smaller allocations, if any, on new investment opportunities under GC Advisors' allocation policy.

GCIC 2016 Debt Securitization

On August 16, 2016, GCIC completed the GCIC 2016 Debt Securitization. As part of the GCIC 2016 Debt Securitization, GCIC issued an aggregate of approximately $410.0 million of notes that are secured by a diversified portfolio of senior secured and second lien loans (or participation interests therein) held by the GCIC 2016 Issuer. The GCIC 2016 Debt Securitization was executed through a private placement not subject to the registration requirements of the Securities Act of $220.0 million of Class A Notes and $32.5 million of Class B Notes that were each offered at par. The Class A Notes bear interest at three-month LIBOR plus 2.15% and the Class B Notes bear interest at three-month LIBOR plus 3.00%. The $42.3 million Class C Notes, which bear interest at a rate of three-month LIBOR plus 3.10%, $28.6 million Class D Notes, which bear interest at a rate of three-month LIBOR plus 3.25%, and $86.7 million of LLC equity interests were retained by GCIC in consideration for the loans transferred as part of the debt securitization. GCIC structured the GCIC 2016 Debt Securitization with the assistance of Wells Fargo Securities, LLC, for which Wells Fargo Securities, LLC received structuring and placement fees. In accordance with ASC Topic 860, GCIC consolidates the GCIC 2016 Issuer in its financial statements and treats the GCIC 2016 Debt Securitization as a secured borrowing.

In accordance with ASC Topic 860, GCIC is required to consolidate the special purpose vehicle used in an asset-backed securitization and treat the transaction as a secured borrowing. GC Advisors is GCIC's investment adviser and also the collateral manager for the GCIC 2016 Issuer, which results in the "continued involvement" of GCIC in the business of the GCIC 2016 Issuer. In addition, the investments of the GCIC 2016 Issuer constitute a substantial percentage of GCIC's total assets. As a result of this continued involvement and the fact that the respective investments of the GCIC 2016 Issuer constitute a substantial percentage of GCIC's assets, GCIC will consolidate the financial statements of the GCIC 2016 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 GCIC 2016 Debt Securitization, GCIC transferred the portfolio loans that comprise the collateral to the GCIC 2016 Issuer in a transfer that was also a partial sale and a partial capital contribution. Since GCIC received cash proceeds, Class C Notes and Class D Notes from the GCIC 2016 Issuer in consideration for the portfolio loans transferred by GCIC to the GCIC 2016 Issuer, such portion of the transfer also constituted a sale. By contrast, to the extent that, pursuant to further loan transfers made under the master loan sale agreement on an ongoing basis after the closing of the GCIC 2016 Debt Securitization, GCIC receives cash proceeds from the GCIC 2016 Issuer equal to or less than the fair value of the portfolio loans transferred by GCIC to the GCIC 2016 Issuer, the difference between the fair value of such portfolio loans and the cash GCIC receives from the GCIC 2016 Issuer is deemed to be a contribution to the capital of the GCIC 2016 Issuer pursuant to the terms of the master loan sale agreement. In these transactions, there are no material differences between selling and/or contributing loans or participations, viewed from the perspective of the GCIC 2016 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 GCIC 2016 Issuer under the terms of the master loan sale agreement, irrespective of whether such loans or participations were sold or contributed from GCIC to the GCIC 2016 Issuer. Furthermore, to the extent any payment is due to and/or from any entity, such payment may be made on a net basis including, directly or indirectly by, to or through one or more intermediate affiliates of such entity

GC Advisors, as collateral manager for the GCIC 2016 Issuer, selected the senior secured and second lien loans (or participations therein) that were transferred to GCIC 2016 Issuer. The senior secured and second lien loans (or participations therein) were selected in accordance with the criteria set forth in the documents governing the GCIC 2016 Debt Securitization, 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.

The Subordinated Notes are limited recourse obligations of the GCIC 2016 Issuer payable solely from payments made under the portfolio loans and other assets held by the GCIC 2016 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 Notes and Class B Notes remain outstanding, holders of the Subordinated Notes will not generally be entitled to exercise remedies under the indenture.

The Class B Notes are subordinated in right of payment on each payment date to prior payments on the Class A Notes and to certain amounts payable by the GCIC 2016 Issuer as administrative expenses. The Subordinated Notes are subordinated in right of payment on each payment date to payments on the Class A Notes and the Class B Notes as well as to certain amounts payable by the GCIC 2016 Issuer as administrative expenses and to the claims of certain unsecured creditors of the GCIC 2016 Issuer.

The GCIC 2016 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

Notes and the Subordinated Notes may not be made on any payment date unless all amounts owing under the Class A Notes are paid in full. In addition, if the GCIC 2016 Issuer does not meet the asset coverage tests or the interest coverage test set forth in the documents governing the GCIC 2016 Debt Securitization, cash would be diverted from the Class B Notes and the Subordinated Notes to first pay the Class A Notes in amounts sufficient to cause such tests to be satisfied. In addition, no payments may be made on the LLC equity interests in any period until all required payments in respect of the Class A Notes, the Class B Notes and Subordinated 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 GCIC 2016 Issuer, such losses will be borne in the first instance by the holders of the LLC equity interests, then by the Subordinated Notes, then by the holders of the Class B Notes and lastly by the holders of the Class A Notes.

GCIC believes that the GCIC 2016 Debt Securitization benefits from “internal” credit enhancement, meaning that holders of more senior classes of notes issued by the GCIC 2016 Issuer benefit from the terms of subordination applicable to the more junior classes of notes issued by the GCIC 2016 Issuer. Thus, in the case of the GCIC 2016 Debt Securitization, the Class A Notes enjoy the benefit of credit enhancement effectively provided by the subordination provisions of the Class B Notes and the Subordinated Notes. Likewise, the Class B Notes enjoy the benefit of credit enhancement effectively provided by the subordination provisions of the Subordinated Notes.

The documents governing the GCIC 2016 Debt Securitization expressly provide that GCIC and its subsidiaries (other than the GCIC 2016 Issuer) 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 GCIC 2016 Issuer in connection with the GCIC 2016 Debt Securitization because such obligations are the obligations of the GCIC 2016 Issuer only, and the sole recourse for such obligations is to the collateral owned by the GCIC 2016 Issuer rather than GCIC’s assets.

Under the terms of the documents related to the GCIC 2016 Debt Securitization, recourse to GCIC 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 GCIC 2016 Debt Securitization, GCIC sold and/or contributed to the GCIC 2016 Issuer all of its ownership interest in certain of its portfolio loans and participations for the purchase price and other consideration (including securities in the GCIC 2016 Debt Securitization) set forth in the master loan sale agreement.

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 GCIC 2016 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 GCIC 2016 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 GCIC 2016 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 GCIC 2016 Issuer as well as exercising rights to vote on amendments to and waivers of provisions in the credit agreements of portfolio companies. Under the collateral management agreement, GC Advisors is also entitled to indemnification by the GCIC 2016 Issuer for its ongoing activities as collateral manager under the collateral management agreement except where GC Advisors' acts or omissions constitute bad faith, willful misconduct or gross negligence in the performance of its duties.

The GCIC 2016 Debt Securitization provides a number of benefits to GCIC, most notably an ability on GCIC's part to finance new portfolio loans acquired by the GCIC 2016 Issuer at an attractive cost.

GCIC has no direct ability to enforce the payment obligations on portfolio loans held by the GCIC 2016 Issuer as part of the GCIC 2016 Debt Securitization. The contribution of loans and participations did not constitute a realization event under the GCIC Investment Advisory Agreement, and no incentive fee was earned as a result of the GCIC 2016 Debt Securitization.

A portion of the proceeds from the GCIC 2016 Debt Securitization was used to repay lenders pursuant to the GCIC Credit Facility. In addition, a portion of the proceeds from the GCIC 2016 Debt Securitization was used to originate and acquire additional portfolio loans and for general corporate purposes. Any such additional portfolio loans are held by GCIC directly or sold and/or contributed into one of its subsidiaries, which enabled GCIC to borrow additional amounts in securitization or other structures using such portfolio loans as collateral. GCIC believes that the GCIC 2016 Debt Securitization enables GCIC to deploy its capital efficiently and to increase its capacity to provide financing for small to medium-sized businesses in its target market.

The GCIC 2016 Subordinated 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 Notes may only be owned by U.S. persons.

LLC equity interests in the GCIC 2016 Issuer may be transferred only with the written consent of the designated manager of the GCIC 2016 Issuer, which is GCIC.

The pool of loans in the GCIC 2016 Debt Securitization must meet certain requirements, including asset mix and concentration, collateral coverage, term, agency rating, minimum coupon, minimum spread and sector diversity requirements.

Certain of the outstanding GCIC 2016 Notes were redeemed with the proceeds of the private placement of the GCIC 2018 Notes on December 13, 2018. See “--Recent Developments.”

Portfolio Composition, Investment Activity and Yield

As of September 30, 2018 and 2017 GCIC had investments in 186 and 167 portfolio companies, respectively, with a total fair value of $1,624.5 million and $1,347.6 million, respectively. As of September 30, 2018 and 2017, GCIC had investments in GCIC SLF with a total fair value of $49.9 million and $50.1 million, respectively.

