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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 30, 2019

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 814-00794

GOLUB CAPITAL BDC, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**27-2326940**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
666 Fifth Avenue, 18th Floor, New York, NY	**10103**
(Address of Principal Executive Offices)	**(Zip Code)**

(212) 750-6060

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	GBDC	The Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes o No ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑	Accelerated filer o
Non-accelerated filer o	Smaller reporting company o
Emerging growth company o	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).Yes o No ☒

The aggregate market value of common stock held by non-affiliates of the registrant on March 31, 2019 based on the closing price on March 29, 2019 of $17.88 on the Nasdaq Global Select Market was approximately $1,075.4 million. For the purposes of calculating this amount only, all directors and executive officers of the registrant have been treated as affiliates. There were 132,658,200 shares of the registrant’s common stock outstanding as of November 25, 2019.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the registrant’s 2020 Annual Meeting of Stockholders, which will be filed subsequent to the date hereof, are incorporated by reference into Part III of this Form 10-K. Such proxy statement will be filed with the Securities and Exchange Commission not later than 120 days following the end of the registrant’s fiscal year ended September 30, 2019.

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PART I

In this annual report on Form 10-K, except as otherwise indicated, the terms:

- *“we,” “us,” “our” and “Golub Capital BDC” refer to Golub Capital BDC, Inc., a Delaware corporation, and its consolidated subsidiaries;*
- *“Holdings” refers to Golub Capital BDC 2010-1 Holdings LLC, a Delaware limited liability company, or LLC, our direct subsidiary;*
- *“GCIC Holdings” refers to GCIC Holdings LLC, a Delaware limited liability company, or LLC, our direct subsidiary;*
- *“2010 Issuer” refers to Golub Capital BDC 2010-1 LLC, a Delaware LLC, our indirect subsidiary;*
- *“2014 Issuer” refers to Golub Capital BDC CLO 2014 LLC, a Delaware LLC, our direct subsidiary;*
- *“GCIC 2016 Issuer” refers to Golub Capital Investment Corporation CLO 2016(M) LLC, a Delaware LLC, our direct subsidiary;*
- *“2018 Issuer” refers to Golub Capital BDC CLO III LLC, a Delaware LLC, our indirect subsidiary;*
- *“GCIC 2018 Issuer" refers to Golub Capital Investment Corporation CLO II LLC, a Delaware LLC, our indirect subsidiary;*
- *“CLO Depositor” refers to Golub Capital BDC CLO III Depositor LLC, a Delaware LLC, our direct subsidiary;*
- *“GCIC CLO Depositor” refers to Golub Capital Investment Corporation CLO II Depositor LLC, a Delaware LLC, our direct subsidiary;*
- *“Controlling Class” refers to the most senior class of notes then outstanding of the 2014 Issuer, 2018 Issuer or the GCIC 2018 Issuer, as applicable;*
- *“Funding” refers to Golub Capital BDC Funding, LLC, a Delaware LLC, our direct subsidiary;*
- *“Funding II” refers to Golub Capital BDC Funding II, LLC, a Delaware LLC, our direct subsidiary;*
- *“GCIC Funding” refers to GCIC Funding LLC, a Delaware LLC, our direct subsidiary;*
- *“GCIC Funding II” refers to GCIC Funding II LLC, a Delaware LLC, our direct subsidiary;*
- *“Merger Sub” refers to Fifth Ave Subsidiary Inc., our wholly owned subsidiary;*
- *“GCIC” refers to Golub Capital Investment Corporation; a Maryland corporation and an externally managed, closed-end, non-diversified management investment company that elected to be regulated as a business development company under the Investment Company Act of 1940, as amended, or the 1940 Act and whose investment adviser was GC Advisors;*
- *"2010 Debt Securitization" refers to the $350.0 million term debt securitization that we completed on July 16, 2010, amended on October 20, 2016 and redeemed on July 20, 2018, in which the 2010 Issuer issued an aggregate of $350.0 million of notes, or the “2010 Notes,” including $205.0 million of Class A-Refi 2010 Notes, which bore interest at a rate of three-month London Interbank Offered Rate, or LIBOR, plus 1.90%, $10.0 million of Class B-Refi 2010 Notes, which 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 we completed on June 5, 2014, as most recently amended on March 23, 2018, in which the 2014 Issuer issued an aggregate of $402.6 million of notes, or the “2014 Notes,” including $191.0 million of Class A-1-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 we completed on November 16, 2018, in which the 2018 Issuer issued an aggregate of $602.4 million of notes, or 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;

- *"GCIC 2018 Debt Securitization" refers to the $908.2 million term debt securitization that we acquired as part of the Merger. On December 13, 2018, the GCIC 2018 Issuer issued an aggregate of $908.2 million of notes, or the "GCIC 2018 Notes", including $490.0 million of AAA/AAA Class A-1 GCIC 2018 Notes, which bear interest at a rate of three-month LIBOR plus 1.48%, $38.5 million of AAA Class A-2 GCIC 2018 Notes, which bear interest at a fixed rate of 4.67%, $18.0 million of AA Class B-1 GCIC 2018 Notes, which bear interest at a rate of three-month LIBOR plus 2.25%, $27.0 million of the Class B-2 GCIC 2018 Notes, which bear interest at a rate of three-month LIBOR plus 1.75%, $95.0 million of Class C GCIC 2018 Notes, which bear interest at a rate of three-month LIBOR plus 2.30%, $60.0 million of Class D GCIC 2018 Notes, which bear interest at a rate of three-month LIBOR plus 2.75% and $179.7 million of Subordinated GCIC 2018 Notes that do not bear interest;*
- *"SLF" refers to Senior Loan Fund LLC, an unconsolidated Delaware LLC, in which we co-invest with RGA Reinsurance Company, or RGA, primarily in senior secured loans. SLF is capitalized as transactions are completed and all portfolio and investment decisions in respect of SLF must be approved by representatives of each of the members (with unanimous approval required from either (i) one representative of each of us and RGA or (ii) both representatives of each of us and RGA). As of September 30, 2019, we owned 87.5% of the LLC equity interests of SLF. As of September 30, 2019, SLF had LLC equity interest subscriptions from its members totaling $200.0 million of which we have committed to fund $175.0 million;*
- *"GCIC SLF" refers to GCIC Senior Loan Fund LLC, an unconsolidated Delaware LLC, that we acquired as part of the Merger, in which we co-invest with Aurora National Life Assurance Company, a wholly-owned subsidiary of RGA, or Aurora, primarily in senior secured loans of middle-market companies. 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, which consists of two representatives of each of the members (with unanimous approval required from either (i) one representative of each of us and Aurora or (ii) both representatives of each of us and Aurora). As of September 30, 2019, we owned 87.5% of the LLC equity interests of GCIC SLF. As of September 30, 2019, GCIC SLF had LLC equity interest subscriptions from its members totaling $125.0 million, of which we have committed to fund $109.4 million;*
- *"Senior Loan Funds" refers collectively to SLF and GCIC SLF, and each a "Senior Loan Fund";*
- *"Credit Facility" refers to the amended and restated senior secured revolving credit facility that Funding, originally entered into on July 21, 2011 and terminated on February 4, 2019, with Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., as lender and collateral agent, that, as of the date of its termination, allowed for borrowing up to $170 million and bore interest at a rate of one-month LIBOR plus 2.15% per annum through the reinvestment period, which would have ended on September 20, 2019, and that would have matured on September 21, 2023;*
- *"WF Credit Facility" refers to the senior secured revolving credit facility that 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 May 29, 2019, that allowed for borrowing up to $300.0 million as of September 30, 2019 and that bears interest at a rate of one-month LIBOR plus 2.00% per annum through the maturity date, March 21, 2024;*
- *"MS Credit Facility" refers to the amended senior secured credit facility that the 2010 Issuer originally entered into on July 20, 2018 and terminated on November 16, 2018, with Morgan Stanley Bank, N.A., as lender, Morgan Stanley Senior Funding, Inc. as administrative agent, and U.S. Bank National Association, as collateral agent for the administrative agent and the lenders, that, as of the date of its termination, allowed for borrowing up to $450.0 million and bore interest at a rate of one-month LIBOR plus 1.90% per annum through the reinvestment period, which would have ended on January 18, 2019, and that would have matured on March 20, 2019;*

- *"DB Credit Facility" refers to the senior secured revolving credit facility that GCIC Funding II entered into on December 31, 2018, with GCIC, as equityholder and as servicer, Deutsche Bank AG, New York Branch, as facility agent, the other agents parties thereto, each of the entities from time to time party thereto as securitization subsidiaries and Wells Fargo Bank, National Association, as collateral agent and as collateral custodian, that as of September 30, 2019, allowed for borrowing up to $250.0 million and that bears interest at a rate of the applicable base rate plus 1.90% per annum through the reinvestment period, which continues through December 31, 2021. Following expiration of the reinvestment period, the interest rate on outstanding borrowings under the DB Credit Facility will reset to the applicable base rate plus 2.00% for the remaining term of the DB Credit Facility, which is scheduled to mature on December 31, 2024. The base rate under the DB Credit Facility is (i) the three-month Canadian Dollar Offered Rate with respect to any advances denominated in Canadian dollars, (ii) the three-month EURIBOR with respect to any advances denominated in euros, (iii) the three-month Bank Bill Swap Rate with respect to any advances denominated in Australian dollars and (iv) the three-month LIBOR with respect to any other advances;*
- *"MS Credit Facility II" refers to our senior secured revolving credit facility that Funding II entered into on February 1, 2019, with Morgan Stanley Senior Funding, Inc., as the administrative agent, each of the lenders from time to time party thereto, each of the securitization subsidiaries from time to time party thereto, and Wells Fargo Bank, N.A., as collateral agent, account bank and collateral custodian, as most recently amended on October 11, 2019, that allowed for borrowing up to $500.0 million as of September 30, 2019 and bears interest at a rate of one-month LIBOR plus 2.05% per annum through the revolving period, which ends February 1, 2021, and bears interest at a rate of one-month LIBOR plus 2.55% following the revolving period through the stated maturity date of February 1, 2024;*
- *"Revolving Credit Facilities" refers collectively to, prior to its termination on November 16, 2018, the MS Credit Facility, prior to its termination on February 4, 2019, the Credit Facility, together with the WF Credit Facility, DB Credit Facility and the MS Credit Facility II, and each a "Revolving Credit Facility";*
- *"Initial Merger" refers to the merger, on September 16, 2019, of Merger Sub with and into GCIC, with GCIC as the surviving company;*
- *"Subsequent Merger" refers to the merger that occurred immediately after the Initial Merger on September 16, 2019 of GCIC, as the surviving company of the Initial Merger, with and into, with Golub Capital BDC, Inc., as the surviving company;*
- *"Merger" refers to the Initial Merger, together with, unless the context otherwise requires, the Subsequent Merger;*
- *"Merger Agreement" refers to the Agreement and Plan of Merger, dated November 27, 2018, by and among us, 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 us, Merger Sub, GCIC, GC Advisors, and the Administrator and the Second Amendment to the Agreement and Plan of Merger, dated July 11, 2019, by and among us, Merger Sub, GCIC, GC Advisors, and the Administrator;*
- *"Adviser Revolver" refers to the line of credit with GC Advisors, which, as of September 30, 2019, allowed for borrowing up to $40.0 million and which was amended on October 28, 2019 to allow for borrowing up to $100.0 million;*
- *"GCIC Adviser Revolver" refers to the line of credit originally entered into by GCIC with GC Advisors, which allowed for borrowing up to $40.0 million and was terminated on October 31, 2019;*
- *"SBIC Funds" refers collectively to our consolidated subsidiaries, GC SBIC IV, L.P.,GC SBIC V, L.P. and GC SBIC VI, L.P.;*
- *"GC Advisors" refers to GC Advisors LLC, a Delaware LLC, our investment adviser;*
- *"Administrator" refers to Golub Capital LLC, a Delaware LLC, an affiliate of GC Advisors and our administrator;*
- *"Investment Advisory Agreement" refers to the Third Amended and Restated Investment Advisory Agreement by and between us and GC Advisors, dated as of September 16, 2019;*

- *“Prior Investment Advisory Agreement” refers to the Second Amended and Restated Investment Advisory Agreement by and between us and GC Advisors, dated as of August 4, 2014; and*
- *“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.*

Item 1. Business

GENERAL

We are an externally managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the 1940 Act. In addition, for U.S. federal income tax purposes, we have elected to be treated as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code of 1986, as amended, or the Code. We were formed in November 2009 to continue and expand the business of our predecessor, Golub Capital Master Funding LLC, which commenced operations in July 2007. We make 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 our one stop loans as senior secured loans, and we obtain security interests in the assets of the portfolio company that serve as collateral in support of the repayment of these loans. This collateral may take the form of first-priority liens on the assets of the portfolio company. In many cases, we together with our affiliates are the sole lenders of one stop loans, which can afford us additional influence over the borrower in terms of monitoring and, if necessary, remediation in the event of underperformance.

In this annual report on Form 10-K, the term “middle-market” generally refers to companies having earnings before interest, taxes, depreciation and amortization, or EBITDA, of less than $100.0 million annually.

Our 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. We may also selectively invest in second lien and subordinated loans of, and warrants and minority equity securities in, U.S. middle-market companies. We intend to achieve our investment objective by (1) accessing the established loan origination channels developed by Golub Capital, a leading lender to middle-market companies with over $30.0 billion in capital under management as of September 30, 2019, (2) selecting investments within our core middle-market company focus, (3) partnering with experienced private equity firms, or sponsors, in many cases with whom Golub Capital has invested alongside in the past, (4) implementing the disciplined underwriting standards of Golub Capital and (5) drawing upon the aggregate experience and resources of Golub Capital.

We seek to create a portfolio that includes primarily one stop and other senior secured loans by primarily investing approximately $10.0 million to $75.0 million of capital, on average, in the securities of U.S. middle-market companies. We may also selectively invest more than $75.0 million in some of our portfolio companies and generally expect that the size of our individual investments will vary proportionately with the size of our capital base.

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

GCIC Acquisition

On September 16, 2019, we completed our acquisition of GCIC, pursuant to the Merger Agreement. Pursuant to the Merger Agreement, Merger Sub was first merged with and into GCIC, with GCIC as the surviving company, and, immediately following the Initial Merger, GCIC was then merged with and into us, with us as the surviving company. As a result of, and as of the effective time of, the Merger, GCIC’s separate existence ceased.

In accordance with the terms of the Merger Agreement, at the effective time of the Merger, each outstanding share of GCIC’s common stock was converted into the right to receive 0.865 shares of our common stock (with GCIC’s stockholders receiving cash in lieu of fractional shares of our common stock). As a result of the Merger, we issued an aggregate of 71,779,964 shares of our common stock to former stockholders of GCIC.