The following table shows the asset mix of GCIC's new investment commitments for the years ended September 30, 2018, 2017 and 2016:

	For the years ended September 30,								
	2018			2017			2016		
	(In thousands)	**Percentage of Commitments**		(In thousands)	**Percentage of Commitments**		(In thousands)	Percentage of Commitments	
Senior secured	$137,849	15.7	%	$124,608	17.7	%	$129,602	15.7	%
One stop	714,134	81.8		566,938	80.3		642,852	77.6	
Subordinated debt	218	0.0	*	11	0.0	*	39	0.0	*
Subordinated notes in GCIC SLF(1)	—	—		—	—		34,917	4.2	
LLC equity interests in GCIC SLF(1)	13,650	1.6		8,803	1.2		12,258	1.5	
Equity	7,552	0.9		5,665	0.8		8,478	1.0	
Total new investment commitments	$873,403	100.0	%	$706,025	100.0	%	$828,146	100.0	%

* Represents an amount less than 0.1%.

(1) GCIC SLF's proceeds from the LLC equity interests were utilized by GCIC SLF to invest in senior secured loans. As of September 30, 2018, GCIC SLF had investments in senior secured loans to 33 different borrowers.

For the year ended September 30, 2018, 2017 and 2016, GCIC had approximately $449.5 million, $203.2 million and $126.8 million, respectively, in proceeds from principal payments and return of capital distributions of portfolio companies. For the year ended September 30, 2018, 2017 and 2016, GCIC had sales of investments in 24, 30 and 50 portfolio companies, respectively, aggregating approximately $46.1 million, $73.6 million and $172.0 million, respectively, in net proceeds.

The following table summarizes portfolio composition and investment activity as of and for the years ended September 30, 2018, 2017 and 2016:

	As of and for the years ended September 30,		
	2018	2017	2016
	(Dollars in thousands)		
Investments, at fair value	$ 1,624,499	$ 1,347,597	$ 1,021,754
Number of portfolio companies (at period end)(1)	186	167	158
Investment in GCIC SLF, at fair value (2)	$ 49,939	$ 50,104	$ 47,956
New investment fundings	$ 757,612	$ 592,847	$ 803,373
Principal payments and sales of portfolio investments	$ 495,666	$ 276,853	$ 298,850

(1) Excludes GCIC's investments in GCIC SLF.

(2) As of September 30, 2016, the investment in GCIC SLF includes GCIC's investments in both subordinated notes and LLC equity interests in GCIC SLF.

The following table shows the principal, amortized cost and fair value of GCIC's portfolio of investments by asset class:

	As of September 30, 2018[1]			As of September 30, 2017[1]		
	Principal	**Amortized Cost**	**Fair Value**	Principal	**Amortized Cost**	**Fair Value**
	(In thousands)					
Senior secured:						
Performing	$207,782	$205,615	$206,557	$167,646	$165,642	$165,620
Non-accrual[2]	8,607	8,593	4,478	—	—	—
One stop:						
Performing	1,392,834	1,376,080	1,384,183	1,167,906	1,151,903	1,160,964
Non-accrual[2]	1,127	1,101	719	1,101	1,076	311
Subordinated debt:						
Performing	280	280	280	55	55	55
Non-accrual[2]	—	—	—	—	—	—
LLC equity interests in SLF[3]	N/A	48,356	49,939	N/A	49,800	50,104
Equity	N/A	23,097	28,282	N/A	17,733	20,647
Total	$1,610,630	$1,663,122	$1,674,438	$1,336,708	$1,386,209	$1,397,701

(1) 24 and 15 of GCIC's loans included a feature permitting a portion of the interest due on such loan to be PIK interest as of September 30, 2018 and September 30, 2017, respectively.

(2) GCIC refers to a loan as non-accrual when GCIC ceases recognizing interest income on the loan because GCIC has stopped pursuing repayment of the loan or, in certain circumstances, it is past due 90 days or more on principal and interest or GCIC's management has reasonable doubt that principal or interest will be collected. See "— Critical Accounting Policies — Revenue Recognition."

(3) GCIC SLF's proceeds from the LLC equity interests in GCIC SLF were utilized by GCIC SLF to invest in senior secured loans.

As of September 30, 2018, GCIC had three debt investments on non-accrual status, and non-accrual investments as a percentage of total investments at cost and fair value were 0.6% and 0.3%, respectively. As of September 30, 2017, GCIC had one debt investments on non-accrual status, and non-accrual investments as a percentage of total investments at cost and fair value were both less than 0.1%. As of September 30, 2018 and 2017, the fair value of GCIC's debt investments as a percentage of the outstanding principal value was 99.1% and 99.3%, respectively.

The following table shows the weighted average rate, spread over LIBOR of floating rate investments and fees of investments originated and the weighted average rate of sales and payoffs of portfolio companies during the years ended September 30, 2018, 2017 and 2016:

	For the years ended September 30,					
	2018		2017		2016	
Weighted average rate of new investment fundings[1]	7.9	%	7.2	%	7.3	%
Weighted average spread over LIBOR of new floating rate investment fundings[1]	6.0	%	6.0	%	6.3	%
Weighted average rate of new fixed rate investment fundings	9.1	%	7.5	%	10.7	%
Weighted average fees of new investment fundings	1.1	%	1.4	%	1.7	%
Weighted average rate of sales and payoffs of portfolio investments[1]	8.3	%	7.1	%	6.4	%
Weighted average income yield[2][3]	8.4	%	7.7	%	7.4	%

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(1) Excludes GCIC's subordinated note investment in GCIC SLF, which was redeemed on December 30, 2016.

(2) Represents income from interest, including GCIC's subordinated note investment in GCIC SLF, and fees, excluding amortization of capitalized fees and discounts, divided by the average fair value of earning debt investments and does not represent a return to any investor in GCIC.

(3) For the years ended September 30, 2018 and 2017, weighted average annualized income yield does not reflect interest income from subordinated notes in GCIC SLF, which were redeemed on December 30, 2016.

As of September 30, 2018, 98.8% and 98.8% of GCIC's 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, 2017, 99.8% and 99.8% of GCIC's 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, 2018 and 2017, the portfolio median EBITDA for GCIC's portfolio companies (excluding GCIC SLF and its underlying borrowers) was $26.6 million and $25.2 million, respectively. The portfolio median EBITDA is based on the most recently reported trailing twelve-month EBITDA received from the portfolio company.

As part of the monitoring process, GC Advisors regularly assesses the risk profile of each of GCIC's 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 GCIC's industry or used by its competitors. It is based on the following categories, which GCIC refers to as GC Advisors' internal performance ratings:

Internal Performance Ratings

Rating	**Definition**
5	Involves the least amount of risk in GCIC's 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 GCIC will reduce the fair market value of the loan to the amount GCIC anticipates will be recovered.

GCIC's 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 GCIC's 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 GCIC's portfolio. In connection with GCIC's valuation process, GC Advisors and the GCIC Board review these internal performance ratings on a quarterly basis.

The following table shows the distribution of GCIC's investments on the 1 to 5 internal performance rating scale at fair value as of September 30, 2018 and 2017:

	September 30, 2018			September 30, 2017		
Internal Performance Rating	**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**		**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**	
5	$104,563	6.3	%	$22,656	1.6	%
4	1,439,656	86.0		1,246,641	89.2	
3	110,695	6.6		127,947	9.2	
2	18,813	1.1		155	0.0	*
1	711	0.0	*	302	0.0	*
Total	$1,674,438	100.0	%	$1,397,701	100.0	%

*Represents an amount less than 0.1%.

GCIC Senior Loan Fund LLC:

GCIC co-invests with Aurora National Life Assurance Company, a wholly-owned subsidiary of RGA Reinsurance Company ("Aurora") in senior secured loans through GCIC SLF, an unconsolidated Delaware LLC. GCIC SLF is capitalized as transactions are completed and all portfolio and investment decisions in respect of GCIC SLF must be approved by the GCIC SLF investment committee consisting of two representatives of each of GCIC and Aurora (with unanimous approval required from (i) one representative of each of GCIC and Aurora or (ii) both representatives of each of GCIC and Aurora). GCIC 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.

As of September 30, 2018, GCIC SLF is capitalized by LLC equity interest subscriptions from its members. On December 14, 2016, the GCIC SLF investment committee approved the recapitalization of the commitments of GCIC SLF's members. On December 30, 2016, GCIC SLF's members entered into additional LLC equity interest subscriptions totaling $100.0 million, GCIC SLF issued capital calls totaling $39.9 million to GCIC and Aurora and the subordinated notes previously issued by GCIC SLF were redeemed and terminated. As of September 30, 2018 and

2017, GCIC and Aurora owned 87.5% and 12.5%, respectively, of the LLC equity interests. GCIC SLF's profits and losses are allocated to GCIC and Aurora in accordance with GCIC's respective ownership interests.

As of September 30, 2018 and 2017, GCIC SLF had the following commitments from its members (in the aggregate):

	As of September 30, 2018		As of September 30, 2017	
	Committed	**Funded**[(1)]	Committed	**Funded**[(1)]
	(In thousands)		(In thousands)	
LLC equity commitments[(2)]	$ 125,000	$ 55,264	$ 125,000	$ 56,914
Total	$ 125,000	$ 55,264	$ 125,000	$ 56,914

(1) Funded LLC equity commitments are presented net of return of capital distributions subject to recall.

(2) Commitments presented are for GCIC and Aurora.

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On October 21, 2015, GCIC Senior Loan Fund II LLC ("GCIC SLF II"), a wholly-owned subsidiary of GCIC SLF, entered into a senior secured revolving credit facility (as amended, the "GCIC SLF Credit Facility") with Wells Fargo Bank, N.A., which allowed GCIC SLF II to borrow up to $150.0 million at any one time outstanding, subject to leverage and borrowing base restrictions. The reinvestment period of the GCIC SLF Credit Facility ended September 27, 2018 and as of September 30, 2018, the maximum commitment is equal to advances outstanding. The stated maturity date is September 28, 2022. As of September 30, 2018 and 2017, GCIC SLF II had outstanding debt under the GCIC SLF Credit Facility of $79.7 million and $108.2 million, respectively.

The GCIC SLF Credit Facility bears interest at one-month LIBOR plus a rate between 1.75% and 2.15% per annum, depending on the composition of the collateral asset portfolio.

As of September 30, 2018 and 2017, GCIC SLF had total assets at fair value of $136.6 million and $164.6 million, respectively. As of September 30, 2018 and 2017, GCIC SLF did not have any investments on non-accrual status. The portfolio companies in GCIC SLF are in industries and geographies similar to those in which GCIC may invest directly. Additionally, as of September 30, 2018 and 2017, GCIC SLF had commitments to fund various undrawn revolvers and delayed draw investments to its portfolio companies totaling $11.5 million and $10.0 million, respectively.

Below is a summary of GCIC SLF's portfolio, followed by a listing of the individual investments in GCIC SLF's portfolio as of September 30, 2018 and 2017:

	As of September 30, 2018		As of September 30, 2017	
	(Dollars in thousands)			
Senior secured loans [1]	$ 134,270		$ 162,815	
Weighted average current interest rate on senior secured loans [2]	7.4	%	6.4	%
Number of borrowers in GCIC SLF	33		40	
Largest portfolio company investments [1]	$ 8,357		$ 8,928	
Total of five largest portfolio company investments [1]	$ 33,966		$ 39,540	

(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.

GCIC SLF Investment Portfolio as of September 30, 2018

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]		Principal ($)[2]	Fair Value[3]
1A Smart Start LLC	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	7.0	%	$ 1,337	$ 1,344
1A Smart Start LLC [3]	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	6.7		595	596
Aimbridge Hospitality, LLC [3]	Hotels, Motels, Inns, and Gaming	Senior loan	06/2022	7.2		5,940	5,940
Aimbridge Hospitality, LLC [3]	Hotels, Motels, Inns, and Gaming	Senior loan	06/2022	7.2		237	237
Boot Barn, Inc.	Retail Stores	Senior loan	06/2021	6.9		5,001	5,001
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	7.1		4,023	4,020
Captain D's, LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	12/2023	6.7		5,947	5,947
Captain D's, LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	12/2023	7.9		23	23
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	7.9		2,028	1,988
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	7.9		1,022	1,001
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.9		2,074	2,074
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.9		1,043	1,043
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.9		58	58
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.9		40	40
Elite Sportswear, L.P.	Retail Stores	Senior loan	06/2020	8.1		3,062	3,062
Elite Sportswear, L.P.	Retail Stores	Senior loan	06/2020	8.1		1,231	1,231
Elite Sportswear, L.P.	Retail Stores	Senior loan	06/2020	8.1		634	634
Elite Sportswear, L.P.	Retail Stores	Senior loan	06/2020	8.1		216	216
Elite Sportswear, L.P.	Retail Stores	Senior loan	06/2020	8.1		96	96
Elite Sportswear, L.P.	Retail Stores		06/2020	8.1		92	92

		Senior loan				
Encore GC Acquisition, LLC	Healthcare, Education and Childcare	Senior loan	01/2020	7.5	2,026	2,026
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	8.1	2,662	2,662
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	8.1	739	739
Flexan, LLC [3]	Chemicals, Plastics and Rubber	Senior loan	02/2020	9.8	136	136
G & H Wire Company, Inc. [3]	Healthcare, Education and Childcare	Senior loan	09/2023	8.0	5,769	5,769
Gamma Technologies, LLC [3]	Electronics	Senior loan	06/2024	7.7	4,378	4,378
III US Holdings, LLC	Diversified/Conglomerate Service	Senior loan	09/2022	9.0	4,887	4,887
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	03/2024	6.7	1,973	1,973
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	03/2024	6.7	103	103
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	03/2024	6.7	55	55
Mills Fleet Farm Group LLC [3]	Retail Stores	Senior loan	02/2022	7.7	6,000	6,000
NBC Intermediate, LLC [3]	Beverage, Food and Tobacco	Senior loan	09/2023	6.5	2,634	2,608
NBC Intermediate, LLC [3]	Beverage, Food and Tobacco	Senior loan	09/2023	8.5	5	4
Pasternack Enterprises, Inc. and Fairview Microwave, Inc. [3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2025	6.2	4,963	4,938
Polk Acquisition Corp. [3]	Automobile	Senior loan	06/2022	7.2	8,211	8,211
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	7.5	93	93
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	7.2	53	53
Pyramid Healthcare, Inc. [3]	Healthcare, Education and Childcare	Senior loan	08/2019	8.8	2,451	2,451
Pyramid Healthcare, Inc. [3]	Healthcare, Education and Childcare	Senior loan	08/2019	8.8	166	166
Pyramid Healthcare, Inc. [3]	Healthcare, Education and Childcare	Senior loan	08/2019	8.8	148	148
Pyramid Healthcare, Inc. [3]	Healthcare, Education and Childcare	Senior loan	08/2019	8.8	109	109
Reladyne, Inc. [3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3	5,970	5,970
Reladyne, Inc. [3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3	626	626
Reladyne, Inc. [3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3	543	543

GCIC SLF Investment Portfolio as of September 30, 2018 - (continued)

Portfolio Company	Business Description	Security Type	**Maturity Date**	**Current Interest Rate**[1]		**Principal ($)**[2]	**Fair Value**[3]
RSC Acquisition, Inc. [3]	Insurance	Senior loan	11/2022	6.7	%	$3,289	$3,281
RSC Acquisition, Inc. [3]	Insurance	Senior loan	11/2021	6.8		17	17
Rubio's Restaurants, Inc. [3]	Beverage, Food and Tobacco	Senior loan	10/2019	7.6		1,659	1,659
Rug Doctor LLC	Personal and Non Durable Consumer Products (Mfg. Only)	Senior loan	04/2019	7.6		1,311	1,311
Rug Doctor LLC	Personal and Non Durable Consumer Products (Mfg. Only)	Senior loan	04/2019	7.6		257	257
Saldon Holdings, Inc. [3]	Diversified/Conglomerate Service	Senior loan	09/2022	6.4		1,893	1,884
SEI, Inc. [3]	Electronics	Senior loan	07/2023	7.5		5,178	5,178
Self Esteem Brands, LLC [3]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2020	7.0		5,776	5,776
Summit Behavioral Healthcare, LLC [3]	Healthcare, Education and Childcare	Senior loan	10/2023	7.1		5,955	5,955
Summit Behavioral Healthcare, LLC [3]	Healthcare, Education and Childcare	Senior loan	10/2023	7.1		292	292
Summit Behavioral Healthcare, LLC [3]	Healthcare, Education and Childcare	Senior loan	10/2023	7.1		46	46
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.9		1,086	1,064
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.9		851	834
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	7.1		156	153
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	7.1		58	57
Upstream Intermediate, LLC [3]	Healthcare, Education and Childcare	Senior loan	01/2024	6.6		3,576	3,576
Vendor Credentialing Service LLC [3]	Diversified/Conglomerate Service	Senior loan	11/2021	8.0		5,924	5,924
WHCG Management, LLC [3]	Healthcare, Education and Childcare	Senior loan	03/2023	7.4		2,180	2,180
WIRB-Copernicus Group, Inc. [3]	Healthcare, Education and Childcare	Senior loan	08/2022	6.5		5,367	5,367
						$134,270	$134,102

(1) Represents the weighted average annual current interest rate as of September 30, 2018.

(2) Represents the fair value in accordance with ASC Topic 820. The determination of such fair value is not included in the GCIC Board’s valuation process described elsewhere herein.

(3) GCIC also holds a portion of the 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 as of September 30, 2018. As such, no interest is being earned on this investment. The investment may be subject to an unused facility fee.