Upon the consummation of the Merger, we entered into the Investment Advisory Agreement, with GC Advisors, which replaced the Prior Investment Advisory Agreement.

Information Available

Our address is 666 Fifth Avenue, 18th Floor, New York, NY 10103. Our phone number is (212) 750-6060, and our internet address is *www.golubcapitalbdc.com*. We make available, free of charge, on our website our proxy statement, annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the U.S. Securities and Exchange Commission, or SEC. Information contained on our website is not incorporated by reference into this annual report on Form 10-K and you should not consider information contained on our website to be part of this annual report on Form 10-K or any other report we file with the SEC.

The SEC also maintains a website that contains reports, proxy and information statements and other information we file with the SEC at *www.sec.gov*. Copies of these reports, proxy and information statements and other information may also be obtained, after paying a duplicating fee, by electronic request at publicinfo@sec.gov.

Our Adviser

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

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

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

About Golub Capital

Golub Capital, founded in 1994, is a leading lender to middle-market companies, with a long track record of investing in senior secured, one stop, second lien and subordinated loans. As of September 30, 2019, Golub Capital had over $30.0 billion of capital under management. Since its inception, Golub Capital has closed deals with over 260 middle-market sponsors and repeat transactions with over 180 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, 2019, 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

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

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

- annual EBITDA of 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 our investment;
- low capital expenditures requirements;
- a North American base of operations;
- strong customer relationships;
- products, services or distribution channels having distinctive competitive advantages;
- defensible niche strategy or other barriers to entry; and
- demonstrated growth strategies.

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

Investment Process Overview

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

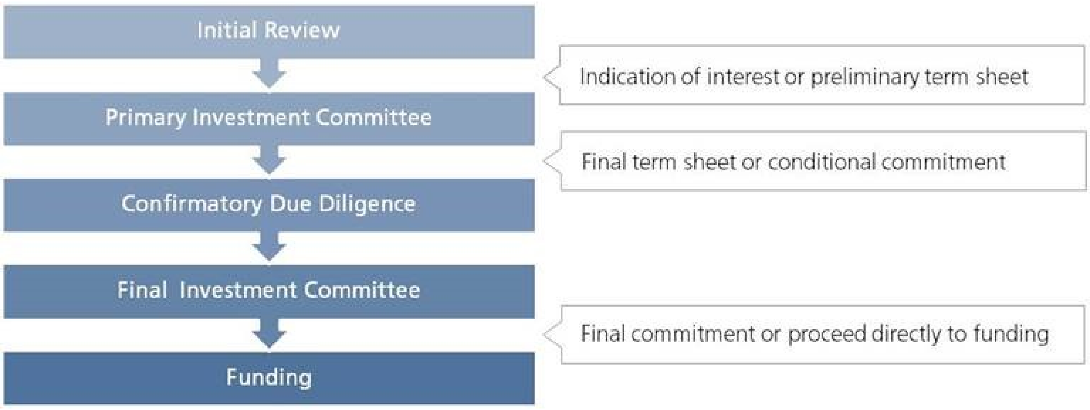
Origination. GC Advisors sources investment opportunities through access to a network of over 10,000 individual contacts developed in the financial services and related industries by Golub Capital and managed through a proprietary customer relationship database. Among these contacts is an extensive network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

Underwriting. We utilize the systematic, consistent approach to underwriting developed by Golub Capital, with a particular focus on determining the value of a business in a downside scenario. The key criteria that we consider include (1) strong and resilient underlying business fundamentals, (2) a substantial equity cushion in the form of capital ranking junior in right of payment to our investment and (3) a conclusion that overall "downside" risk is manageable. While the size of our equity cushion will vary over time and across industries, the equity cushion generally sought by GC Advisors today is between 35% and 50% of total portfolio capitalization. We generally focus on the criteria developed by Golub Capital for evaluating prospective portfolio companies, and we put more emphasis on credit considerations (such as (1) loan-to-value ratio (which is the amount of our loan divided by the enterprise value of the company in which we are investing), (2) the ability of the company to maintain a liquidity cushion through economic cycles and in downside scenarios, (3) the ability of the company to service its fixed charge obligations under a variety of scenarios and (4) its anticipated strategic value in a downturn) than on profit potential and loan pricing. Our due diligence process for middle-market credits will typically entail:

- a thorough review of historical and pro forma financial information;
- on-site visits;
- interviews with management and employees;
- a review of loan documents and material contracts;
- third-party “quality of earnings” accounting due diligence;
- when appropriate, background checks on key managers and research relating to the company’s business, industry, markets, customers, suppliers, products and services and competitors; and
- the commission of third-party market studies when appropriate.

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

ILLUSTRATIVE DEAL EVALUATION PROCESS



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

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

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

Internal Performance Ratings

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

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

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

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

The following table shows the distribution of our investments on the 1 to 5 internal performance rating scale at fair value as of September 30, 2019 and 2018:

	September 30, 2019		September 30, 2018	
Internal Performance Rating	**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**	**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**
5	$ 115,318	2.7%	$ 113,873	6.4%
4	3,787,809	88.2	1,455,754	81.6
3	337,358	7.9	195,414	11.0
2	52,434	1.2	17,250	1.0
1	13	0.0*	550	0.0*
Total	$ 4,292,932	100.0%	$ 1,782,841	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 our investments, subject to the oversight of our board of directors. The investment committee process is intended to bring the diverse experience and perspectives of the committee's members to the analysis and consideration of each investment. The investment committee currently consists of Lawrence E. Golub, David B. Golub, Andrew H. Steuerman and Gregory W. Cashman. The investment committee serves to provide investment consistency and adherence to our core investment philosophy and policies. The investment committee also determines appropriate investment sizing and suggests ongoing monitoring requirements.

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

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

Investment Structure

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

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

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

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

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

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

Subordinated Loans. We structure these investments as unsecured, subordinated loans that provide for relatively high, fixed interest rates that provide us with significant current interest income. 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, we 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 us to achieve additional investment return from this equity interest. We may structure such warrants to include provisions protecting our rights as a minority-interest holder, as well as a "put," or right to sell such securities back to the issuer, upon the occurrence of specified events.

Senior Loan Funds. We have invested in the Senior Loan Funds, which as of September 30, 2019, each consisted of a portfolio of loans to different borrowers in industries similar to the companies in our portfolio. The Senior Loan Funds invest 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 our senior secured and one stop loans. The Senior Loan Funds may also invest in more liquid senior secured loans.

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

- selecting investments that we believe have a very low probability of loss;
- requiring a total return on our investments that we believe will compensate us appropriately for credit risk; and
- negotiating covenants in connection with our investments that afford our portfolio companies as much flexibility in managing their businesses as possible, consistent with the preservation of our capital. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control provisions and board rights.

We expect to hold most of our investments to maturity or repayment, but we may sell some of our investments earlier if a liquidity event occurs, such as a sale, recapitalization or worsening of the credit quality of the portfolio company.

Investments

We seek to create a portfolio that includes primarily one stop and other senior secured loans by investing approximately $10.0 million to $75.0 million of capital, on average, in the securities of middle-market companies. Set forth below is a list of our ten largest portfolio company investments as of September 30, 2019, as well as the top ten industries in which we were invested as of September 30, 2019, in each case excluding the Senior Loan Funds, calculated as a percentage of our total investments at fair value as of such date.

Portfolio Company	Investments at Fair Value (In thousands)	Percentage of Total Investments
MRI Software LLC	$ 99,429	2.3%
Diligent Corporation	89,025	2.1
E2open, LLC	86,772	2.0
Transaction Data Systems, Inc.	84,461	2.0
DCA Investment Holding, LLC	81,772	1.9
GS Acquisitionco, Inc.	75,235	1.8
eSolutions, Inc.	70,556	1.6
Integration Appliance, Inc.	68,822	1.6
Clarkson Eyecare LLC	61,578	1.4
Saba Software, Inc.	60,200	1.4
	$ 777,850	18.1%

Industry		Investments at Fair Value (In thousands)	Percentage of Total Investments
Diversified/Conglomerate Service	$	1,442,750	33.6%
Healthcare, Education and Childcare		746,484	17.4
Retail Stores		294,463	6.9
Beverage, Food and Tobacco		252,588	5.9
Electronics		249,678	5.8
Personal, Food and Miscellaneous Services		208,728	4.9
Leisure, Amusement, Motion Pictures, Entertainment		183,836	4.3
Buildings and Real Estate		133,053	3.1
Diversified/Conglomerate Manufacturing		124,040	2.9
Insurance		104,086	2.4
	$	3,739,706	87.2%

Managerial Assistance

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

Competition

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

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

Administration

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

MANAGEMENT AGREEMENTS

GC Advisors is located at 666 Fifth Avenue, 18th Floor, New York, NY 10103. 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 our board of directors and in accordance with the 1940 Act, GC Advisors manages our day-to-day operations and provides investment advisory services to us. Under the terms of the Investment Advisory Agreement, GC Advisors:

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of the investments we make;
- executes, closes, services and monitors the investments we make;
- determines the securities and other assets that we purchase, retain or sell;
- performs due diligence on prospective portfolio companies; and
- provides us with such other investment advisory, research and related services as we may, from time to time, reasonably require for the investment of our funds.

GC Advisors' services under the 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 Investment Advisory Agreement.

Management Fee

Pursuant to the Investment Advisory Agreement, we 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 our stockholders.

Under each of the Investment Advisory Agreement and the Prior Investment Advisory Agreement, the base management fee is calculated at an annual rate equal to 1.375% of our 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 and cash collateral on deposit with custodian). Additionally, GC Advisors is voluntarily excluding assets funded with secured borrowing proceeds from the management fee. For services rendered under the Investment Advisory Agreement, or the Prior Investment Advisory Agreement, the base management fee is payable quarterly in arrears. The base management fee is calculated based on the average value of our 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 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 ours, 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 us.

Incentive Fee

We pay GC Advisors an incentive fee. Incentive fees are calculated as described below and payable quarterly in arrears or at the end of each calendar year (or, upon termination of the Investment Advisory Agreement, as of the termination date).

Cap on Fees. We have structured the calculation of the incentive fee to include a fee limitation such that, under the Investment Advisory Agreement, an incentive fee for any quarter can only be paid to GC Advisors if, after such payment, the cumulative incentive fees paid to GC Advisors, calculated on a per share basis as described below, since April 13, 2010, the effective date of our election to become a business development company, would be less than or equal to 20.0% of our Cumulative Pre-Incentive Fee Net Income (as defined below).

We accomplish this limitation by subjecting each quarterly incentive fee payable under the Income and Capital Gains Incentive Fee Calculation (as defined below) to a cap, or the Incentive Fee Cap. The Incentive Fee Cap in any quarter is equal to the difference between (a) 20.0% of Cumulative Pre-Incentive Fee Net Income Per Share (as defined below) and (b) Cumulative Incentive Fees Paid Per Share (as defined below). To the extent the Incentive Fee Cap is zero or a negative value in any quarter, no incentive fee would be payable in that quarter. “Cumulative Pre-Incentive Fee Net Income Per Share” under the 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 (as defined below) and (ii) Adjusted Capital Returns (as defined below) for the quarter divided by (b) the weighted average number of shares of our 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 not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation resulting solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger. “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 us for such period divided by the weighted average number of shares of our common stock outstanding during such period.

“Pre-Incentive Fee Net Investment Income” means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the calendar quarter (including the base management fee, taxes, any expenses payable under the Investment Advisory Agreement and 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 we have not yet received in cash. GC Advisors does not return to us amounts paid to it on accrued income that we have not yet received in cash if such income is not ultimately received by us in cash. If we do not ultimately receive income, a loss would be recognized, reducing future fees. The Investment Advisory Agreement, as compared to the Prior Investment Advisory Agreement, excludes the impact of purchase accounting resulting from a merger, including the Merger, from the calculation of income subject to the income incentive fee payable and the calculation of the Incentive Fee Cap. As a result, under the Investment Advisory Agreement, 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 net asset value paid for the shares of GCIC common stock in the Merger.

The Investment Advisory Agreement, as compared to the Prior Investment Advisory Agreement, converts the cumulative incentive fee cap from an aggregate basis calculation to a per share calculation. Under the Prior Investment Advisory Agreement, the Incentive Fee would not be paid at any time if, after such payment, the cumulative Incentive Fees paid to date would be greater than 20.0% of our Cumulative Pre-Incentive Fee Net Income, which was defined under the Prior Investment Advisory Agreement to equal the sum of Pre-Incentive Fee Net Investment Income for each period since April 13, 2010. Under the Investment Advisory Agreement, the Incentive Fee will not be paid at any time if, after such payment, the Cumulative Incentive Fees Paid Per Share to date would be greater than 20.0% of Cumulative Pre-Incentive Fee Net Income Per Share.

If, for any relevant period, the Incentive Fee Cap calculation results in our paying less than the amount of the Incentive Fee calculated above, then the difference between (a) the Incentive Fees accrued and/or payable by us for such relevant period and (b) the Incentive Fee Cap multiplied by the weighted average number of shares of our common stock outstanding during such relevant period will not be paid by us, and will not be received by GC Advisors, as an incentive fee, either at the end of such relevant period or at the end of any future relevant period.

Income and Capital Gains Incentive Fee Calculation

The income and capital gains incentive fee calculation, or the 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 our Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter. With the exception of the change to the calculation of “Pre-Incentive Fee Net Investment Income” described above, the income component of the incentive fee is calculated the same under the Investment Advisory Agreement as under the Prior Investment Advisory Agreement.

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

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

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

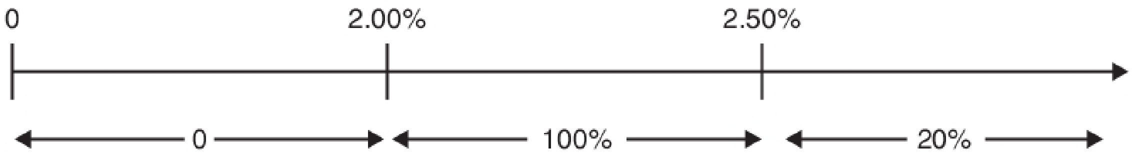
The sum of these calculations yields the “Income Incentive Fee”. This amount is appropriately adjusted for any share issuances or repurchases during the quarter.