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GCIC SLF Investment Portfolio as of September 30, 2017

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate(1)		Principal ($)	Fair Value(2)	
1A Smart Start LLC	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	6.1	%	$ 1,351	$ 1,358	
1A Smart Start LLC	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	5.8		599	599	
Argon Medical Devices, Inc.	Healthcare, Education and Childcare	Senior loan	12/2021	6.0		2,816	2,816	
Boot Barn, Inc.	Retail Stores	Senior loan	06/2021	5.8		5,285	5,285	
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	6.1		4,172	4,167	
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.6		2,049	2,008	
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.6		1,033	1,012	
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8		2,095	2,095	
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8		1,053	1,053	
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8		59	59	
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8		41	41	
Curo Health Services LLC (3)	Healthcare, Education and Childcare	Senior loan	02/2022	5.3		4,875	4,890	
Elite Sportswear, L.P.	Retail Stores	Senior loan	03/2020	6.6		3,093	3,100	
Elite Sportswear, L.P.	Retail Stores	Senior loan	03/2020	6.3		1,244	1,239	
Elite Sportswear, L.P.	Retail Stores	Senior loan	03/2020	6.6		640	641	
Elite Sportswear, L.P.	Retail Stores	Senior loan	03/2020	6.6		218	218	
Elite Sportswear, L.P.	Retail Stores	Senior loan	03/2020	6.6		97	97	
Elite Sportswear, L.P.	Retail Stores	Senior loan	03/2020	6.5		93	93	
Elite Sportswear, L.P. (4)	Retail Stores	Senior loan	03/2020	N/A	(5)	—	(2	)
Encore GC Acquisition, LLC	Healthcare, Education and Childcare	Senior loan	01/2020	6.8		2,108	2,108	
Flexan, LLC	Chemicals, Plastics and Rubber		02/2020	7.1		2,690	2,690	

		Senior loan				
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.1	752	752
Flexan, LLC (3)	Chemicals, Plastics and Rubber	Senior loan	02/2020	8.8	21	21
Gamma Technologies, LLC (3)	Electronics	Senior loan	06/2021	6.0	4,411	4,411
Harvey Tool Company, LLC	Diversified/Conglomerate Manufacturing	Senior loan	03/2020	6.1	1,976	1,976
III US Holdings, LLC	Diversified/Conglomerate Service	Senior loan	09/2022	7.9	5,002	5,002
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.3	1,973	1,973
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.4	87	87
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.4	55	55
Loar Group Inc.	Aerospace and Defense	Senior loan	01/2022	6.0	1,939	1,939
Loar Group Inc.	Aerospace and Defense	Senior loan	01/2022	6.0	1,337	1,337
Mills Fleet Farm Group LLC (3)	Retail Stores	Senior loan	02/2022	6.7	6,000	6,000
Park Place Technologies LLC (3)	Electronics	Senior loan	06/2022	6.3	5,996	5,936
Pasternack Enterprises, Inc. and Fairview Microwave, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	05/2022	6.2	5,013	5,013
Polk Acquisition Corp. (3)	Automobile	Senior loan	06/2022	6.2	8,297	8,131
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	6.7	83	81
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	6.2	53	52
PowerPlan Holdings, Inc. (3)	Utilities	Senior loan	02/2022	6.5	7,126	7,126
Premise Health Holding Corp. (3)	Healthcare, Education and Childcare	Senior loan	06/2020	5.8	5,925	5,925
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2019	7.7	2,346	2,346
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2019	7.9	144	144
Radiology Partners, Inc. (3)	Healthcare, Education and Childcare	Senior loan	09/2020	7.1	7,095	7,095
Radiology Partners, Inc. (3)	Healthcare, Education and Childcare	Senior loan	09/2020	7.1	542	542
Radiology Partners, Inc.	Healthcare, Education and Childcare	Senior loan	09/2020	7.1	460	460
RSC Acquisition, Inc. (3)	Insurance	Senior loan	11/2022	6.6	3,323	3,323

GCIC SLF Investment Portfolio as of September 30, 2017 - (continued)

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate(1)		Principal ($)	Fair Value(2)	
RSC Acquisition, Inc.	Insurance	Senior loan	11/2020	6.1	%	$15	$15	
Rubio's Restaurants, Inc.	Beverage, Food and Tobacco	Senior loan	11/2018	6.1		1,676	1,676	
Rug Doctor LLC	Personal and Non Durable Consumer Products (Mfg. Only)	Senior loan	06/2018	6.6		1,501	1,501	
Saldon Holdings, Inc. (3)	Diversified/Conglomerate Service	Senior loan	09/2022	5.8		2,028	2,003	
Sarnova HC, LLC	Healthcare, Education and Childcare	Senior loan	01/2022	6.0		3,301	3,301	
SEI, Inc. (3)	Electronics	Senior loan	07/2021	6.0		5,217	5,217	
Self Esteem Brands, LLC (3)	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2020	6.0		6,443	6,443	
Severin Acquisition, LLC (3)	Diversified/Conglomerate Service	Senior loan	07/2021	6.1		7,848	7,844	
Severin Acquisition, LLC	Diversified/Conglomerate Service	Senior loan	07/2021	6.2		1,079	1,083	
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8		5,291	4,603	
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8		418	364	
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8		417	363	
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8		416	362	
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8		415	361	
Smashburger Finance LLC (4)	Beverage, Food and Tobacco	Senior loan	05/2018	N/A	(5)	—	(90	)
Tate's Bake Shop, Inc.(3)	Beverage, Food and Tobacco	Senior loan	08/2019	6.3		705	705	
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	5.6		1,097	1,097	
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1		859	859	
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1		165	165	
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1		61	61	
Transaction Data Systems, Inc.	Diversified/Conglomerate Service	Senior loan	06/2021	6.6		3,892	3,892	
	Diversified/Conglomerate Service		06/2020	5.8		22	21	

Transaction Data Systems, Inc.		Senior loan				
Vendor Credentialing Service LLC (3)	Diversified/Conglomerate Service	Senior loan	11/2021	7.2	5,985	5,985
WHCG Management, LLC (3)	Healthcare, Education and Childcare	Senior loan	03/2023	6.1	2,202	2,202
WIRB-Copernicus Group, Inc.	Healthcare, Education and Childcare	Senior loan	08/2022	6.3	5,421	5,421
Young Innovations, Inc. (3)	Healthcare, Education and Childcare	Senior loan	01/2019	6.3	751	751
Young Innovations, Inc.	Healthcare, Education and Childcare	Senior loan	01/2019	6.3	23	23
					$162,815	$161,522

(1) Represents the weighted average annual current interest rate as of September 30, 2017. 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 the GCIC Board’s valuation process described elsewhere herein.

(3) GCIC also holds 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 as of September 30, 2017. As such, no interest is being earned on this investment.

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As of September 30, 2018, GCIC has committed to fund $109.4 million of LLC equity interests to GCIC SLF. As of September 30, 2018 and 2017, $48.4 million and $49.8 million, respectively, of GCIC's LLC equity interest commitment to GCIC SLF had been called and contributed, net of return of capital distributions subject to recall. For the years ended September 30, 2018 and 2017, GCIC received $5.6 million and $4.0 million, respectively, in dividend income from the GCIC SLF LLC equity interests. For the year ended September 30, 2017, GCIC earned interest income on the subordinated notes of $0.7 million. The subordinated notes held by GCIC were redeemed on December 30, 2016.

For the years ended September 30, 2018 and 2017, GCIC earned a total return on its weighted average capital invested in GCIC SLF of 10.6% and 10.0%, respectively. The total return on weighted average capital invested is calculated by dividing total income earned on GCIC's investments in GCIC SLF by the combined daily average of GCIC's investments in (1) the principal of the GCIC SLF subordinated notes, if any, and (2) the NAV of the GCIC SLF LLC equity interests.

Below is certain summarized financial information for SLF as of and for the years September 30, 2018 and 2017:

	As of September 30, 2018	As of September 30, 2017
	(In thousands)	
Selected Balance Sheet Information:		
Investments, at fair value	$ 134,102	$ 161,522
Cash and other assets	2,455	3,029
Total assets	$ 136,557	$ 164,551
Senior credit facility	$ 79,650	$ 108,150
Unamortized debt issuance costs	(569)	(1,199)
Other liabilities	403	338
Total liabilities	79,484	107,289
Members' equity	57,073	57,262
Total liabilities and members' equity	$ 136,557	$ 164,551

	Years ended September 30, 2018	2017
	(In thousands)	
Selected Statement of Operations Information:		
Interest income	$ 12,018	$ 9,905
Fee income	169	—
Total investment income	12,187	9,905
Interest and other debt financing expenses	5,005	4,580
Administrative service fee	240	218

Other expenses	107	97
Total expenses	5,352	4,895
Net investment income	6,835	5,010
Net change in unrealized appreciation (depreciation) on investments	1,081	(1,042)
Net increase in members' equity	$ 7,916	$ 3,968

Prior to their termination, GCIC SLF elected to fair value the subordinated notes issued to GCIC and Aurora under ASC Topic 825. As of September 30, 2018 and September 30, 2017, GCIC SLF had no subordinated notes outstanding.