The following is a graphical representation of the Income Incentive Fee calculation:

Quarterly Income Component of 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 Income and Capital Gains Incentive Fee Calculation

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

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

The Capital Gain Incentive Fee payable as calculated under the Prior Investment Advisory Agreement or the Investment Advisory Agreement, as applicable (as described above) for each of the years ended September 30, 2019, 2018 and 2017 was $0, $2.3 million and $0.4 million. However, in accordance with U.S. generally accepted accounting principles, or GAAP, we are required to accrue for the Capital Gain Incentive Fee on a quarterly basis and are 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 either the Prior Investment Advisory Agreement or the Investment Advisory Agreement. If the 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 us to accrue a capital gain incentive fee equal to 20% of such amount, less the aggregate amount of the actual 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 Prior Investment Advisory Agreement or the Investment Advisory Agreement is calculated in arrears at the end of each calendar year, and we paid a $1.2 million and $1.6 million Capital Gain Incentive Fee calculated in accordance with the Prior Investment Advisory Agreement as of December 31, 2018 and December 31, 2017, respectively. We did not pay any capital gain incentive fee under the Prior Investment Advisory Agreement for any period ended prior to December 31, 2017. For the years ended September 30, 2019, 2018 and 2017, we accrued (reversed) a Capital Gain Incentive Fee under GAAP of $(5.6) million, $1.5 million, and $2.8 million, respectively.

The sum of the Income Incentive Fee and the Capital Gain Incentive Fee is the “Incentive Fee”.

Examples of Quarterly Incentive Fee Calculation

Example 1 — Income Related Portion of 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%

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(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) our aggregate distributions to our stockholders and (b) our 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 our 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 – (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%)
	=	0.50% + 0.061%
	=	0.561%

Example 2 — 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, or a cost basis in accordance with GAAP, of $31.5 million.
Year 2:	Investment A is sold for $15 million and fair market value ("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)

Each quarterly incentive fee payable on the Income and Capital Gains Incentive Fee Calculation is subject to the Incentive Fee Cap. Below are the necessary adjustments to the Incentive Fee payable to adhere to the Incentive Fee Cap.

Additional Assumptions

Year 1:	Investment B has a FMV of $30.0 million at the time of the closing of the merger, resulting in a cost basis for purposes of calculating the Incentive Fee Cap of $30 million (excluding the $1.5 million purchase premium paid for the acquisition of Investment B in a merger and corresponding $1.5 million unrealized loss); we have 10,000,000 shares of common stock issued and outstanding
Year 2:	We have 10,000,000 shares of common stock issued and outstanding
Year 3:	We issued 1,000,000 shares of common stock and has 11,000,000 shares of common stock issued and outstanding
Year 4:	We have 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 for purposes of calculating the Incentive Fee Cap. 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 for purposes of calculating the Incentive Fee Cap. 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 resulting in a $5 million realized loss for purposes of calculating the Incentive Fee Cap. Investment B was previously marked down by $3 million for purposes of calculating the New Incentive Fee Cap; therefore, for purposes of calculating the New Incentive Fee Cap we 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 for purposes of calculating the Incentive Fee Cap 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

Assumption

Year 1:	$20 million investment made in Company A ("Investment A"), an investment in Company B acquired in a merger ("Investment B"); Investment B is allocated consideration paid, or a cost basis in accordance with GAAP, of $31.5 million, 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 Income and Capital Gains Incentive Fee Calculation is subject to the Incentive Fee Cap. Below are the necessary adjustments to the Incentive Fee payable to adhere to the Incentive Fee Cap.

Additional Assumptions

Year 1:	Investment B has an FMV of $30.0 million at the time of the closing of the merger, resulting in a cost basis for purposes of calculating the Incentive Fee Cap of $30 million (excluding the $1.5 million purchase premium paid for the acquisition of Investment B in a merger and corresponding $1.5 million unrealized loss); we have 10,000,000 shares of common stock issued and outstanding
Year 2:	We have 10,000,000 shares of common stock issued and outstanding
Year 3:	We issue 1,000,000 shares of common stock and have 11,000,000 shares of common stock issued and outstanding
Year 4:	We have 11,000,000 shares of common stock issued and outstanding
Year 5:	We have 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 for purposes of calculating the Incentive Fee Cap. 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, we 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 for purposes of calculating the Incentive Fee Cap. The net effect would be a loss of$1 million for purposes of calculating the Incentive Fee Cap. 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 for purposes of calculating the Incentive Fee Cap. Investment C sold at a $1 million realized loss. The net effect would be a loss of $3 million for purposes of calculating the Incentive Fee Cap. 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 resulting in a $10 million realized loss for purposes of calculating the Incentive Fee Cap. Investment B was previously marked down by $8 million; therefore, we 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 for purposes of calculating the Incentive Fee Cap 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, or a cost basis in accordance with GAAP, of $31.5 million
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:	$900,000 (20% multiplied by (i) $5 million realized capital gain on sale of Investment A less (ii) $0.5 million of unrealized loss).
Year 3:	$100,000 (20% multiplied by $5 million realized capital gains on sale of Investment A less $900,000 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 Income and Capital Gains Incentive Fee Calculation is subject to the Incentive Fee Cap. Below are the necessary adjustments to the Incentive Fee payable to adhere to the Incentive Fee Cap

Additional Assumptions

Year 1:	Investment B has a FMV of $30.0 million at the time of the closing of the merger, resulting in a cost basis for purposes of calculating the Incentive Fee Cap of $30 million (excluding the $1.5 million purchase premium paid for the acquisition of Investment B in a merger and corresponding $1.5 million unrealized loss); we have 10,000,000 shares of common stock issued and outstanding
Year 2:	We have 10,000,000 shares of common stock issued and outstanding
Year 3:	We issue 1,000,000 shares of common stock and have 11,000,000 shares of common stock issued and outstanding
Year 4:	We have 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

Payment of Our 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 us, 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 us. We bear all other out-of-pocket costs and expenses of our operations and transactions. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Overview — Expenses.”

Duration and Termination

Unless terminated earlier as described below, the Investment Advisory Agreement will continue in effect for an initial two-year term and thereafter shall continue in effect from year to year if approved annually by our board of directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, and, in either case, if also approved by a majority of our directors who are not “interested persons,” as that term is defined in the 1940 Act, of us or GC Advisors. The 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 our outstanding voting securities, by vote, may also terminate the Investment Advisory Agreement without penalty. See “Risk Factors — Risks Relating to our Business and Structure — We are dependent upon GC Advisors for our future success and upon their access to the investment professionals and partners of Golub Capital and its affiliates.”

Indemnification

The 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 us 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 Investment Advisory Agreement or otherwise as our investment adviser.

Approval of the Investment Advisory Agreement

At a meeting of our board of directors held on November 27, 2018, our board of directors, including all of the directors who are not “interested persons,” as that term is defined in the 1940 Act, of us or GC Advisors, or the independent directors, voted unanimously to approve a prior version of the Investment Advisory Agreement. The board of directors then approved the submission of the Investment Advisory Agreement to our stockholders for approval with the recommendation that the stockholders vote to approve the Investment Advisory Agreement. Following certain regulatory discussions, our board of directors considered a revised version of the Investment Advisory Agreement that did not include any changes to the calculation of the Capital Gain Incentive Fee as compared to the calculation under the Prior Investment Advisory Agreement. At a meeting of our board of directors held on May 7, 2019, our board of directors, including all of our independent directors, fully discussed and considered all material matters related to the approval of the Investment Advisory Agreement, and the board of directors, including all of our independent directors subsequently approved the Investment Advisory Agreement at a meeting on July 11, 2019 to take effect upon closing of the Merger. In addition, the board of directors, including all of our independent directors, unanimously recommended that the Investment Advisory Agreement be submitted to our stockholders for approval.

In reaching a decision to approve the Investment Advisory Agreement, our board of directors reviewed a significant amount of information and considered, among other things:

- the nature, extent and quality of services provided to us by GC Advisors;
- the relative investment performance of us since 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’s common stock in the Merger on our financial statements 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 business development companies; and
- various other matters.

Our board of directors noted that the terms of the Investment Advisory Agreement did not change the calculation of the Capital Gain Incentive Fee, or the management or incentive fee rates and that the changes, as compared to the Prior Investment Advisory Agreement, consisted of revisions to (i) exclude the impact of purchase accounting resulting from a merger, including the Merger, from the calculation of income subject to the income incentive fee payable and the calculation of the cumulative incentive fee cap under the Investment Advisory Agreement and (ii) convert the cumulative incentive fee cap into a per share calculation.

At a meeting of our stockholders held on September 4, 2019, our stockholders voted to approve the Investment Advisory Agreement, which was entered into effective as of the closing of the Merger and will continue for an initial two-year term.

Administration Agreement

Pursuant to the Administration Agreement, the Administrator furnishes us 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, our required administrative services, which include being responsible for the financial records that we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, the Administrator assists us in determining and publishing our net asset value, oversees the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally oversees the payment of our expenses and the performance of administrative and professional services rendered to us by others. The Administrator may retain third parties to assist in providing administrative services to us. To the extent that the Administrator outsources any of its functions, we pay the fees associated with such functions on a direct basis without profit to the Administrator. We reimburse the Administrator for the allocable portion (subject to review and approval of our board of directors) of the Administrator's overhead and other expenses incurred by it in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. Our board of directors reviews the expenses reimbursed to the Administrator, including any allocation of expenses among us 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 our portfolio companies, the Administrator is paid an additional amount based on the cost of the services provided, which shall not exceed the amount we receive from such portfolio companies for providing this assistance. In May 2019, the Administration Agreement was renewed for a one-year term with the unanimous approval of our board of directors. 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 us 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 our administrator.

License Agreement

We have entered into a license agreement with Golub Capital LLC under which Golub Capital LLC has granted us a non-exclusive, royalty-free license to use the name "Golub Capital". Under this agreement, we 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 our investment adviser. Other than with respect to this limited license, we will have no legal right to the "Golub Capital" name.

Staffing Agreement

We do not have any internal management capacity or employees. We depend on the diligence, skill and network of business contacts of the senior investment professionals of GC Advisors to achieve our investment objective. GC Advisors 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 us under the 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 our 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 our obligation.

REGULATION

General

We are a business development company under the 1940 Act and have elected to be treated as a RIC under the Code. The 1940 Act contains prohibitions and restrictions relating to transactions between business development companies and their affiliates (including any investment advisers), principal underwriters and affiliates of those affiliates or underwriters and requires that a majority of the directors of a business development company be persons other than "interested persons," as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or withdraw our election as, a business development company without the approval of a majority of our outstanding voting securities.

We may invest up to 100% of our assets in securities acquired directly from issuers in privately negotiated transactions. With respect to such securities, we may, for the purpose of public resale, be deemed an "underwriter," as that term is defined in the Securities Act of 1933, as amended, or the Securities Act. Our intention is to not write (sell) or buy put or call options to manage risks associated with the publicly traded securities of our portfolio companies, except that we may enter into hedging transactions to manage the risks associated with interest rate fluctuations. However, we may purchase or otherwise receive warrants to purchase the common stock of our portfolio companies in connection with acquisition financing or other investments. Similarly, in connection with an acquisition, we may acquire rights to require the issuers of acquired securities or their affiliates to repurchase them under certain circumstances. We also do not intend to acquire securities issued by any investment company in excess of the limits imposed by the 1940 Act. With regard to that portion of our portfolio invested in securities issued by investment companies, it should be noted that such investments might subject our stockholders to additional expenses. None of these policies, or any of our other policies, is fundamental and each may be changed without stockholder approval. To the extent we adopt any fundamental policies; no person from whom we borrow will have, in his or her capacity as lender or debt holder, either a veto power or a vote in approving or changing any of our fundamental policies.

Qualifying Assets

Under the 1940 Act, a business development company may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as "qualifying assets," unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. The principal categories of qualifying assets relevant to our business are the following:

(1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer that:

- is organized under the laws of, and has its principal place of business in, the United States;
- is not an investment company (other than a small business investment company, or SBIC, wholly owned by the business development company) or a company that would be an investment company but for certain exclusions under the 1940 Act; and
- satisfies either of the following:
  - does not have any class of securities listed on a national securities exchange or has any class of securities listed on a national securities exchange subject to a $250.0 million market capitalization maximum; or
  - is controlled by a business development company or a group of companies including a business development company, the business development company actually exercises a controlling influence over the management or policies of the eligible portfolio company, and, as a result, the business development company has an affiliated person who is a director of the eligible portfolio company.

(2) Securities of any eligible portfolio company which we control.

(3) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident to such a private transaction, if the issuer is in

bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.

(4) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.

(5) Securities received in exchange for or distributed on or with respect to securities described above, or pursuant to the exercise of warrants or rights relating to such securities.

(6) Cash, cash equivalents, U.S. government securities or high-quality debt securities that mature in one year or less from the date of investment.

The regulations defining and interpreting qualifying assets may change over time. We may adjust our investment focus as needed to comply with and/or take advantage of any regulatory, legislative, administrative or judicial actions in this area.

We look through our consolidated subsidiaries to the underlying holdings (considered together with portfolio assets held outside of our consolidated subsidiaries) for purposes of determining compliance with the 70% qualifying assets requirement of the 1940 Act. At least 70% of our assets will be eligible assets.

Managerial Assistance to Portfolio Companies

A business development company must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in (1), (2) or (3) above. However, in order to count portfolio securities as qualifying assets for the purpose of the 70% test, the business development company must either control the issuer of the securities or must offer to make available to the issuer of the securities significant managerial assistance; except that, when the business development company purchases such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available significant managerial assistance means any arrangement whereby the business development company, through its directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. The Administrator or an affiliate of the Administrator provides such managerial assistance on our behalf to portfolio companies that request this assistance.

Temporary Investments

Pending investment in other types of qualifying assets, as described above, our investments may consist of cash, cash equivalents, U.S. government securities, repurchase agreements and high-quality debt investments that mature in one year or less from the date of investment, which we refer to, collectively, as temporary investments, so that 70% of our assets are qualifying assets or temporary investments. Typically, we will invest in U.S. Treasury bills or in repurchase agreements, so long as the agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price that is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25% of our total assets constitute repurchase agreements from a single counterparty, we would generally not meet the diversification tests described in section 851(b)(3) of the Code in order to qualify as a RIC for U.S. federal income tax purposes. Accordingly, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. GC Advisors will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Senior Securities

We are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as that term is defined in the 1940 Act, immediately after each such issuance is at least equal to the percentage set forth in Section 61 of the 1940 Act that is applicable to us at such time. Prior to the enactment of the Small Business Credit Availability Act, or SBCAA, in March 2018, the asset coverage requirement applicable to business development companies was 200%. The SBCAA permits a business development company to be subject to an asset coverage requirement of 150% so long as it meets certain disclosure requirements and obtains certain approvals. The reduced asset coverage requirement permits 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. On February 5, 2019, our stockholders voted to approve the application of the reduced asset coverage requirements in Section 61(a)(2) to us effective as of February 6, 2019. As a result of the stockholder approval, effective February 6, 2019, the asset coverage ratio under the 1940 Act applicable to us decreased to 150% from 200%. In other words, under the 1940 Act, we are now able to borrow $2 for investment purposes for every $1 of investor equity, as opposed to borrowing $1 for investment purposes for every $1 of investor equity. In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5% of the value of our total assets for temporary or emergency purposes without regard to asset coverage, provided that any such borrowings in excess of 5% of the value of our total assets would be subject to the asset coverage ratio requirements of the 1940 Act, even if for temporary or emergency purposes. We consolidate our financial results with all of our wholly-owned subsidiaries, including Holdings, GCIC Holdings, the 2010 Issuer, the 2014 Issuer, the GCIC 2016 Issuer, the 2018 Issuer, the GCIC 2018 Issuer, the CLO Depositor, the GCIC CLO Depositor, Funding, Funding II, GCIC Funding, GCIC Funding II, and the SBIC Funds for financial reporting purposes and measure our compliance with the leverage test applicable to business development companies under the 1940 Act on a consolidated basis. On September 13, 2011, we received exemptive relief from the SEC to permit us to exclude the debt of our SBIC Funds from our asset coverage test under the 1940 Act. As such, our ratio of total consolidated assets to outstanding indebtedness may be less than 150%. This provides us with increased investment flexibility but also increases our risks related to leverage.

For a discussion of the risks associated with leverage, see “Risk Factors — Risks Relating to our Business and Structure — Regulations governing our operation as a business development company affect our ability to, and the way in which we, raise additional capital. As a business development company, the necessity of raising additional capital exposes us to risks, including the typical risks associated with leverage.”

Codes of Ethics

We and GC Advisors have each adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to each code may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code’s requirements. You may read and copy the code of ethics from our website at *www.golubcapitalbdc.com*, from the SEC’s website at *www.sec.gov*. See “Business — General — Information Available.” In addition, each code of ethics is attached as an exhibit to this annual report on Form 10-K.

Proxy Voting Policies and Procedures

We have delegated our proxy voting responsibility to GC Advisors. The proxy voting policies and procedures of GC Advisors are set out below. The guidelines are reviewed periodically by GC Advisors and our directors who are not “interested persons” and, accordingly, are subject to change.

Introduction

As an investment adviser registered under the Advisers Act, GC Advisors has a fiduciary duty to act solely in our best interests. As part of this duty, GC Advisors recognizes that it must vote our securities in a timely manner free of conflicts of interest and in our best interests.

GC Advisors’ policies and procedures for voting proxies for its investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

Proxy Policies

GC Advisors votes proxies relating to our portfolio securities in what it perceives to be the best interest of our stockholders. GC Advisors reviews on a case-by-case basis each proposal submitted to a stockholder vote to determine its effect on the portfolio securities we hold. In most cases GC Advisors will vote in favor of proposals that GC Advisors believes are likely to increase the value of the portfolio securities we hold. Although GC Advisors will generally vote against proposals that may have a negative effect on our portfolio securities, GC Advisors may vote for such a proposal if there exist compelling long-term reasons to do so.

Our proxy voting decisions are made by GC Advisors’ chief executive officer and president. To ensure that GC Advisors’ vote is not the product of a conflict of interest, GC Advisors requires that (1) anyone involved in the decision-making process disclose to its chief compliance officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote and (2) employees involved in the decision-making process or vote administration are prohibited from revealing how GC Advisors intends to vote on a proposal in order to reduce any attempted influence from interested parties. Where conflicts of interest may be present, GC Advisors will disclose such conflicts to us, including our independent directors, and may request guidance from us on how to vote such proxies.

Proxy Voting Records

You may obtain information without charge about how GC Advisors voted proxies during the most recent 12-month period ended September 30, 2019 by making a written request for proxy voting information to: Golub Capital BDC, Inc., Attention: Investor Relations, 666 Fifth Avenue, 18th Floor, New York, NY 10103, or by calling Golub Capital BDC, Inc. collect at (212) 750-6060.

Privacy Principles

We are committed to maintaining the privacy of our stockholders and to safeguarding their nonpublic personal information. The following information is provided to help you understand what personal information we collect, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, we do not receive any nonpublic personal information relating to our stockholders, although certain nonpublic personal information of our stockholders may become available to us. We do not disclose any nonpublic personal information about our stockholders or former stockholders to anyone, except as permitted by law or as is necessary in order to service stockholder accounts (for example, to a transfer agent or third-party administrator).

We restrict access to nonpublic personal information about our stockholders to employees of GC Advisors and its affiliates with a legitimate business need for the information. We will maintain physical, electronic and procedural safeguards designed to protect the nonpublic personal information of our stockholders.

Other

Under the 1940 Act, we are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a business development company, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

We and GC Advisors are required to adopt and implement written policies and procedures reasonably designed to prevent violation of relevant federal securities laws, review these policies and procedures annually for their adequacy and the effectiveness of their implementation, and designate a chief compliance officer to be responsible for administering these policies and procedures.

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our board of directors who are not interested persons and, in some cases, prior approval by the SEC. The SEC has interpreted the business development company prohibition on transactions with affiliates to prohibit "joint transactions" among entities that share a common investment adviser. The staff of the SEC has granted no-action relief pursuant to which purchases by us and other accounts sponsored or managed by GC Advisors or its affiliates of a single class of privately placed securities are permitted provided that the adviser negotiates no term other than price and certain other conditions are met. Any co-investment would be made subject to compliance with existing regulatory guidance, applicable regulations and our allocation procedures. If opportunities arise that would otherwise be appropriate for us and for another account sponsored or managed by GC Advisors to make different investments in the same issuer, GC Advisors will need to decide which account will proceed with the investment. Moreover, in certain circumstances, we may be unable to invest in an issuer in which another account sponsored or managed by GC Advisors has previously invested.

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 us greater flexibility to negotiate the terms of co-investments if our board of directors determines that it would be advantageous for us to co-invest with other accounts sponsored or managed by GC Advisors or its affiliates in a manner consistent with our investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. We believe that co-investment by us and accounts sponsored or managed by GC Advisors and its affiliates may afford us 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 our 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 us and our stockholders and do not involve overreaching of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment strategies and policies.

Sarbanes-Oxley Act

The Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act, imposes a variety of regulatory requirements on companies with a class of securities registered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and their insiders. Many of these requirements affect us. For example:

- our principal executive officer and principal financial officer must certify the accuracy of the financial statements contained in our periodic reports;
- our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- our management must prepare an annual report regarding its assessment of our internal control over financial reporting, which must be audited by our independent registered public accounting firm; and
- our periodic reports must disclose whether there were significant changes in our internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated under such act. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we comply with that act.

Small Business Investment Company Regulations

We operate the SBIC Funds as wholly-owned subsidiaries of the Company. The SBIC Funds each may rely on an exclusion from the definition of “investment company” under the 1940 Act. As such, none of these subsidiaries will elect to be regulated as a business development company under the 1940 Act.

The SBIC Funds each have investment objectives substantially similar to ours and make similar types of investments in accordance with SBIC regulations.

The licenses approved by the U.S. Small Business Administration, or SBA, for the SBIC Funds allow the SBIC Funds 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. SBA-guaranteed debentures carry long-term fixed rates that are generally lower than rates on comparable bank and other debt, have a maturity of ten years, require semi-annual payments of interest and do not require any principal prior to maturity. 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 regulations currently limit the amount that a single SBIC subsidiary may borrow to a maximum of $175.0 million, assuming that it has at least $87.5 million of equity capital. The SBICs are subject to regulation and oversight by the SBA, including requirements with respect to maintaining certain minimum financial ratios and other covenants.

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 may be issued by a single SBIC licensee is $175.0 million. As of September 30, 2019, GC SBIC IV, L.P., or SBIC IV, GC SBIC V, L.P., or SBIC V, and GC SBIC VI, L.P., or SBIC VI, had $90.0 million, $165.0 million, and $50.0 million of SBA guaranteed debenture commitments, respectively. The original amount committed to SBIC IV and SBIC V by the SBA was $150.0 million and $175.0 million, respectively. Through September 30, 2019, SBIC IV and SBIC V have repaid $60.0 million and $10.0 million of outstanding debentures, respectively, and these commitments have effectively been terminated. As of September 30, 2019, SBIC VI had $18.0 million of undrawn debenture commitments which were available to be drawn, subject to SBA regulatory requirements.

SBICs are designed to stimulate the flow of private equity capital to eligible small businesses. Under SBIC regulations, SBICs may make loans to eligible small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services.

Under present SBIC regulations, eligible small businesses generally include businesses that (together with their affiliates) have a tangible net worth not exceeding $19.5 million and have average annual net income after U.S. federal income taxes not exceeding $6.5 million (average net income to be computed without benefit of any carryover loss) for the two most recent fiscal years. In addition, an SBIC must devote 25% of its investment activity to "smaller" concerns, as defined by the SBA. A smaller concern generally includes businesses that have a tangible net worth not exceeding $6.0 million and have average annual net income after U.S. federal income taxes not exceeding $2.0 million (average net income to be computed without benefit of any net carryover loss) for the two most recent fiscal years. SBIC regulations also provide alternative size standard criteria to determine eligibility for designation as an eligible small business or smaller concern, which criteria depend on the primary industry in which the business is engaged and are based on such factors as the number of employees and gross revenue. However, once an SBIC has invested in a company, it may continue to make follow on investments in the company, regardless of the size of the company at the time of the follow on investment, up to the time of the company's initial public offering, if any.

The SBA prohibits an SBIC from providing funds to small businesses for certain purposes, such as relending or investing outside the United States, to businesses engaged in a few prohibited industries and to certain "passive" (i.e., non-operating) companies. In addition, without prior SBA approval, an SBIC may not invest an amount equal to more than approximately 30% of the SBIC's regulatory capital in any one company and its affiliates.

The SBA places certain limitations on the financing terms of investments by SBICs in portfolio companies (such as limiting the permissible interest rate on debt securities held by an SBIC in a portfolio company). An SBIC may exercise control over a small business for a period of up to seven years from the date on which the SBIC initially acquires its control position. This control period may be extended for an additional period of time with the SBA's prior written approval.

The SBA restricts the ability of an SBIC to lend money to any of its officers, directors and employees or to invest in affiliates thereof. The SBA also prohibits, without prior SBA approval, a "change of control" of an SBIC or transfers that would result in any person (or a group of persons acting in concert) owning 10% or more of a class of capital stock of a licensed SBIC. A "change of control" is any event which would result in the transfer of the power, direct or indirect, to direct the management and policies of a SBIC, whether through ownership, contractual arrangements or otherwise.

SBICs must invest idle funds that are not being used to make loans in investments permitted under SBIC regulations in certain types of securities including direct obligations of, or obligations guaranteed as to principal and interest by, the U.S. government, which mature within 15 months from the date of the investment.

SBICs are periodically examined and audited by the SBA's staff to determine their compliance with SBIC regulations and are periodically required to file certain forms with the SBA.

Neither the SBA nor the U.S. government or any of its agencies or officers has approved any ownership interest to be issued by us or any obligation that we or any of our subsidiaries may incur.

Election to Be Taxed as a RIC

As a business development company, we have elected to be treated as a RIC under Subchapter M of the Code. As a RIC, we generally will not be subject to corporate-level U.S. federal income taxes on any net ordinary income or capital gains that we timely distribute as dividends for U.S. federal income tax purposes to our stockholders. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, we must distribute to our stockholders, for each taxable year, dividends for U.S. federal income tax purposes of an amount at least equal to 90% of our "investment company taxable income," which is generally our 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, or the Annual Distribution Requirement. Although not required for us to maintain our RIC tax status, in order to preclude the imposition of a 4% nondeductible federal excise tax imposed on RICs, we must distribute dividends for U.S. federal income tax purposes to our stockholders in respect of each calendar year of an amount at least equal to the sum of (1) 98% of our net ordinary income (taking into account certain deferrals and elections) for the calendar year, (2) 98.2% of the excess (if any) of our realized capital gains over our realized capital losses, or capital gain net income (adjusted for certain ordinary losses), generally for the one-year period ending on October 31 of the calendar year and (3) the sum of any net ordinary income plus capital gains net income for preceding years that were not distributed during such years and on which we did not incur any liability to pay federal income tax, or the Excise Tax Avoidance Requirement.

Taxation as a RIC

If we:

- qualify as a RIC; and
- satisfy the Annual Distribution Requirement;

then we will not be subject to U.S. federal income tax on the portion of our investment company taxable income and net capital gain, defined as net long-term capital gains in excess of net short-term capital losses, we distribute as dividends for U.S. federal income tax purposes to our stockholders. We will be subject to U.S. federal income tax at regular corporate rates on any net income or net capital gain not distributed as dividends to our stockholders.

In order to qualify as a RIC for U.S. federal income tax purposes, we must, among other things:

- qualify to be treated as a business development company under the 1940 Act at all times during each taxable year;
- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale of stock or other securities, or other income derived with respect to our business of investing in such stock or securities, and net income derived from interests in “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 the 90% Income Test; and
- diversify our holdings, or the Diversification Tests, so that at the end of each quarter of the taxable year:
- at least 50% of the value of our 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 our assets or more than 10% of the outstanding voting securities of the issuer; and
- no more than 25% of the value of our assets is invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer or of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or in the securities of one or more qualified publicly traded partnerships.

We may invest in partnerships, including qualified publicly traded partnerships, which may result in our being subject to state, local or foreign income, franchise or other tax liabilities.

In addition, we are subject to ordinary income and capital gain distribution requirements under U.S. federal excise tax rules for each calendar year. If we do not meet the required distributions we will be subject to a 4% nondeductible federal excise tax on the undistributed amount. The failure to meet U.S. federal excise tax distribution requirements will not cause us to lose our RIC status.

A RIC is limited in its ability to deduct expenses in excess of its investment company taxable income. If our deductible expenses in a given taxable year exceed our investment company taxable income, we may incur a net operating loss for that taxable year. However, a RIC is not permitted to carry forward net operating losses to subsequent taxable 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, we may for tax purposes have aggregate taxable income for several taxable years that we are required to distribute and that is taxable to our stockholders even if such taxable income is greater than the net income we actually earn during those taxable years. Furthermore, a portfolio company in which we hold equity or debt instruments may face financial difficulty that requires us to work out, modify, or otherwise restructure such equity or debt instruments. Any such restructuring could, depending upon the terms of the restructuring, cause us to incur unusable or nondeductible losses or recognize future non-cash taxable income. Any underwriting fees paid by us are not deductible in computing our investment company taxable income. We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold 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 or issued with warrants), we must include in income each 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 us in the same taxable year. Because any original issue discount accrued will be included in our investment company taxable income for the taxable year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount.

Certain of our 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 us 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. We intend to monitor our transactions and may make certain tax elections to mitigate the effect of these provisions and prevent our ability to be subject to tax as a RIC.

Gain or loss realized by us from warrants acquired by us 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 we held a particular warrant.