Contractual Obligations and Off-Balance Sheet Arrangements

A summary of GCIC's significant contractual payment obligations as of September 30, 2018 is as follows:

	Payments Due by Period (In millions)				
	Total	**Less Than 1 Year**	1 – 3 Years	3 – 5 Years	**More Than 5 Years**
GCIC 2016 Debt Securitization	$252.5	$ —	$ —	$ —	$ 252.5
Credit Facility	434.8	—	—	434.8	—
SMBC Revolver	75.0	75.0	—	—	—
Revolver	—	—	—	—	—
Other short-term borrowings	—	—	—	—	—
Unfunded commitments [1]	205.5	205.5	—	—	—
Total contractual obligations	$967.8	$ 280.5	$ —	$ 434.8	$ 252.5

(1) Unfunded commitments represent unfunded commitments to fund investments, excluding GCIC's investments in GCIC SLF, as of September 30, 2018. 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 GCIC is 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, 2018, subject to the terms of each loan's respective credit agreement.

GCIC may become a party to financial instruments with off-balance sheet risk in the normal course of its business to meet the financial needs of its 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, 2018 and 2017, GCIC had outstanding commitments to fund investments, excluding its investments in GCIC SLF, totaling $205.5 million and $133.6 million, respectively. GCIC had commitments of up to $61.0 million and $59.6 million to GCIC SLF as of September 30, 2018 and 2017, respectively, which may be contributed primarily for the purpose of funding new investments approved by the GCIC SLF investment committee.

GCIC has certain contracts under which GCIC has material future commitments. GCIC has entered into the GCIC Investment Advisory Agreement with GC Advisors in accordance with the 1940 Act. Under the GCIC Investment Advisory Agreement, GC Advisors provides GCIC with investment advisory and management services.

Under the GCIC Administration Agreement, the Administrator furnishes GCIC with office facilities and equipment, provides GCIC with clerical, bookkeeping and record keeping services at such facilities and provides GCIC with other administrative services necessary to conduct its day-to-day operations. The Administrator also provides on GCIC's behalf managerial assistance to those portfolio companies to which GCIC is required to offer to provide such assistance.

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

Distributions

GCIC intends to make periodic distributions to its stockholders as determined by the GCIC Board. For additional information on distributions, see "—Critical Accounting Policies—Income Taxes."

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

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

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

Related Party Transactions

GCIC has entered into a number of business relationships with affiliated or related parties, including the following:

- GCIC entered into the GCIC Investment Advisory Agreement with GC Advisors. Each of Mr. Lawrence Golub, GCIC's chairman, and Mr. David Golub, GCIC's president and chief executive officer, is a manager of GC Advisors, and each of Messrs. Lawrence Golub and David Golub owns an indirect pecuniary interest in GC Advisors.

- Golub Capital LLC provides GCIC with the office facilities and administrative services necessary to conduct day-to-day operations pursuant to the GCIC Administration Agreement.

- GCIC entered into a license agreement with Golub Capital LLC, pursuant to which Golub Capital LLC has granted GCIC a non-exclusive, royalty-free license to use the name "Golub Capital."

- GC Advisors serves as collateral manager to the GCIC 2016 Issuer under the 2016 GCIC Collateral Management Agreement and to the GCIC 2018 Issuer under a collateral management agreement and receives a fee for providing these services that is offset against the base management fee payable by GCIC under the GCIC Investment Advisory Agreement.

- Under the Staffing Agreement, Golub Capital LLC has agreed to provide GC Advisors with the resources necessary to fulfill its obligations under the GCIC Investment Advisory Agreement. The Staffing Agreement provides that Golub

Capital LLC will make available to GC Advisors experienced investment professionals and provide access to the senior investment personnel of Golub Capital LLC for purposes of evaluating, negotiating, structuring, closing and monitoring GCIC's investments. The Staffing Agreement also includes a commitment that the members of GC Advisors' investment committee will serve in such capacity. Services under the Staffing Agreement are provided on a direct cost reimbursement basis. GCIC is not a party to the Staffing Agreement.

- GCIC has entered into the GCIC Adviser Revolver with GC Advisors in order to have the ability to borrow funds on a short-term basis.

- Immediately prior to GCIC's election to be regulated as a business development company, GCIC acquired its initial portfolio of investments by purchasing (1) all of the outstanding equity interests of GCIC Holdings LLC ("GCIC Holdings") and GCIC Funding, from GEMS Fund, L.P., a Delaware limited partnership whose general partner is controlled by GC Advisors, and (2) loans from certain unaffiliated third-party investors. At the time of GCIC's acquisition of their respective equity interests, the only assets (other than certain cash and cash equivalents) of GCIC Funding and GCIC Holdings were one stop and other senior secured loans to U.S. middle-market companies consistent with GCIC's investment objectives and strategies. Each of the loans acquired in GCIC's formation transactions had been underwritten by GC Advisors at the time of origination or acquisition using the same criteria and standards as GC Advisors uses in connection with the origination or acquisition of loans for GCIC.

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GC Advisors also sponsors or manages, and may in the future sponsor or manage, other investment funds, accounts or investment vehicles (together referred to as “accounts”) that have investment mandates that are similar, in whole and in part, with GCIC’s. For example, GC Advisors presently serves as the investment adviser to GBDC and GBDC 3, each of which focuses on investing primarily in one stop and other senior secured loans of U.S. middle-market companies. In addition, GCIC’s officers and directors serve in similar capacities for GBDC and GBDC 3. GC Advisors and its affiliates may determine that an investment is appropriate for GCIC and for one or more of these other accounts. In such event, depending on the availability of such investment and other appropriate factors, and pursuant to GC Advisors’ allocation policy, GC Advisors or its affiliates may determine that GCIC should invest side-by-side with one or more other accounts. GCIC does not intend to make any investments if they are not permitted by applicable law and interpretive positions of the SEC and its staff, or if they are inconsistent with GC Advisors’ allocation procedures.

In addition, GCIC has adopted a formal code of ethics that governs the conduct of GCIC’s and GC Advisors’ officers, directors and employees. GCIC’s officers and directors also remain subject to the duties imposed by both the 1940 Act and the MGCL.

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. GCIC has identified the following items as critical accounting policies.

Fair Value Measurements

GCIC values 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 GCIC’s portfolio, and GCIC values these portfolio investments at fair value as determined in good faith by the GCIC Board under GCIC’s 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, GCIC 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.

The GCIC Board 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, the GCIC Board undertakes a multi-step valuation process each quarter, as described below:

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

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- Preliminary valuation conclusions are then documented and discussed with GCIC's senior management and GC Advisors.

- The audit committee of the GCIC Board reviews these preliminary valuations.

- At least once annually the valuation for each portfolio investment, subject to a de minimis threshold, is reviewed by an independent valuation firm.

- The GCIC Board discusses valuations and determines the fair value of each investment in GCIC's portfolio in good faith.

In connection with each sale of shares of GCIC Common Stock, GCIC makes a determination that GCIC is not selling shares of GCIC Common Stock at a price below the then-current net asset value per share of common stock at the time at which the sale is made or otherwise in violation of the 1940 Act. GC Advisors will consider the following factors, among others, in making such determination:

- The net asset value of GCIC Common Stock disclosed in the most recent periodic report filed with the SEC;

- Its assessment of whether any change in the net asset value per share of GCIC Common Stock has occurred (including through the realization of gains on the sale of portfolio securities) during the period beginning on the date of the most recently disclosed net asset value per share of GCIC Common Stock and ending two days prior to the date of the sale; and

- The magnitude of the difference between the sale price of the shares of common stock and management's assessment of any change in the net asset value per share of GCIC Common Stock during the period discussed above.

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

GCIC follows 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. GCIC's 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. GCIC's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and GCIC considers factors specific to the asset or liability. GCIC assesses 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, 2018, 2017 and 2016. The following section describes the valuation techniques used by GCIC 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 the GCIC Board, based on input of management, the audit committee and independent valuation firms that have been engaged at the direction of the GCIC Board 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 GCIC's valuations of debt and equity investments without readily available market quotations subject to review by an independent valuation firm. As of September 30, 2018 and September 30, 2017, 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, GCIC 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 EBITDA. A portfolio company's EBITDA may include pro-forma adjustments for items such as acquisitions, divestitures, or expense reductions. 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, GCIC 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, GCIC uses a market interest rate yield analysis to determine fair value.

In addition, for certain debt investments, GCIC may base its valuation on indicative bid and ask prices provided by an independent third party pricing service. Bid prices reflect the highest price that GCIC and others may be willing to pay. Ask prices represent the lowest price that GCIC and others may be willing to accept. GCIC generally use the midpoint of the bid/ask range as its 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 GCIC were required to liquidate a portfolio investment in a forced or liquidation sale, GCIC may realize significantly less than the value at which such investment had previously been recorded.

GCIC's 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 Other Financial Assets and Liabilities

Fair value of GCIC's 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:

GCIC's 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, GCIC does not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not likely to be collectible. In addition, GCIC 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 earned. Loan origination fees, original issue discount and market discount or premium are capitalized, and GCIC accretes or amortizes such amounts as interest income. GCIC records 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 LP investments are evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, GCIC 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.