Although we do not presently expect to do so, we are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. However, under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain “asset coverage” tests are met. See “Business — Regulation — Senior Securities.” Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our qualification as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or the Excise Tax Avoidance Requirement, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

Some of the income and fees that we may recognize, such as fees for providing managerial assistance, certain fees earned with respect to our investments, income recognized in a work-out or restructuring of a portfolio investment, or income recognized from an equity investment in an operating partnership, will not satisfy the 90% Income Test. In order to manage the risk that such income and fees might disqualify us as a RIC for a failure to satisfy the 90% Income Test, we 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 tax as well as state and local tax on their earnings, which ultimately will reduce our return on such income and fees.

Failure to Qualify as a RIC

If we were unable to qualify for treatment as a RIC and are unable to cure the failure, for example, by disposing of certain investments quickly or raising additional capital to prevent the loss of RIC status, we generally would be subject to tax on all of our 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. We cannot assure you that we would qualify for any such relief should we fail the 90% Income Test or the Diversification Tests.

Should failure occur, not only would all our taxable income be subject to tax at regular corporate rates, we 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 our stockholders as ordinary dividend income to the extent of our 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 our 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 we fail to qualify as a RIC, we may be subject to regular corporate tax on any net built-in gains with respect to certain of our 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 we had been liquidated) that we elect to recognize on requalification or when recognized over the next five taxable years.

Item 1A. Risk Factors

You should carefully consider these risk factors, together with all of the other information included in this annual report on Form 10-K and the other reports and documents filed by us with the SEC. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us may also impair our operations and performance. If any of the following events occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected. In such case, our net asset value and the trading price of our common stock could decline, and you may lose all or part of your investment. The risk factors described below are the principal risk factors associated with an investment in us as well as those factors generally associated with an investment company with investment objectives, investment policies, capital structure or trading markets similar to ours.

Risks Relating to Our Business and Structure

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

To the extent we borrow money or issue debt securities or preferred stock to make investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities or preferred stock and the rate at which we invest these funds. In addition, many of our debt investments and borrowings have floating interest rates that reset on a periodic basis, and many of our investments are subject to interest rate floors. As a result, a change in market interest rates could have a material adverse effect on our net investment income, in particular with respect to any decreases from current levels to the level of the interest rate floors on certain investments. In periods of rising interest rates, our cost of funds will increase because the interest rates on the majority of amounts we have borrowed are floating, which could reduce our net investment income to the extent any debt investments have fixed interest rates, and the interest rate on investments with an interest rate floor above current levels will not increase until interest rates exceed the applicable floor. In periods of decreasing interest rates, while our cost of funds will decrease because the interest rates on the majority of amounts we have borrowed are floating, because a significant portion of the loans in our portfolio also have floating interest rates, our net investment income may also decrease considering that the interest rate floors on our loans may not have been reached.

We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. Such techniques may include various interest rate hedging activities to the extent permitted by the 1940 Act and applicable commodities laws. These activities may limit our ability to participate in the benefits of lower interest rates with respect to the hedged borrowings. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations.

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

We are subject to risks associated with the discontinuation of LIBOR

In July 2017, the head of the United Kingdom Financial Conduct Authority announced the phase out of the use of LIBOR by the end of 2021. To identify a successor rate for U.S. dollar LIBOR, the Alternative Reference Rates Committee or ARRC, a U.S. based group convened by the Federal Reserve Board and the Federal Reserve Bank of New York, was formed. Similarly, financial regulators in the UK, the European Union, Japan, and Switzerland formed working groups with the aim of recommending alternatives to LIBOR denominated in their local currencies. The ARRC is comprised of a diverse set of private-sector entities and a wide array of official-sector entities, banking regulators, and other financial sector regulators. The ARRC has identified the Secured Overnight Financing Rate or SOFR as its preferred alternative rate for LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. Although SOFR appears to be the preferred replacement rate for U.S. dollar LIBOR, it is unclear if other benchmarks may emerge or if other rates will be adopted outside of the U.S.

The expected discontinuation of LIBOR could have a significant impact on on our business. The dollar amount of our outstanding debt investments and borrowings that are linked to LIBOR with maturity dates after the anticipated discontinuation date of 2021 is material. We anticipate significant operational challenges for the transition away from LIBOR including, but not limited to, amending existing loan agreements with borrowers on investments that may have not been modified with fallback language and adding effective fallback language to new agreements in the event that LIBOR is discontinued before maturity. Beyond these challenges, we anticipate there may be additional risks to our current processes and information systems that will need to be identified and evaluated by us. Due to the uncertainty of the replacement for LIBOR, the potential effect of any such event on our 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 us and could have a material adverse effect on our 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 our 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 our business and that of our 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 our business and that of our 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 our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. We may in the future have difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may cause us to reduce the volume of loans we originate and/or fund, adversely affect the value of our portfolio investments or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

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

The Staffing Agreement provides that Golub Capital LLC makes available to GC Advisors experienced investment professionals and provides access to the senior investment personnel of Golub Capital LLC for purposes of evaluating, negotiating, structuring, closing and monitoring our investments. We are not a party to the Staffing Agreement and cannot assure you that Golub Capital LLC will fulfill its obligations under the agreement. If Golub Capital LLC fails to perform, we cannot assure you that GC Advisors will enforce the Staffing Agreement, that such agreement will not be terminated by either party or that we will continue to have access to the investment professionals of Golub Capital LLC and its affiliates or their information and deal flow.

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

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

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

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

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

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

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

The members of GC Advisors' investment committee serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do or of accounts sponsored or managed by GC Advisors or its affiliates. Currently, our officers and directors also serve as officers and directors of Golub Capital BDC 3, Inc., or GBDC 3, 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 us or our stockholders. For example, Lawrence E. Golub and David B. Golub have management responsibilities for other accounts managed or sponsored by GC Advisors or its affiliates, including GBDC 3. Our investment objective may overlap with the investment objectives of such affiliated accounts. For example, GC Advisors currently manages 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 ours, and we may compete with these and other accounts sponsored or managed by GC Advisors and its affiliates for capital and investment opportunities. As a result, those individuals may face conflicts in the allocation of investment opportunities among us and other accounts advised by or affiliated with GC Advisors. Certain of these accounts may provide for higher management or incentive fees, greater expense reimbursements or overhead allocations, or permit GC Advisors and its affiliates to receive higher origination and other transaction fees, all of which may contribute to this conflict of interest and create an incentive for GC Advisors to favor such other accounts. For example, the 1940 Act restricts GC Advisors from receiving more than a 1% fee in connection with loans that we acquire, or originate, a limitation that does not exist for certain other accounts. GC Advisors seeks to allocate investment opportunities among eligible accounts in a manner that is fair and equitable over time and consistent with its allocation policy. However, we can offer no assurance that such opportunities will be allocated to us fairly or equitably in the short-term or over time, and there can be no assurance that we will be able to participate in all investment opportunities that are suitable to us.

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

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

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

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

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

The part of the management and incentive fees payable to GC Advisors that relates to our net investment income is computed and paid on income that may include interest income that has been accrued but not yet received in cash, such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends, zero coupon securities, and other deferred interest instruments and may create an incentive for GC Advisors to make investments on our behalf that are riskier or more speculative than would be the case in the absence of such compensation arrangement. This fee structure may be considered to 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, we accrue the interest over the life of the investment but do not receive the cash income from the investment until the end of the term. Our net investment income used to calculate the income portion of our investment fee, however, includes accrued interest. GC Advisors may have an incentive to invest in deferred interest securities in circumstances where it would not have done so but for the opportunity to continue to earn the fees even when the issuers of the deferred interest securities would not be able to make actual cash payments to us on such securities. This risk could be increased because GC Advisors is not obligated to reimburse us for any fees received even if we subsequently incur losses or never receive in cash the deferred income that was previously accrued.

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

The majority of our portfolio investments are expected to be made in the form of securities that are not publicly traded. As a result, our board of directors will determine the fair value of these securities in good faith. In connection with that determination, investment professionals from GC Advisors may provide our board of directors with portfolio company valuations based upon the most recent portfolio company financial statements available and projected financial results of each portfolio company. In addition, Lawrence E. Golub and David B. Golub have an indirect pecuniary interest in GC Advisors. The participation of GC Advisors' investment professionals in our valuation process, and the indirect pecuniary interest in GC Advisors by Lawrence E. Golub and David B. Golub, could result in a conflict of interest as GC Advisors' management fee is based, in part, on our average adjusted gross assets and our incentive fees will be based, in part, on unrealized gains and losses.

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

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

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

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

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

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

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 us greater flexibility to negotiate the terms of co-investments if our Board determines that it would be advantageous for us to co-invest with other accounts sponsored or managed by GC Advisors or its affiliates in a manner consistent with our investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. Under the terms of this exemptive relief, a "required majority" (as defined in Section 57(o) of the 1940 Act) of our 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 us and our stockholders and do not involve overreaching of us or our stockholders on the part of any person concerned and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment strategies and policies.

We may be the target of litigation.

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

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

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

With respect to the investments we make, we do not seek to compete based primarily on the interest rates we offer, and we believe that some of our competitors may make loans with interest rates that will be lower than the rates we offer. In the secondary market for acquiring existing loans, we compete generally on the basis of pricing terms. With respect to all investments, we may lose some investment opportunities if we do not match our competitors' pricing, terms and structure. However, if we match our competitors' pricing, terms and structure, we may experience decreased net interest income, lower yields and increased risk of credit loss. We may also compete for investment opportunities with accounts managed or sponsored by GC Advisors or its affiliates. Although GC Advisors allocates opportunities in accordance with its allocation policy, allocations to such other accounts will reduce the amount and frequency of opportunities available to us and may not be in the best interests of us and our securityholders. Moreover, the performance of investments will not be known at the time of allocation.

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

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

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

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

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

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

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

Since in certain cases we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the Annual Distribution Requirement. In such a case, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements. If we are not able to obtain such cash from other sources, we may fail to qualify as a RIC and thus be subject to corporate-level income tax. See "Business — Taxation as a RIC."

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

We may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively as "senior securities," up to the maximum amount permitted by the 1940 Act. Following the approval of our stockholders of the reduced asset coverage requirements in Section 61(a)(2) of the 1940 Act and subject to our compliance with certain disclosure requirements, effective as of February 6, 2019, under the provisions of the 1940 Act, we are 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 150% of gross assets (other than the SBA debentures of a SBIC subsidiary, as permitted by exemptive relief we have been granted by the SEC) less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities (other than the SBA debentures of an SBIC subsidiary, as permitted by exemptive relief we have been granted by the SEC). If the value of our assets declines, we may be unable to satisfy this ratio. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. This could have a material adverse effect on our operations and we 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 we use to service our indebtedness are not available for distributions to our stockholders. If we issue senior securities, we will be exposed to typical risks associated with leverage, including an increased risk of loss. As of September 30, 2019, we had $2,124.4 million of outstanding borrowings, including $126.3 million, $408.2 million, and $541.0 million outstanding under the 2014 Debt Securitization, the 2018 Debt Securitization and the GCIC 2018 Debt Securitization, respectively.

In the absence of an event of default, no person or entity from which we borrow money has a veto right or voting power over our ability to set policy, make investment decisions or adopt investment strategies. If we issue preferred stock, which is another form of leverage, the preferred stock would rank “senior” to common stock in our capital structure, preferred stockholders would have separate voting rights on certain matters and might have other rights, preferences or privileges more favorable than those of our common stockholders, and the issuance of preferred stock could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for holders of our common stock or otherwise be in the best interest of our common stockholders. Holders of our common stock will directly or indirectly bear all of the costs associated with offering and servicing any preferred stock that we issue. In addition, any interests of preferred stockholders may not necessarily align with the interests of holders of our common stock and the rights of holders of shares of preferred stock to receive distributions would be senior to those of holders of shares of our common stock. We do not, however, anticipate issuing preferred stock in the next 12 months.

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

We intend to finance our 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 us.

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

On September 13, 2011, we received exemptive relief from the SEC allowing us to modify the asset coverage requirement to exclude the SBA debentures from this calculation. As such, our ratio of total consolidated assets to outstanding indebtedness may be less than 150% minimum asset coverage requirement permitted by Section 61(a)

(2) of the 1940 Act. This exemptive relief provides us with increased investment flexibility but also increases our risks related to leverage.

Following the approval of our stockholders of the reduced asset coverage requirements in Section 61(a)(2) of the 1940 Act and subject to our compliance with certain disclosure requirements, effective as of February 6, 2019, the reduced asset coverage requirement permits us to double the maximum amount of leverage that we are permitted to incur, which provides us with increased investment flexibility, but also increases our risks related to leverage.

The following table illustrates the effect of leverage on returns from an investment in our common stock as of September 30, 2019, assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing in the table below.

	Assumed Return on Our Portfolio (Net of Expenses)				
	-10%	**-5%**	**0%**	**5%**	**10%**
Corresponding return to common stockholder(1)	-23.45%	-13.57%	-3.68%	6.20%	16.09%

(1) Assumes $4,394.9 million in total assets, $2,124.4 million in debt and secured borrowings outstanding and $2,222.9 million in net assets as of September 30, 2019 and an effective annual interest rate of 3.85% as of September 30, 2019.

Based on our outstanding indebtedness of $2,124.4 million as of September 30, 2019 and the effective annual interest rate of 3.85% as of that date, our investment portfolio would have been required to experience an annual return of at least 1.90% to cover annual interest payments on the outstanding debt.

New legislation permits us 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, 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. On February 5, 2019, our stockholders voted to approve the application of the reduced asset coverage requirements in Section 61(a)(2) to us effective as of February 6, 2019. As a result of the stockholder approval, effective February 6, 2019, the asset coverage ratio under the 1940 Act applicable to us decreased to 150% from 200%. In other words, under the 1940 Act, we are now able to borrow $2 for investment purposes for every $1 of investor equity, as opposed to borrowing $1 for investment purposes for every $1 of investor equity. As a result, we are able to incur additional indebtedness in the future and our investors may face increased investment risk. In addition, our management fee is based on its average adjusted gross assets, which includes leverage and, as a result, if we were to incur additional leverage, management fees paid to GC Advisors would increase.

We are subject to risks associated with the Debt Securitizations.

As a result of the 2014 Debt Securitization, the 2018 Debt Securitization, and the GCIC 2018 Debt Securitization (each a "Debt Securitization" and, collectively, the "Debt Securitizations"), we are subject to a variety of risks, including those set forth below. We use the term “debt securitization” in this annual report on Form 10-K 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. The special purpose entities that issued the notes in the 2014 Debt Securitization, the 2018 Debt Securitization, and the GCIC 2018 Debt Securitization were the 2014 Issuer, the 2018 Issuer and the GCIC 2018 Issuer, respectively (each such special purpose entity, a “Securitization Issuer”). The 2018 Issuer and GCIC 2018

Issuer are wholly-owned subsidiaries of Golub Capital BDC CLO III Depositor LLC and GCIC CLO II Depositor LLC, respectively, each a wholly-owned subsidiary of the Company (each a “CLO Depositor”). In each of the Debt Securitizations, institutional investors purchased certain notes issued by the applicable Securitization Issuer in private placements.

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

Under the terms of the respective loan sale agreement or loan sale agreements governing each Debt Securitization, we sold and/or contributed to the applicable Securitization Issuer all of our ownership interest in our portfolio loans and participations for the purchase price and other consideration set forth in such loan sale agreement. Following this transfer, the applicable Securitization Issuer held all of the ownership interest in such portfolio loans and participations.

Under the terms of the respective loan sale agreements entered into upon closing of each of the 2018 Debt Securitization and the GCIC 2018 Debt Securitization (each, a “Closing Date Loan Sale Agreement”), which provided for the sale of assets on the applicable closing date to satisfy risk retention requirements, (1) we transferred to GC Advisors a portion of our ownership interest in the portfolio company investments securing such Debt Securitization for the purchase price and other consideration set forth in the applicable Closing Date Loan Sale Agreement and (2) immediately thereafter, GC Advisors sold to the respective Securitization Issuer all of its ownership interest in such portfolio loans for the purchase price and other consideration set forth in the applicable Closing Date Loan Sale Agreement. Under the terms of the other loan sale agreement governing each such Debt Securitization (each, a “Depositor Loan Sale Agreement”), which provides for the sale of assets on the applicable closing date as well as future sales from us to the applicable Securitization Issuer through the applicable CLO Depositor, (1) we sold and/or contributed to the applicable CLO Depositor the remainder of our ownership interest in the portfolio company investments securing the applicable Debt Securitization and participations for the purchase price and other consideration set forth in the applicable Depositor Loan Sale Agreement and (2) the applicable CLO Depositor, in turn, sold to the applicable Securitization 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 applicable Securitization Issuer, and not GC Advisors, the applicable CLO Depositor or us, held all of the ownership interest in such portfolio company investments and participations.

As of September 30, 2019, we directly held the Class C-R 2014 Notes as well as all of the membership interests of the 2014 Issuer, and we held indirectly through the applicable CLO Depositor, the Class C-2 2018 Notes, the Class D 2018 Notes, the Subordinated 2018 Notes, and 100% of the membership interests in the 2018 Issuer, the Class C GCIC 2018 Notes, the Class D GCIC 2018 Notes, the Subordinated GCIC 2018 Notes and 100% of the membership interests in the GCIC 2018 Issuer. As a result, we consolidate the financial statements of the 2014 Issuer, the 2018 Issuer and the GCIC 2018 Issuer, as well as our other subsidiaries, in our consolidated financial statements.

Because each of the Securitization Issuers and CLO Depositors is disregarded as an entity separate from its owner for U.S. federal income tax purposes, the sale or contribution by us or a CLO Depositor to a Securitization Issuer or by us to a CLO Depositor did not constitute a taxable event for U.S. federal income tax purposes. If the U.S. Internal Revenue Service were to take a contrary position, there could be a material adverse effect on our business, financial condition, results of operations or cash flows. We may, from time to time, hold asset-backed securities, or the economic equivalent thereof, issued by a securitization vehicle sponsored by another business development company to the extent permitted under the 1940 Act.

The Notes and membership interests that we hold that are issued by the Securitization Issuers are subordinated obligations of the applicable Securitization Issuer and we may not receive cash from such Securitization Issuer.

The notes issued by the Securitization Issuers and retained by us are the most junior class of notes issued by the applicable Securitization Issuer, are subordinated in priority of payment to the other notes issued by such Securitization Issuer and are subject to certain payment restrictions set forth in the indenture governing the notes issued by such Securitization Issuer. Therefore, we only receive cash distributions on such Notes if the applicable Securitization Issuer has made all cash interest payments to all other notes it has issued. Consequently, to the extent that the value of the portfolio of loan investments held by a Securitization Issuer 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 any notes that we have retained at their redemption could be reduced. If a Securitization Issuer does not meet the asset coverage tests or the interest coverage test set forth in the documents governing the applicable Debt Securitization, cash would be diverted from the notes that we hold to first pay the more senior notes issued by such Securitization Issuer in amounts sufficient to cause such tests to be satisfied.

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

The interests of holders of the senior classes of securities issued by the the Securitization Issuers may not be aligned with our interests.

The notes issued by each Securitization Issuer that are held by third parties (the “Senior Securitization Notes”) are debt obligations ranking senior in right of payment to other securities issued by the respective Securitization Issuer in the applicable Debt Securitization. As such, there are circumstances in which the interests of holders of the Senior Securitization Notes may not be aligned with the interests of holders of the other classes of notes issued by, and membership interests of, the applicable Securitization 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.

As used herein, “Controlling Class” refers to the most senior class of notes then outstanding with respect to a Securitization Issuer. If the most senior class of outstanding notes are paid in full, then the next most senior class of notes would comprise the Controlling Class under the documents governing the applicable Debt Securitization. For as long as the Class A-R 2014 Notes, the Class A 2018 Notes, and the Class A GCIC 2018 Notes remain outstanding, holders of the such class of notes comprise the Controlling Class under the 2014 Debt Securitization, the 2018 Debt Securitization and the GCIC 2018 Debt Securitization, respectively. If such notes are paid in full, then the Class B-R 2014 Notes, the Class B 2018 Notes and the Class B GCIC 2018 Notes would comprise the Controlling Class under the 2014 Debt Securitization, the 2018 Debt Securitization and the GCIC 2018 Debt Securitization, respectively. Holders of the Controlling Class under the applicable 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 applicable Debt Securitization.

If an event of default has occurred and acceleration occurs in accordance with the terms of the indenture for a 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 a Debt Securitization, 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 Securitization Issuer may not have sufficient proceeds available to enable the trustee under the indenture to repay the obligations of holders of the notes we hold, 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, 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 Class B-2 GCIC 2018 Notes, Class C GCIC 2018 Notes, Class D GCIC 2018 Notes and Subordinated GCIC 2018 Notes to the extent the Class A-1 GCIC 2018 Notes, Class A-2 GCIC 2018 Notes, Class B GCIC 2018 Notes, Class C GCIC 2018 Notes or Class D GCIC 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, we cannot assure you that any remedies pursued by the Controlling Class will be in the best interests of the applicable CLO Depositor or us or that the applicable CLO Depositor or we will receive any payments or distributions upon an acceleration of the notes. In a liquidation under any of the Debt Securitizations, the notes that we have directly or indirectly retained will be subordinated to payment of the other classes notes issued by the applicable Securitization Issuer and may not be paid in full to the extent funds remaining after payment of more senior notes not held by us are insufficient. In addition, after certain senior classes of notes are paid in full, the remaining noteholder 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 a Securitization Issuer to make distributions on the notes we indirectly or directly hold, whether as a result of an event of default, liquidation or otherwise, could have a material adverse effect on our business, financial condition, results of operations and cash flows and may result in an inability of us to make distributions sufficient to maintain our ability to be subject to tax as a RIC, or at all.

A Securitization Issuer may fail to meet certain asset coverage tests.

Under the documents governing each 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, with respect to the 2014 Issuer; 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; the Class A GCIC 2018 Notes, Class B GCIC 2018 Notes, Class C GCIC 2018 Notes and Class D GCIC 2018, with respect to the GCIC 2018 Issuer.

The first such test compares the amount of interest received on the portfolio loans held by the applicable Securitization Issuer to the amount of interest payable in respect of the the applicable class of notes. 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; 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; and, in the case of the GCIC 2018 Debt Securitization, interest received on the portfolio loans must equal at least 120% of the interest payable in respect of the Class A GCIC 2018 Notes and Class B GCIC 2018 Notes, taken together, and at least 110% of the interest payable in respect of the Class C GCIC 2016 Notes and at least 105% of the interest payable in respect of the Class D GCIC 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 applicable class of notes. 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. To meet this second test at any time in the case of the GCIC 2018 Debt Securitization, the aggregate principal amount of the portfolio loans must equal at least 147.9% of the Class A GCIC 2018 Notes and Class B GCIC 2018 Notes, taken together, at least 127.1% of the Class C GCIC 2018 Notes and at least 117.5% of the Class D GCIC 2018 Notes.

If any asset coverage test with respect to a class of notes is not met, proceeds from the portfolio of loan investments that otherwise would have been distributed to the holders of the notes and membership interests that we hold will instead be used to redeem first the most senior class of notes in such Debt Securitization and then each next most senior class of notes, to the extent necessary to satisfy the applicable asset coverage tests on a pro forma basis after giving effect to all payments made in respect of the notes, which we refer to as a mandatory redemption, or to obtain the necessary ratings confirmation.

The value of the Class B-R 2014 Notes, Class C-2 2018 Notes, Class D 2018 Notes, Subordinated 2018 Notes, Class B-2 GCIC 2018 Notes, Class C GCIC 2018 Notes, Class D GCIC 2018 Notes or Subordinated GCIC 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 and the 2018 GCIC Debt Securitization may extend through as late as January 15, 2023 and January 20, 2023, respectively. During the respective reinvestment period, market conditions and restrictions on investment under the indenture governing the applicable Debt Securitization could result in periods of time in which the applicable Securitization 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 notes issued by such Securitization Issuer that we hold.

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

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

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

Certain Securitization Issuers may issue additional Notes.

Under the terms of the documents governing the 2018 Debt Securitization and the GCIC 2018 Debt Securitization, the applicable Securitization Issuer could issue additional 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 applicable Debt Securitization and, in the case of each of the 2018 Debt Securitization and the GCIC 2018 Debt Securitization, the applicable CLO Depositor and a supermajority of the Subordinated 2018 Notes or Subordinated GCIC 2018 Notes, as applicable. Among the other conditions that must be satisfied in connection with an additional issuance of notes, the aggregate principal amount of all additional issuances of notes may not exceed 100% of the respective original outstanding principal amount of such class of notes; the applicable Securitization Issuer must notify each rating agency of such issuance prior to the issuance date; and the terms of the notes to be issued must be identical to the terms of previously issued notes of the same class (except that all monies due on such additional notes will accrue from the issue date of such notes and that the spread over LIBOR and prices of such notes do not have to be identical to those of the initial notes, provided that the interest rate on such additional notes must not exceed the interest rate applicable to the initial class of such notes). We do not expect to cause the 2018 Issuer or the GCIC 2018 Issuer to issue any additional notes at this time. We may amend the documents governing each Debt Securitization 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 notes that may be issued may not always equal 100% of the par value of such notes, depending on several factors, including fees and closing expenses.

We are subject to risks associated with the Revolving Credit Facilities.

As a result of our Revolving Credit Facilities, we are subject to a variety of risks, including those set forth below.

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

We own directly or indirectly 100% of the equity interests in Funding II, GCIC Funding and GCIC Funding II. We consolidate the financial statements of Funding II, GCIC Funding and GCIC Funding II in our consolidated financial statements and treat the indebtedness under the Revolving Credit Facilities as our leverage. Our interests in Funding II, GCIC Funding and GCIC Funding II are subordinated in priority of payment to every other obligation of Funding II, GCIC Funding and GCIC Funding II and are subject to certain payment restrictions set forth in each Revolving Credit Facility. We receive cash distributions on our equity interests in Funding II, GCIC Funding and

GCIC Funding II only if Funding II, GCIC Funding and GCIC Funding II have made all required cash interest payments to the respective lenders and no default exists under the respective Revolving Credit Facility. We cannot assure you that distributions on the assets held by Funding II, GCIC Funding or GCIC Funding II will be sufficient to make any distributions to us or that such distributions will meet our expectations.

We receive cash from Funding II, GCIC Funding or GCIC Funding II only to the extent that we receive distributions on our equity interests in Funding II, GCIC Funding and GCIC Funding II. Funding II, GCIC Funding and GCIC Funding II 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 Funding II, GCIC Funding or GCIC Funding II do not meet the asset coverage tests or the interest coverage test set forth in the documents of the applicable Revolving Credit Facility, a default would occur. In the event of a default under a Revolving Credit Facility document, cash would be diverted from us to pay the applicable lender and other secured parties in amounts sufficient to cause such tests to be satisfied. In the event that we fail to receive cash from Funding II, GCIC Funding and/or GCIC Funding II, we could be unable to make distributions to our stockholders in amounts sufficient to maintain our status as a RIC, or at all. We also could be forced to sell investments in portfolio companies at less than their fair value in order to continue making such distributions.

Our equity interests in Funding II, GCIC Funding and GCIC Funding II rank behind all of the secured and unsecured creditors, known or unknown, of Funding II, GCIC Funding and GCIC Funding II as applicable, including the lenders in the respective Revolving Credit Facility. Consequently, to the extent that the value of Funding II’s, GCIC Funding's, or GCIC Funding II'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 our investments in Funding II, GCIC Funding or GCIC Funding II could be reduced. Accordingly, our investments in each of Funding II, GCIC Funding and GCIC Funding II may be subject to up to 100% loss.

The ability to sell investments held by Funding II, GCIC Funding and GCIC Funding II is limited.

Each of the Revolving Credit Facilities place significant restrictions on our ability, as servicer, to sell investments. As a result, there may be times or circumstances during which we are unable to sell investments or take other actions that might be in our best interests.

We are subject to risks associated with our SBIC Funds.

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

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

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

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

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

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

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

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

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

We may, and have in the past, enter into repurchase agreements as part of our management of our temporary investment portfolio. Under a repurchase agreement, we will effectively pledge our 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 repurchase agreement, we will be required to repay the loan and correspondingly receive back our collateral. While used as collateral, the assets continue to pay principal and interest which are for the benefit of us.

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

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

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

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

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

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

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

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

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

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

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

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

We may experience fluctuations in our quarterly operating results.

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

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

We and our portfolio companies are subject to regulation by laws at the U.S. federal, state and local levels. These laws and regulations, as well as their interpretation, may change from time to time, 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 our business.

In particular the Dodd-Frank Wall Street Reform and Consumer Protection Act, or Dodd-Frank, impacts many aspects of the financial services industry, and it requires the development and adoption of many implementing regulations over the next several years. The effects of Dodd-Frank on the financial services industry will depend, in large part, upon the extent to which regulators exercise the authority granted to them and the approaches taken in implementing regulations. President 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 us and our 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 us or our portfolio companies, impose additional costs on us or our portfolio companies, intensify the regulatory supervision of us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies. In addition, if we do not comply with applicable laws and regulations, we could lose any licenses that we then hold for the conduct of our business and may be subject to civil fines and criminal penalties.

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

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, or 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, we sought no-action relief to ensure that we 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 we 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 us or GC Advisors if we were to acquire CLO equity as a Retention Interest in the manner described in a letter submitted to the Staff on behalf of us.

However, the no-action relief we 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 we undertake, or the manner in which we hold any retention interests, complies with the U.S. Risk Retention Rules. If we ever determined that undertaking CLO transactions would subject us or any of our affiliates to unacceptable regulatory risk, our 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 our financing costs. Any associated increase in financing costs would ultimately be borne by our common stockholders.