GCIC accounts 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. GCIC reports 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 GCIC's Consolidated Statements of Operations.

Non-accrual: Loans may be left on accrual status during the period GCIC is 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 be collected for possible placement on non-accrual status. GCIC generally reverses 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. GCIC restores non-accrual loans to accrual status when past due principal and interest is paid and, in GCIC's management's judgment, are likely to remain current. The total fair value of GCIC's non-accrual loans was $5.2 million and $0.3 million as of September 30, 2018 and September 30, 2017, respectively.

***Income taxes*:**

GCIC has 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, GCIC is required to meet certain source of income and asset diversification requirements, as well as timely distribute to GCIC's stockholders dividends for U.S. federal income tax purposes of an amount generally at least equal to 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. GCIC has made and intends to continue to make the requisite distributions to its stockholders, which will generally relieve GCIC from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, GCIC 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 U.S. federal income tax under Subchapter M of the Code. GCIC may then be required to incur a 4% excise tax on such income. To the extent that GCIC determines that its estimated current year annual taxable income may exceed estimated current year distributions, GCIC accrues excise tax, if any, on estimated excess taxable income as taxable income is earned.

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.

Senior Securities of Golub Capital Investment Corporation

Information about GCIC's senior securities is shown as of the dates indicated in the below table. This information about GCIC's senior securities should be read in conjunction with GCIC's consolidated financial statements and related notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Golub Capital Investment Corporation" for more information.

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)				
2016 Debt Securitization				
September 30, 2016	$ 252,500	$ 2,181	-	N/A
September 30, 2017	$ 252,500	$ 2,143	-	N/A
September 30, 2018	$ 252,500	$ 2,218	-	N/A
Revolving Credit Facility				
September 30, 2015	$ 249,700	$ J,250	-	N/A
September 30, 2016	$ 193,100	$ 2,181	-	N/A
September 30, 2017	$ 342,700	$ 2,143	-	N/A
September 30, 2018	$ 434,830	$ 2,218	-	N/A
Revolver				
September 30, 2015	$ 0	N/A	-	N/A
September 30, 2016	$ 0	N/A	-	N/A
September 30, 2017	$ 0	N/A	-	N/A
September 30, 2018	$ 0	N/A	-	N/A
SMBC Revolver				
September 30, 2016	$ 75,000	$ 2,181	-	N/A
September 30, 2017	$ 75,000	$ 2,143	-	N/A
September 30, 2018	$ 75,000	$ 2,218	-	N/A
Total Debt				
September 30, 2015	$ 249,700	$ 2,250	-	N/A
September 30, 2016	$ 520,000	$ 2,181	-	N/A
September 30, 2017	$ 670,200	$ 2,143	-	N/A
September 30, 2018	$ 762,330	$ 2,218	-	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 GCIC's 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.

PORTFOLIO companies of Golub Capital Investment Corporation

The following table sets forth certain information as of September 30, 2018 for each portfolio company in which GCIC had an investment. The general terms of each type of investment, including information on GCIC's security interests in the assets of the portfolio companies and the expected interest rates on such investments, are described in "Business of Golub Capital Investment Corporation—Investment Structure" and are the same as those for GBDC described in "Business of Golub Capital BDC, Inc.—Investment Structure." Other than GCIC's equity investments and GCIC's investment in GCIC SLF, GCIC's only formal relationships with its portfolio companies are the managerial assistance that it may provide upon request and the board observer or participation rights it may receive in connection with its investment. As indicated by footnote to the following table, GCIC is deemed to "control," as defined in the 1940 Act, GCIC SLF because it owns more than 25% of GCIC SLF's outstanding voting securities. Other than GCIC's investment in GCIC SLF, GCIC does not "control," as defined in the 1940 Act, any of its portfolio companies. As of September 30, 2018, GCIC was an "affiliated person," as defined in the 1940 Act, of one portfolio company. In general, under the 1940 Act, GBDC would "control" a portfolio company if it owned, directly or indirectly, more than 25.0% of its voting securities and would be an "affiliate" of a portfolio company if it owned, directly or indirectly, five percent or more of its voting securities. The loans in GCIC's current portfolio were either originated or purchased in the secondary market by Golub Capital and its affiliates. As of September 30, 2018, there were 93 portfolio companies with a total fair value of $397.4 million securing the notes issued as part of the GCIC 2016 Debt Securitization. The pool of loans in the debt securitization must meet certain requirements, including asset mix and concentration, collateral coverage, term, agency rating, minimum coupon, minimum spread and sector diversity requirements.

Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate [1]**	Maturity	**Fair Value (Dollar in Thous**
1A Smart Start LLC	500 E Dallas Rd Suite 100 Grapevine, TX 76051	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan^	6.74% (L + 4.50%)[(a)]	02/2022	355
Abita Brewing Co., L.L.C.	21084 Highway 36 Covington, LA 70433	Beverage, Food and Tobacco	One stop*	7.99% (L + 5.75%)[(a)]	04/2021	3,377
			One stop	N/A[(4)] (L + 5.75%)	04/2021	-
Accela, Inc.	2633 Camino	Diversified/Conglomerate Service	One stop*	8.39% (L + 6.00%)[(c)]	09/2023	6,665

	Ramon, Suite 500 San Ramo, CA 94583					
			LLC units	N/A	N/A	411
			One stop	N/A[4] (L + 6.00%)	09/2023	-
Active Day, Inc.	6 Neshaminy Interplex Suite 401 Trevose, PA 19053	Healthcare, Education and Childcare	One stop*^	8.24% (L + 6.00%)[a]	12/2021	11,180
			One stop^	8.24% (L + 6.00%)[a]	12/2021	863
			One stop*	8.24% (L + 6.00%)[a]	12/2021	556
			LLC interest	N/A	N/A	384
			One stop*	8.24% (L + 6.00%)[a]	12/2021	384
			One stop	10.25% (P + 5.00%)[f]	12/2021	20
Acuity Eyecare Holdings, LLC	211 East Broadway Alton, IL 62002	Healthcare, Education and Childcare	One stop*	9.01% (L + 6.75%)[b]	03/2022	3,392
			One stop	9.02% (L + 6.75%)[b]	03/2022	3,157
			LLC interest	N/A	N/A	416
			One stop	9.04% (L + 6.75%)[b]	03/2022	393
			One stop	11.00% (P + 5.75%)[f]	03/2022	9
ADCS Clinics Intermediate Holdings, LLC	151 Southhall Lane, Suite 300 Maitland, FL 32751	Healthcare, Education and Childcare	One stop*	8.04% (L + 5.75%)[b]	05/2022	21,249
			Preferred stock	N/A	N/A	374
			One stop*	8.04% (L + 5.75%)[b]	05/2022	105
			One stop	8.04% (L + 5.75%)[b]	05/2022	81
			One stop	8.04% (L + 5.75%)[b]	05/2022	48
			One stop^	8.04% (L + 5.75%)[b]	05/2022	31
			Common stock	N/A	N/A	-
Advanced Pain Management Holdings, Inc.	4131 W Loomis	Healthcare, Education and Childcare	Senior loan*(5)	7.24% (L + 5.00%)[a]	11/2018	3,076

	Rd., Suite 300 Greenfield, WI 53221					
			Senior loan*(5)	7.24% (L + 5.00%)(a)	11/2018	210
			Senior loan(5)	N/A(4) (L + 5.00%)	11/2018	-
Agilitas USA, Inc.	2001 Mallory Lane, Suite 201 Franklin, TN 37067	Healthcare, Education and Childcare	One stop*	8.34% (L + 6.00%)(c)	04/2022	1,917
			One stop	8.34% (L + 6.00%)(c)	04/2022	8
			One stop	N/A(4) (L + 6.00%)	04/2022	-
Agility Recovery Solutions Inc.	2101 Rexford Road, Suite 350E Charlotte, NC 28211	Diversified/Conglomerate Service	One stop^	8.74% (L + 6.50%)(a)	03/2020	6,154
			Preferred stock	N/A	N/A	189
			One stop	N/A(4) (L + 6.50%)	03/2020	-
Aimbridge Hospitality, LLC	2500 N Dallas Pkwy Plano, TX 75093	Hotels, Motels, Inns, and Gaming	One stop^	7.24% (L + 5.00%)(a)	06/2022	6,329
			One stop*^	7.24% (L + 5.00%)(a)	06/2022	4,993
			One stop^	7.24% (L + 5.00%)(a)	06/2022	1,055
			One stop	7.24% (L + 5.00%)(a)	06/2022	61
			One stop	N/A(4) (L + 5.00%)	06/2022	-
Anaqua, Inc.	31 St. James Ave, 11th FL Boston, MA 02116	Diversified/Conglomerate Service	One stop*^	8.85% (L + 6.50%)(c)	07/2022	8,850
			One stop	N/A(4) (L + 6.50%)	07/2022	-
Apothecary Products, LLC	11750 12th Avenue S. Burnsville, MN 55337	Healthcare, Education and Childcare	Senior loan*^	6.77% (L + 4.25%)(d)	07/2023	3,389

			Senior loan	N/A[4] (L + 4.25%)	07/2023	(8
Appriss Holdings, Inc.	10401 Linn Station Road Louisville, KY 40223	Electronics	One stop*^	8.64% (L + 6.25%)[c]	05/2022	23,984
			One stop	N/A[4] (L + 6.25%)	05/2022	(14

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** [(1)]	Maturity	**Fair Value (Doll in Thou** [(2)]
Apttus Corporation	1400 Fashion Island Blvd, Suite 200 San Mateo, CA 94404	Diversified/Conglomerate Service	One stop	10.06% (L + 7.85%)[(e)]	01/2023	5,24
			Preferred stock	N/A	N/A	431
			Warrant	N/A	N/A	225
Arcos, LLC	445 Hutchinson Ave, Suite 600 Columbus OH 43235	Utilities	One stop^	8.39% (L + 6.00%)[(c)]	02/2021	3,29
			One stop	N/A[(4)] (L + 6.00%)	02/2021	-
Aris Teleradiology Company, LLC	5655 Hudson Drive, Ste 210 Hudson, OH 44236	Healthcare, Education and Childcare	Senior loan*^(5)	8.00% (L + 5.50%)[(c)]	03/2021	1,14
			Senior loan(5)	8.01% (L + 5.50%)[(c)(d)]	03/2021	44
Avalign Technologies, Inc.	272 E. Deerpath, Suite 208 Lake Forest, IL 60045	Healthcare, Education and Childcare	Senior loan^	6.75% (L + 4.50%)[(a)]	07/2021	894
Batteries Plus Holding Corporation	1325 Walnut Ridge Dr. Hartland, WI 53029	Retail Stores	One stop*^	8.99% (L + 6.75%)[(a)]	07/2022	11,3
			LP interest	N/A	N/A	778
			One stop	N/A[(4)] (L + 6.75%)	07/2022	-
Bazaarvoice, Inc.	3900 N. Capital of TX Hwy, Suite 300 Austin, TX 78746	Diversified/Conglomerate Service	One stop*	10.24% (L + 8.00%)[(a)]	02/2024	10,8
			One stop		02/2024	30

				12.25% (P + 7.00%)(f)		
Benetech, Inc.	2245 Sequoia Dr., Suite 300 Aurora, IL 60506	Mining, Steel, Iron and Non-Precious Metals	One stop*	10.24% cash/2.00% PIK (L + 10.00%)(a)	05/2019	185
			One stop	11.77% cash/2.00% PIK (P + 8.75%)(a)(f)	05/2019	10
			LLC interest	N/A	N/A	-
			LLC interest	N/A	N/A	1
BIORECLAMATIONIVT, LLC	123 Frost Street, Ste 115 Westbury, NY 11590	Healthcare, Education and Childcare	One stop*^	8.49% (L + 6.25%)(a)	01/2021	14,9
			LLC units	N/A	N/A	589
			One stop	10.50% (P + 5.25%)(f)	01/2021	100
Brandmuscle, Inc.	233 S. Wacker Drive, Suite 4400 Chicago, IL 60606	Printing and Publishing	Senior loan^	7.39% (L + 5.00%)(c)	12/2021	535
			LLC interest	N/A	N/A	143
Brooks Equipment Company, LLC	10926 David Taylor Drive, Suite 300 Charlotte, NC 28262	Buildings and Real Estate	One stop^	7.31% (L + 5.00%)(c)	08/2020	5,63
			One stop^	7.28% (L + 5.00%)(b)(c)	08/2020	704
			One stop	N/A(4) (L + 5.00%)	08/2020	-
Browz LLC	13937 S. Sprague Lane, Suite 100 Draper, UT 84020	Diversified/Conglomerate Service	One stop	10.17% cash/1.50% PIK (L + 9.50%)(b)	03/2023	1,83
			One stop	N/A(4) (L + 9.50%)	03/2023	-
C. J. Foods, Inc.	21 Main Street Bern, KS 66408	Beverage, Food and Tobacco	One stop*^	8.64% (L + 6.25%)(c)	05/2020	20,8
			One stop	8.64% (L + 6.25%)(c)	05/2020	1,58
			One stop	8.58% (L + 6.25%)(c)	05/2020	1,25

Cafe Rio Holding, Inc.	215 North Admiral Byrd Road, Suite 100 Salt Lake City, UT 84116	Beverage, Food and Tobacco	One stop*^	7.99% (L + 5.75%)[(a)]	09/2023	8,62
			One stop^	7.99% (L + 5.75%)[(a)]	09/2023	1,37
			One stop	7.99% (L + 5.75%)[(a)]	09/2023	691
			Common stock	N/A	N/A	335
			One stop	10.00% (P + 4.75%)[(f)]	09/2023	10
Captain D's, LLC	624 Grassmere Drive, Suite 30 Nashville, TN 37211	Personal, Food and Miscellaneous Services	Senior loan*	6.71% (L + 4.50%)[(b)]	12/2023	2,21
			LLC interest	N/A	N/A	81
			Senior loan	7.86% (P + 3.50%)[(a)(f)]	12/2023	9
Captive Resources Midco, LLC	201 East Commerce Drive Schaumburg, IL 60173	Insurance	One stop*^	7.99% (L + 5.75%)[(a)]	12/2021	12,5
			One stop	N/A[(4)] (L + 5.75%)	12/2021	-
			One stop	N/A[(4)] (L + 5.75%)	12/2021	-
Centrify Corporation	3300 Tannery Way Santa Clara, CA 95054	Diversified/Conglomerate Service	One stop	8.59% (L + 6.25%)[(c)]	08/2024	12,5
			LP interest	N/A	N/A	400
			LP interest	N/A	N/A	-
			One stop	N/A[(4)] (L + 6.25%)	08/2024	(2
Chase Industries, Inc.	10021 Commerce Park Dr. Cincinnati, OH 45246	Diversified/Conglomerate Manufacturing	Senior loan*	6.34% (L + 4.00%)[(c)]	05/2025	5,40
			Senior loan	6.38% (L + 4.00%)[(c)]	05/2025	165
			Senior loan	6.34% (L + 4.00%)[(c)]	05/2023	16
Clarkson Eyecare LLC	15933 Clayton	Personal, Food and Miscellaneous Services	One stop*^	8.64% (L + 6.25%)[(c)]	04/2021	17,0

Road, Suite 210 Ballwin, MO 63011				
	One stop	8.64% (L + 6.25%)[c]	04/2021	8,44
	One stop	8.43% (L + 6.25%)[a][c]	04/2021	4,67
	One stop	8.58% (L + 6.25%)[c]	04/2021	4,00
	One stop*	8.64% (L + 6.25%)[c]	04/2021	2,92
	One stop*	8.64% (L + 6.25%)[c]	04/2021	2,49
	One stop	8.64% (L + 6.25%)[c]	04/2021	1,39
	One stop	8.64% (L + 6.25%)[c]	04/2021	709
	One stop*	8.64% (L + 6.25%)[c]	04/2021	656
	One stop*	8.64% (L + 6.25%)[c]	04/2021	484
	One stop	8.63% (L + 6.25%)[c]	04/2021	257
	LLC units	N/A	N/A	158
	One stop	N/A[4] (L + 6.25%)	04/2021	-

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** (1)	Maturity	**Fair Valu (Doll in Thou** (2)
Clearwater Analytics, LLC	777 W. Maine St. Suite 900 Boise, ID 83702	Diversified/Conglomerate Service	One stop*^	7.24% (L + 5.00%)(a)	09/2022	7,92
			One stop	N/A(4) (L + 5.00%)	09/2022	-
Cloudbees, Inc.	2001 Gateway Place, Suite 670W San Jose, CA 95110	Diversified/Conglomerate Service	One stop	10.61% cash/0.50% PIK (L + 9.00%)(a)	05/2023	2,24
			Preferred stock	N/A	N/A	247
			Warrant	N/A	N/A	46
			One stop	N/A(4) (L + 9.00%)	05/2023	-
CLP Healthcare Services, Inc.	Creekside Crossing IV, 12 Cadillac Dr., Ste 360 Brentwood, TN 37027	Healthcare, Education and Childcare	Senior loan^	7.89% (L + 5.50%)(c)	12/2020	908
Community Veterinary Partners, LLC	100 N. 20th Street, Suite 302 Phiadelphia, PA 19103	Personal, Food and Miscellaneous Services	One stop^	7.89% (L + 5.50%)(c)	10/2021	1,94
			One stop^	7.89% (L + 5.50%)(c)	10/2021	516
			Common stock	N/A	N/A	266
			One stop^	7.89% (L + 5.50%)(c)	10/2021	99
			One stop	N/A(4) (L + 5.50%)	10/2021	-
Compusearch Software Holdings, Inc.	21251 Ridgetop Circle, Suite 100 Dulles, VA 20166	Electronics	Senior loan^	6.64% (L + 4.25%)(c)	05/2021	998