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 we cannot predict the long-term impact its enactment will have on us, our subsidiaries, our portfolio companies and the holders of our 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" or "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 our operations, cash flows or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business, financial condition and results of operations.

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

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

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 our 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 us.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our business and operations could be negatively affected if we become subject to stockholder activism, which could cause us to incur significant expense, hinder the execution of our investment strategy or impact our stock price.

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

Our business 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 ours and the integration of GCIC's business with our business. There can be no assurance that GCIC's investment portfolio can be integrated successfully into our 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.

We also expect 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 that we will be able to combine the operations of the our business and GCIC in a manner that permits those cost savings to be fully realized. If the estimates turn out to be incorrect or if we are not able to combine GCIC's investment portfolio or business with the operations of our business successfully, the anticipated cost savings may not be fully realized or realized at all or may take longer to realize than expected.

Risks Relating to Our Investments

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

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

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets, which could trigger cross-defaults under other agreements and jeopardize our portfolio company's ability to meet its obligations under the debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, lenders in certain cases can be subject to lender liability claims for actions taken by them when they become too involved in the borrower's business or exercise control over a borrower. It is possible that we could become subject to a lender's liability claim, including as a result of actions taken if we render managerial assistance to the borrower.

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

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

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

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

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

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

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

We may invest all of our assets in illiquid securities, and a substantial portion of our investments in leveraged companies are and will be subject to legal and other restrictions on resale or will otherwise be less liquid than more broadly traded public securities. The illiquidity of these investments may make it difficult for us to sell such investments if the need arises. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments. We may also face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we, GC Advisors, Golub Capital or any of its affiliates have material nonpublic information regarding such portfolio company.

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

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

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

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

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

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

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

Our portfolio companies may be unable to repay or refinance outstanding principal on their loans at or prior to maturity. This risk and the risk of default is increased to the extent that the loan documents do not require the portfolio companies to pay down the outstanding principal of such debt prior to maturity. In addition, if general interest rates rise, there is a risk that our portfolio companies will be unable to pay escalating interest amounts, which could result in a default under their loan documents with us. Rising 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 our business, financial condition, results of operations and cash flows.

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

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

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

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

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

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

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

Leveraged companies may experience bankruptcy or similar financial distress. The bankruptcy process has a number of significant inherent risks. Many events in a bankruptcy proceeding are the product of contested matters and adversary proceedings and are beyond the control of the creditors. A bankruptcy filing by an issuer may adversely and permanently affect the issuer. If the proceeding is converted to a liquidation, the value of the issuer may not equal the liquidation value that was believed to exist at the time of the investment. The duration of a bankruptcy proceeding is also difficult to predict, and a creditor's return on investment can be adversely affected by delays until the plan of reorganization or liquidation ultimately becomes effective. The administrative costs of a bankruptcy proceeding are frequently high and would be paid out of the debtor's estate prior to any return to creditors. Because the standards for classification of claims under bankruptcy law are vague, our influence with respect to the class of securities or other obligations we own may be lost by increases in the number and amount of claims in the same class or by different classification and treatment. In the early stages of the bankruptcy process, it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. In addition, certain claims that have priority by law (for example, claims for taxes) may be substantial.

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

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

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

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

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

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

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

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

We have invested a portion of our capital in second lien and subordinated loans issued by our portfolio companies and intend to continue to do so in the future. Our portfolio companies may have, or be permitted to incur, other debt that ranks equally with, or senior to, the debt securities in which we invest. Such subordinated investments are subject to greater risk of default than senior obligations as a result of adverse changes in the financial condition of the obligor or in general economic conditions. If we make a subordinated investment in a portfolio company, the portfolio company may be highly leveraged, and its relatively high debt-to-equity ratio may create increased risks that its operations might not generate sufficient cash flow to service all of its debt obligations. By their terms, such debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments in respect of the securities in which we invest. These debt instruments would usually prohibit the portfolio companies from paying interest on or repaying our investments in the event of and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying senior creditors, the portfolio company may not have any remaining assets to use for repaying its obligation to us where we are junior creditor. In the case of debt ranking equally with debt securities in which we invest, we would have to share any distributions on an equal and ratable basis with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

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

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

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

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

- releases of liens on the collateral; and
- waivers of past defaults under collateral documents.

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

The disposition of our investments may result in contingent liabilities.

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

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

Under the Investment Advisory Agreement, the Prior Investment Advisory Agreement, and the collateral management agreements for each of the 2014 Debt Securitization, 2018 Debt Securitization and GCIC 2018 Debt Securitization, GC Advisors does not assume any responsibility to us other than to render the services called for under those agreements, and it is not responsible for any action of our board of directors in following or declining to follow GC Advisors' advice or recommendations. Under the terms of the Investment Advisory Agreement, the Prior Investment Advisory Agreement, and each of the collateral management agreements GC Advisors, its officers, members, personnel, and any person controlling or controlled by GC Advisors are not liable to us, any subsidiary of ours, our directors, our stockholders or any subsidiary's stockholders or partners for acts or omissions performed in accordance with and pursuant to the Investment Advisory Agreement, the Prior Investment Advisory Agreement, and the collateral management agreements, except those resulting from acts constituting gross negligence, willful misconduct, bad faith or reckless disregard of GC Advisors' duties under the Investment Advisory Agreement, the Prior Investment Advisory Agreement, and the collateral management agreements. In addition, we have agreed to indemnify GC Advisors and each of its officers, directors, members, managers and employees from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Investment Advisory Agreement, the Prior Investment Advisory Agreement, and the collateral management agreements, except where attributable to gross negligence, willful misconduct, bad faith or reckless disregard of such person's duties under the Investment Advisory Agreement, the Prior Investment Advisory Agreement, and the collateral management agreements. These protections may lead GC Advisors to act in a riskier manner when acting on our behalf than it would when acting for its own account.

Our investments in foreign companies may involve significant risks in addition to the risks inherent in U.S. investments.

Our investment strategy contemplates potential investments in foreign companies. Investing in foreign companies may expose us 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 we expect most of our investments will be U.S. dollar denominated, our 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. We may employ hedging techniques to minimize these risks, but we cannot assure you that such strategies will be effective or without risk to us. As of September 30, 2019, we were invested in securities of nine non-U.S. companies. Securities issued by non-U.S. companies are not "qualifying assets" under the 1940 Act, and we may invest in non-U.S. companies, including emerging market issuers, to the limited extent such investments are permitted under the 1940 Act.

We may expose ourselves to risks if we engage in hedging transactions.

We have and may in the future enter into hedging transactions, which may expose us to risks associated with such transactions. We 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 our 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 our 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 we are not able to enter into a hedging transaction at an acceptable price.

The success of our hedging transactions will depend on our ability to correctly predict movements in currencies and interest rates. Therefore, while we 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 we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we 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 us from achieving the intended hedge and expose us 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. Our ability to engage in hedging transactions may also be adversely affected by rules adopted by the CFTC.

We may not realize gains from our equity investments.

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

Risks Relating to Our Common Stock

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

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. Our investments in portfolio companies involve higher levels of risk, and therefore, an investment in our 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 our net asset value per share may decline. We cannot predict whether our common stock will trade at, above or below net asset value.

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

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this annual report on Form 10-K. Due to the asset coverage test applicable to us under the 1940 Act as a business development company, we may be limited in our ability to make distributions. If we declare a distribution and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash distribution payments. To the extent we make distributions to stockholders that include a return of capital, such portion of the distribution essentially constitutes a return of the stockholder’s investment. Although such return of capital may not be taxable, such distributions would generally decrease a stockholder’s basis in our common stock and may therefore increase such stockholder’s tax liability for capital gains upon the future sale of such stock. A return of capital distribution may cause a stockholder to recognize a capital gain from the sale of our common stock even if the stockholder sells its shares for less than the original purchase price.

The market price of our common stock after the Merger may be affected by factors different from those affecting our common stock before the Merger.

Our business and GCIC's differ in some respects and, accordingly, the results of operations of the combined company and the market price of our common stock may be affected by factors different from those before the Merger occurred. These factors include a larger stockholder base and a different capital structure. Accordingly, the historical trading prices and financial results of our business may not be indicative of these matters for the combined company.

The market price of our common stock may fluctuate significantly.

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

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

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

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

Our stockholders may receive shares of our common stock as dividends, which could result in adverse tax consequences to them.

In order to satisfy the annual distribution requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our 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 our common stock. We currently do not intend to pay dividends in shares of our common stock.

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

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

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Properties

We do not own any real estate or other physical properties materially important to our operation. Our headquarters are located at 666 Fifth Avenue, 18th Floor, New York, NY 10103 and are provided by Golub Capital LLC pursuant to the Administration Agreement. We believe that our office facilities are suitable and adequate to our business.

Item 3. Legal Proceedings

We, 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 us, GC Advisors and Golub Capital LLC do not believe it is currently subject to any material legal proceedings.

Item 4: Mine Safety Disclosures

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Price Range of Common Stock

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

Period	NAV(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)	Distributions Declared
Fiscal year ended September 30, 2019						
Fourth quarter	$ 16.76	$ 18.97	$ 17.72	13.2%	5.7%	$ 0.32
Third quarter	15.95	18.43	17.34	15.5	8.7	0.32
Second quarter	15.95	18.65	16.62	16.9	4.2	0.32
First quarter	15.97	19.01	16.38	19.0	2.6	0.44 (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)

(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 the each period.

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

(3) Includes a special distribution of $0.12 per share.

(4) Includes a special distribution of $0.08 per share.

The last reported price for our common stock on November 22, 2019 was $18.12 per share. As of November 22, 2019, we had 475 stockholders of record.

Distributions

Our distributions, if any, are determined by the board of directors. We elected to be treated as a RIC under Subchapter M of the Code. In order to be subject to tax as a RIC, we must distribute to our stockholders dividends for U.S. federal income tax purposes each tax year of an amount at least equal to 90% of our net ordinary income and net short-term capital gains in excess of our net long-term capital losses, or investment company taxable income, determined without regard to any deduction for dividends paid. In addition, we are subject to ordinary income and capital gain distribution requirements under U.S. federal excise tax rules for each calendar year. If we do not meet the required distributions we will be subject to a 4% nondeductible federal excise tax on the undistributed amount.

The following table reflects the cash distributions, including dividends and returns of capital per share that we have declared on our common stock.

Record Dates	Payment Date	Distributions Declared
Fiscal year ended September 30, 2019		
August 19, 2019	September 27, 2019	$ 0.32
June 7, 2019	June 28, 2019	0.32
March 7, 2019	March 28, 2019	0.32
December 12, 2018[1]	December 28, 2018	0.44
Total		$ 1.40
Fiscal year ended September 30, 2018		
September 6, 2018	September 28, 2018	$ 0.32
June 8, 2018	June 28, 2018	0.32
March 8, 2018	March 30, 2018	0.32
December 12, 2017 [2]	December 28, 2017	0.40
Total		$ 1.36

(1) Includes a special distribution of $0.12 per share.

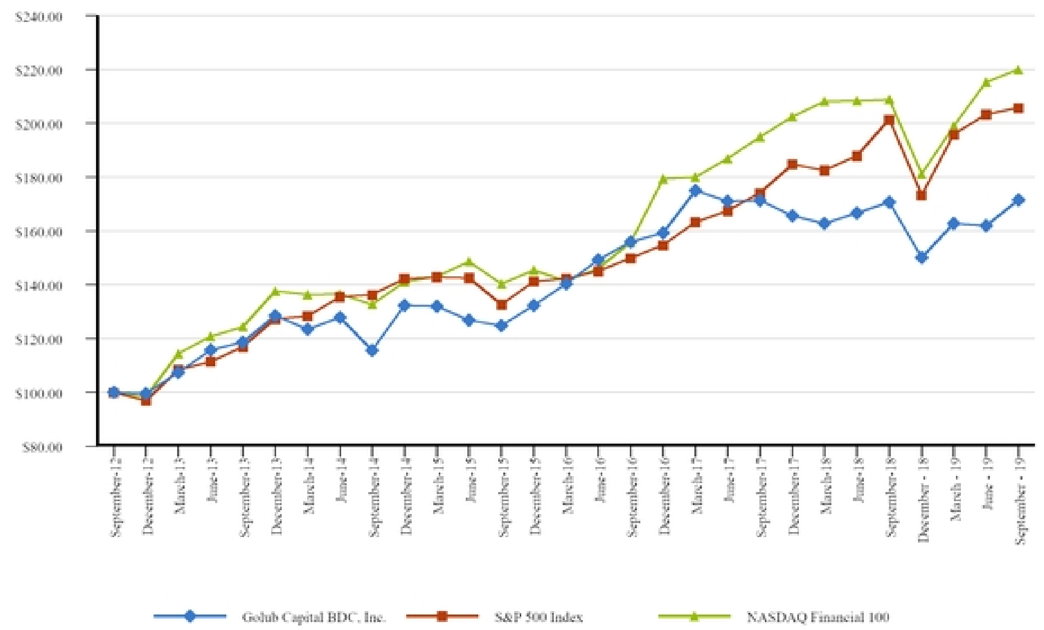
(2) Includes a special distribution of $0.08 per share.

On November 22, 2019, our board of directors declared a quarterly distribution of $0.33 per share and a special distribution of $0.13 per share, each of which are payable on December 30, 2019 to holders of record as of December 12, 2019.

We have adopted a dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our stockholders. As a result, if our board of directors authorizes, and we declare, a cash dividend or other distribution, then our stockholders who participate in our dividend reinvestment plan will have their cash distribution reinvested in additional shares of our common stock, rather than receiving the cash distribution.

Stock Performance Graph

This graph compares the stockholder return on our common stock from September 30, 2012 to September 30, 2019 with that of the NASDAQ Financial 100 Stock Index and the Standard & Poor's 500 Stock Index. This graph assumes that on September 30, 2012, $100 was invested in our common stock, the NASDAQ Financial 100 Stock Index, and the Standard & Poor's 500 Stock Index. The graph also assumes the reinvestment of all cash distributions prior to any tax effect. The graph and other information furnished under this Part II Item 5 of this annual report on Form 10-K shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under, or to the liabilities of Section 18 of, the Exchange Act. The stock price performance included in the below graph is not necessarily indicative of future stock performance.



Item 6. Selected Consolidated Financial Data

The following selected consolidated financial data of Golub Capital BDC, Inc. as of and for the years ended September 30, 2019, 2018, 2017, and 2016 is derived from the consolidated financial statements that have been audited by Ernst & Young LLP, independent registered public accounting firm. The following selected consolidated financial data of Golub Capital BDC, Inc. as of and for the year ended September 30, 2015 is derived from the consolidated financial statements that have been audited by RSM US LLP (formerly McGladrey LLP through October 25, 2015), independent registered public accounting firm. The financial data should be read in conjunction with our consolidated financial statements and related notes thereto and "Management's Discussion of Financial Condition and Results of Operations" included elsewhere in this annual report on Form 10-K.