Confluence Technologies, Inc.	Nova Tower One One Allegheny Square, Suite 800 Pittsburgh, PA 15212	Diversified/Conglomerate Service	One stop	9.65% (L + 7.50%)(a)	03/2024	8,59
			LLC interest	N/A	N/A	122
			One stop	10.96% (P + 6.50%)(a)(f)	03/2024	16
Connexin Software, Inc.	602 W. Office Center Drive, Suite 350 Fort Washington, PA 19034	Diversified/Conglomerate Service	One stop	10.74% (L + 8.50%)(a)	02/2024	2,92
			LLC interest	N/A	N/A	111
			One stop	N/A(4) (L + 8.50%)	02/2024	-
CST Buyer Company	11035 Aurora Ave Urbandale, IA 50322	Home and Office Furnishings, Housewares, and Durable Consumer	One stop^	7.24% (L + 5.00%)(a)	03/2023	3,08
			One stop	N/A(4) (L + 5.00%)	03/2023	-
Cycle Gear, Inc.	4705 Industrial Way Benicia, CA 94510	Retail Stores	One stop^	8.84% (L + 6.50%)(c)	01/2020	7,49
			One stop^	8.84% (L + 6.50%)(c)	01/2020	705
			LLC units	N/A	N/A	207
			One stop	N/A(4) (L + 6.50%)	01/2020	-
Datto, Inc.	101 Merrott 7, 7th Floor Norwalk, CT 06851	Diversified/Conglomerate Service	One stop	10.15% (L + 8.00%)(a)	12/2022	14,0
			One stop	N/A(4) (L + 8.00%)	12/2022	-
Daxko Acquisition Corporation	600 University Park Place, Suite 500 Birmingham, AL 35209	Diversified/Conglomerate Service	One stop*^	7.54% (L + 5.25%)(b)	09/2023	11,1
			One stop	N/A(4) (L + 5.25%)	09/2023	-
			One stop*^		07/2021	14,4

DCA Investment Holding, LLC	6240 Lake Osprey Dr Sarasota, FL 34240	Healthcare, Education and Childcare		7.64% (L + 5.25%)[(c)]		
			One stop*^	7.64% (L + 5.25%)[(c)]	07/2021	13,4
			One stop*^	7.64% (L + 5.25%)[(c)]	07/2021	6,04
			One stop	7.64% (L + 5.25%)[(c)]	07/2021	2,41
			LLC units	N/A	N/A	653
			One stop	7.64% (L + 5.25%)[(c)]	07/2021	151
			One stop	7.64% (L + 5.25%)[(c)]	07/2021	47
			LLC units	N/A	N/A	-
			One stop	N/A[(4)] (L + 5.25%)	07/2021	-
			One stop	N/A[(4)] (L + 5.25%)	07/2021	-

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Name of Portfolio Company	Address	Industry	Type of Investment	**Interest Rate** [(1)]	Maturity	**Fair Valu (Dol in Thou** [(2)]
Deca Dental Management LLC	14285 Midway Road, Suite 160 Addison, Texas 75001	Healthcare, Education and Childcare	One stop	8.64% (L + 6.25%)[(c)]	07/2020	7,44
			One stop^	8.57% (L + 6.25%)[(a)(c)]	07/2020	906
			LLC units	N/A	N/A	782
			One stop	8.49% (L + 6.25%)[(a)]	07/2020	50
			One stop	N/A[(4)] (L + 6.25%)	07/2020	-
Dent Wizard International Corporation	4710 Earth City Expressway Bridgeton, MO 63044	Automobile	Senior loan^	6.23% (L + 4.00%)[(a)]	04/2020	2,16
Dental Holdings Corporation	775 Wayzata Boulevard, Suite 890 Minneapolis, MN 55416-1232	Healthcare, Education and Childcare	One stop^	8.02% (L + 5.50%)[(d)]	02/2020	3,18
			One stop	8.02% (L + 5.50%)[(d)]	02/2020	505
			LLC units	N/A	N/A	326
			One stop	7.67% (L + 5.50%)[(b)]	02/2020	98
Digital Guardian, Inc.	860 Winter Street, Suite 3 Waltham, MA 02451	Diversified/Conglomerate Service	One stop	10.33% cash/1.00% PIK (L + 9.00%)[(c)]	06/2023	4,35
			Subordinated debt	8.00% PIK	01/2019	218
			Warrant	N/A	N/A	11
			One stop	N/A[(4)] (L + 6.00%)	06/2023	(2
			One stop	N/A[(4)] (L + 9.00%)	06/2023	-
Diligent Corporation	1385 Broadway, 19th Floor	Electronics	One stop*^	8.09% (L + 5.50%)[(d)]	04/2022	31,3

	New York, NY 10018					
			One stop*^	8.09% (L + 5.50%)(d)	04/2022	8,80
			One stop*	8.09% (L + 5.50%)(d)	04/2022	7,78
			Preferred stock(7)	N/A	N/A	1,32
			One stop	N/A(4) (L + 5.50%)	04/2022	-
DISA Holdings Acquisition Subsidiary Corp.	12600 Northborough Dr. Suite 300 Houston, TX 77067	Diversified/Conglomerate Service	Senior loan*^	6.10% (L + 4.00%)(a)(f)	06/2022	2,05
			Senior loan	6.10% (L + 4.00%)(a)	06/2022	23
			Senior loan	N/A(4) (L + 4.00%)	06/2022	-
Drilling Info Holdings, Inc.	2901 Via Fortuna, Suite 200 Austin, TX 78746	Oil and Gas	Senior loan*^	6.54% (L + 4.25%)(b)	07/2025	13,8
			Senior loan	N/A(4) (L + 4.25%)	07/2023	-
			Senior loan	N/A(4) (L + 4.25%)	07/2025	(14
DTLR, Inc.	7455 N North Ridge Rd Hanover, MD 21076	Retail Stores	One stop*^	8.68% (L + 6.50%)(b)	08/2022	19,5
EGD Security Systems, LLC	121 Executive Center Drive, Suite 230 Columbia, SC 29210	Diversified/Conglomerate Service	One stop*^	8.58% (L + 6.25%)(c)	06/2022	10,3
			One stop^	8.56% (L + 6.25%)(c)	06/2022	98
			One stop	8.58% (L + 6.25%)(c)	06/2022	75
			One stop	8.59% (L + 6.25%)(c)	06/2022	52
Elite Dental Partners LLC	1 East Wacker Drive, Suite 2520 Chicago, IL 60601	Healthcare, Education and Childcare	One stop*	7.49% (L + 5.25%)(a)	06/2023	2,01
			One stop	7.49% (L + 5.25%)(a)	06/2023	1,57
			Common stock	N/A	N/A	426
			One stop		06/2023	-

				N/A[4] (L + 5.25%)		
Elite Sportswear, L.P.	2136 N. 13th Street Reading, PA 19604	Retail Stores	LLC interest	N/A	N/A	16
Encore GC Acquisition, LLC	30230 Orchard Lake Road, Suite 140 Farmington Hills, MI 48334	Healthcare, Education and Childcare	LLC units	N/A	N/A	107
			LLC units	N/A	N/A	9
ERG Buyer, LLC	12 New Providence Road Watchung, NJ 07069	Healthcare, Education and Childcare	One stop*	7.89% (L + 5.50%)(c)	05/2024	6,34
			LLC units	N/A	N/A	418
			LLC units	N/A	N/A	4
			One stop	N/A[4] (L + 5.50%)	05/2024	-
			One stop	N/A[4] (L + 5.50%)	05/2024	-
eSolutions, Inc.	8215 W 108th Terrace Overland Park, KS 66210	Healthcare, Education and Childcare	One stop*^	8.74% (L + 6.50%)(a)	03/2022	29,1
			One stop	N/A[4] (L + 6.50%)	03/2022	(1
Excelligence Learning Corporation	2 Lower Ragsdale Drive Monterey, CA 93940 California, CA 93940	Healthcare, Education and Childcare	One stop*^	8.24% (L + 6.00%)(a)	04/2023	5,86
Eyecare Services Partners Holdings LLC	2727 N. Harwood, Suite 250 Dallas, TX 75201	Healthcare, Education and Childcare	One stop*	8.64% (L + 6.25%)(c)	05/2023	10,3
			One stop	8.64% (L + 6.25%)(c)	05/2023	7,45
			One stop*	8.64% (L + 6.25%)(c)	05/2023	6,67
			One stop*	8.64% (L + 6.25%)(c)	05/2023	2,23
			One stop		05/2023	1,44

	8.59% (L + 6.25%)(c)		
One stop*	8.64% (L + 6.25%)(c)	05/2023	1,08
One stop*	8.64% (L + 6.25%)(c)	05/2023	953
One stop*	8.64% (L + 6.25%)(c)	05/2023	616
One stop	8.64% (L + 6.25%)(c)	05/2023	460
LLC units	N/A	N/A	338
One stop	8.63% (L + 6.25%)(c)	05/2023	25
LLC units	N/A	N/A	11

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Name of Portfolio Company	Address