	Golub Capital BDC, Inc.				
	As of and for the years ended September 30,				
	2019	2018	2017	2016	2015
	(In thousands, except per share data)				
Statement of Operations Data:					
Total investment income	$ 172,298	$ 152,171	$ 137,764	$ 127,871	$ 119,968
Base management fee	27,872	24,214	23,815	22,020	20,330
Incentive fee	8,902	13,110	7,560	7,266	10,226
Interest and other debt financing expenses	43,531	33,174	31,534	27,724	24,510
All other expenses	5,921	5,652	5,309	5,881	5,905
Net investment income[(1)]	86,072	76,021	69,546	64,980	58,997
Net realized gain (loss) on investment transactions	(4,442)	17,536	9,402	6,254	9,354
Net change in unrealized appreciation (depreciation) on investment transactions [(2)]	(100,209)	(11,587)	3,340	(2,030)	2,440
Net increase (decrease) in net assets resulting from operations	(18,579)	81,970	82,288	69,204	70,791
Per share data:					
Net asset value	$ 16.76	$ 16.10	$ 16.08	$ 15.96	$ 15.80
Net investment income[(1)]	1.36	1.27	1.23	1.25	1.20
Net realized gain (loss) on investment transactions	(0.07)	0.29	0.16	0.12	0.19
Net change in unrealized appreciation (depreciation) on investment transactions	(2.41)	(0.19)	0.06	(0.04)	0.05
Net increase (decrease) in net assets resulting from operations	(1.12)	1.37	1.45	1.33	1.44
Per share distributions declared	1.40	1.36	1.53	1.28	1.28
From net investment income	1.27	1.31	1.51	1.04	1.18
From capital gains	0.13	0.05	0.02	0.24	0.10
Dollar amount of distributions declared	84,625	81,307	86,443	66,879	62,969
From net investment income	77,065	78,328	85,304	54,461	58,152
From capital gains	7,560	2,979	1,139	12,418	4,817
Balance Sheet data at period end:					
Investments, at fair value	$ 4,292,932	$ 1,782,841	$ 1,685,015	$ 1,660,612	$ 1,529,784
Cash and cash equivalents, foreign currencies, restricted cash and cash equivalents and restricted foreign currencies	84,208	45,705	62,558	89,540	97,484
Interest receivable and other assets	17,723	7,006	6,603	6,357	6,158
Total assets	4,394,863	1,835,552	1,754,176	1,756,509	1,633,426
Total debt	2,124,392	845,683	781,100	865,175	813,605
Total liabilities	2,172,009	866,698	796,230	877,684	822,556
Total net assets	2,222,854	968,854	957,946	878,825	810,870
Other data:					
Weighted average yield on income producing investments at fair value[(3)]	8.6%	8.3%	7.8%	7.6%	7.8%
Number of portfolio companies at period end	241	199	185	183	164

(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) Refer to Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information on the net change in unrealized depreciation on investment transactions due to purchase premium write-down.

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

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information contained in this section should be read in conjunction with our consolidated financial statements and related notes thereto appearing elsewhere in this annual report on Form 10-K. In this report, "we," "us," "our" and "Golub Capital BDC" refer to Golub Capital BDC, Inc. and its consolidated subsidiaries.

Forward-Looking Statements

Some of the statements in this annual report on Form 10-K constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this annual report on Form 10-K involve risks and uncertainties, including statements as to:

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

Such forward-looking statements may include statements preceded by, followed by or that otherwise include the words "may," "might," "will," "intend," "should," "could," "can," "would," "expect," "believe," "estimate," "anticipate," "predict," "potential," "plan" or similar words. The forward looking statements contained in this annual report on Form 10-K involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth as "Risk Factors" in this annual report on Form 10-K.

We have based the forward-looking statements included in this report on information available to us on the date of this report. Actual results could differ materially from those anticipated in our forward-looking statements and future results could differ materially from historical performance. You are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including annual reports on Form 10-K, registration statements on Form N-2, quarterly reports on Form 10-Q and current reports on Form 8-K. This annual report on Form 10-K contains statistics and other data that have been obtained from or compiled from information made available by third-party service providers. We have not independently verified such statistics or data.

Overview

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

Our shares are currently listed on The Nasdaq Global Select Market under the symbol “GBDC”.

Our investment objective is to generate current income and capital appreciation by investing primarily in 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. We may also selectively invest in second lien and subordinated loans of, and warrants and minority equity securities in U.S. middle-market companies. We intend to achieve our investment objective by (1) accessing the established loan origination channels developed by Golub Capital, a leading lender to U.S. middle-market companies with over $30.0 billion in capital under management as of September 30, 2019, (2) selecting investments within our core middle-market company focus, (3) partnering with experienced private equity firms, or sponsors, in many cases with whom Golub Capital has invested alongside in the past, (4) implementing the disciplined underwriting standards of Golub Capital and (5) drawing upon the aggregate experience and resources of Golub Capital.

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

Under the Investment Advisory Agreement, which was approved by our board of directors on July 11, 2019, we have agreed to pay GC Advisors an annual base management fee based on our average adjusted gross assets as well as an incentive fee based on our investment performance. At a meeting of our stockholders held on September 4, 2019, our stockholders voted to approve the Investment Advisory Agreement, which was entered into effective as of the closing of the Merger and will continue for an initial two-year term. The changes to the Investment Advisory Agreement, as compared to the Prior Investment Advisory Agreement, consisted of revisions to (i) exclude the impact of purchase accounting resulting from a merger, including the Merger, from the calculation of income subject to the income incentive fee payable and the calculation of the cumulative incentive fee cap under the Investment Advisory Agreement and (ii) convert the cumulative incentive fee cap into a per share calculation. Under the Administration Agreement, we are provided with certain administrative services by an administrator, or the Administrator, which is currently Golub Capital LLC. Under the Administration Agreement, we have agreed to reimburse the Administrator for our allocable portion (subject to the review and approval of our independent directors) of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement.

We seek to create a portfolio that includes primarily one stop and other senior secured loans by primarily investing approximately $10.0 million to $75.0 million of capital, on average, in the securities of U.S. middle-market companies. We may also selectively invest more than $75.0 million in some of our portfolio companies and generally expect that the size of our individual investments will vary proportionately with the size of our capital base.

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

As of September 30, 2019 and 2018, our portfolio at fair value was comprised of the following:

	As of September 30, 2019		As of September 30, 2018	
Investment Type	**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**	**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**
Senior secured	$ 589,340	13.7%	$ 231,169	13.0%
One stop	3,474,116	80.9	1,430,196	80.2
Second lien	19,473	0.5	9,435	0.5
Subordinated debt	369	0.0*	251	0.0*
LLC equity interests in SLF and GCIC SLF(1)	123,644	2.9	71,084	4.0
Equity	85,990	2.0	40,706	2.3
Total	$ 4,292,932	100.0%	$ 1,782,841	100.0%

* Represents an amount less than 0.1%.

(1) Proceeds from LLC equity interests invested in SLF and GCIC SLF were utilized by SLF and GCIC SLF, respectively, to invest in senior secured loans.

One stop loans include loans to technology companies undergoing strong growth due to new services, increased adoption and/or entry into new markets. We refer to loans to these companies as late stage lending loans. Other targeted characteristics of late stage lending businesses include strong customer revenue retention rates, a diversified customer base and backing from growth equity or venture capital firms. In some cases, the borrower's high revenue growth is supported by a high level of discretionary spending. As part of the underwriting of such loans and consistent with industry practice, we may adjust our characterization of the earnings of such borrowers for a reduction or elimination of such discretionary expenses, if appropriate. As of September 30, 2019 and September 30, 2018, one stop loans included $414.7 million and $169.4 million, respectively, of late stage lending loans at fair value.

As of September 30, 2019 and 2018, we had debt and equity investments in 241 and 199 portfolio companies, respectively, in addition to an investment in SLF as of each such date and an investment in GCIC SLF as of September 30, 2019.

The following table shows the weighted average income yield and weighted average investment income yield of our earning portfolio company investments, which represented nearly 100% of our debt investments, as well as the total return based on our average net asset value, and the total return based on the change in the quoted market price of our stock and assuming distributions were reinvested in accordance with our dividend reinvestment plan, or DRIP, in each case for the years ended September 30, 2019 and 2018:

	Year ended September 30,	
	2019	**2018**
Weighted average income yield (1)	8.6%	8.3%
Weighted average investment income yield (2)	9.0%	8.9%
Total return based on average net asset value (3)	(1.8)%	8.5%
Total return based on market value (4)	8.8%	7.7%

(1) Represents income from interest 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 us.

(2) Represents income from interest, 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 us.

(3) 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.

(4) Total return based on market value assumes distributions are reinvested in accordance with the DRIP. Total return does not include sales load.

Revenues: We generate revenue in the form of interest and fee income on debt investments and capital gains and distributions, if any, on portfolio company investments that we originate or acquire. Our debt investments, whether in the form of senior secured, one stop, second lien or subordinated loans, typically have a term of three to seven years and bear interest at a fixed or floating rate. In some instances, we receive payments on our debt investments based on scheduled amortization of the outstanding balances. In addition, we receive repayments of some of our debt investments prior to their scheduled maturity date. The frequency or volume of these repayments fluctuates significantly from period to period. Our portfolio activity also reflects the proceeds of sales of securities. In some cases, our investments provide for deferred interest payments or PIK, interest. The principal amount of loans and any accrued but unpaid interest generally become due at the maturity date. In addition, we may generate revenue in the form of commitment, origination, amendment, structuring or due diligence fees, fees for providing managerial assistance and consulting fees. Loan origination fees, original issue discount and market discount or premium are capitalized, and we accrete or amortize such amounts as interest income. We record prepayment premiums on loans as fee income. For additional details on revenues, see "Critical Accounting Policies—Revenue Recognition."

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

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

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

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

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, or the 2010 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 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 Collateral Management Agreement was terminated.

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

GC Advisors, as collateral manager for the 2018 Issuer, our indirect, wholly-owned subsidiary, under a collateral management agreement, or the 2018 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 2018 Issuer at the beginning of the collection period relating to each payment date, which is payable in arrears on each payment date. Under the 2018 Collateral Management Agreement, the term "collection period" refers to the period commencing on the third business day prior to the preceding payment date and ending on (but excluding) the third business day prior to such payment date.

GC Advisors, as collateral manager for the GCIC 2018 Issuer, our indirect, wholly-owned subsidiary, under a collateral management agreement, or the GCIC 2018 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 GCIC 2018 Issuer at the beginning of the collection period relating to each payment date, which is payable in arrears on each payment date. Under the 2018 GCIC 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.

Collateral management fees were paid directly by the 2010 Issuer and are paid directly by the 2014 Issuer, 2018 Issuer, and GCIC 2018 Issuer to GC Advisors and are offset against the management fees payable under the Investment Advisory Agreement. In addition, the 2010 Issuer and 2014 Issuer paid Wells Fargo Securities, LLC structuring and placement fees for its services in connection with the initial structuring and subsequent amendments to the 2010 Debt Securitization, and the initial structuring of the 2014 Debt Securitization. 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. Before we acquired the GCIC 2018 Issuer as part of the Merger, the GCIC 2018 Issuer paid Wells Fargo Securities, LLC structuring and placement fees for its services in connection with the initial structuring the GCIC 2018 Debt Securitization. Term debt securitizations are also known as collateralized loan obligations, or CLOs, and are a form of secured financing incurred by us, which is consolidated by us and subject to our overall asset coverage requirement. The 2010 Issuer, the 2014 Issuer, the 2018 Issuer, and GCIC 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, the 2018 Debt Securitization and GCIC 2018 Debt Securitization, and collectively the Debt Securitizations, as applicable.

We believe that these administrative expenses approximate the amount of ongoing fees and expenses that we would be required to pay in connection with a traditional secured credit facility. Our common stockholders indirectly bear all of these expenses.

GCIC Acquisition

On September 16, 2019, we completed our acquisition of GCIC, pursuant to the Merger Agreement. Pursuant to the Merger Agreement, Merger Sub was first merged with and into GCIC, with GCIC as the surviving company, and, immediately following the Initial Merger, GCIC was then merged with and into us, with us as the surviving company. As a result of, and as of the effective time of, the Merger, GCIC's separate existence ceased.

In accordance with the terms of the Merger Agreement, at the effective time of the Merger, each outstanding share of GCIC's common stock was converted into the right to receive 0.865 shares of our common stock (with GCIC's stockholders receiving cash in lieu of fractional shares of our common stock). As a result of the Merger, we issued issue an aggregate of 71,779,964 shares of our common stock to former stockholders of GCIC.

Upon the consummation of the Merger, we entered into the Investment Advisory Agreement, with GC Advisors, which replaced the Prior Investment Advisory Agreement.

Recent Developments

On October 11, 2019, we entered into an amendment to the MS Credit Facility II, to and among other things, increase the borrowing capacity from $300.0 million to $500.0 million until the earlier of (i) the closing date of a debt securitization transaction mutually agreed to by us and Morgan Stanley Senior Funding, Inc. or (ii) March 31, 2020, after which the borrowing capacity under the MS Credit Facility II shall be $200.0 million. The other material terms of the MS Credit Facility II were unchanged.

On October 28, 2019, we entered into an amendment to the Adviser Revolver to, among other things, increase the borrowing capacity under the Adviser Revolver from $40.0 million to $100.0 million. In connection with the amendment to the Adviser Revolver on October 28, 2019, we terminated the GCIC Adviser Revolver.

On November 22, 2019, our board of directors declared a quarterly distribution of $0.33 per share and a special distribution of $0.13 per share, each of which are payable on December 30, 2019 to holders of record as of December 12, 2019.

Market Trends

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

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

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

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

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

Market Environment: We believe that as part of the path of economic recovery following the credit crisis, there has been increased competition for new middle-market investments due to some new non-bank finance companies that have entered the market and due to improving financial performance of middle-market companies. Increased competition for direct lending to middle market businesses may result in less favorable pricing terms for our investments. If we match our competitor's pricing, terms and structure, we may experience decreased net interest income, lower yields, and increased risk of credit loss. However, we believe that our scale and strong market position will continue to allow us to find investment opportunities with attractive risk-adjusted returns.

Consolidated Results of Operations

The comparison of the fiscal years ended September 30, 2018 and 2017 can be found in our Form 10-K for the fiscal year ended September 30, 2018 located within Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Consolidated operating results for years ended September 30, 2019 and 2018 are as follows:

	Year ended September 30,		Variances
	2019	2018	2019 vs. 2018
	(In thousands)		
Interest income	$ 162,249	$ 131,274	$ 30,975
Income from accretion of discounts and origination fees	8,572	9,660	(1,088)
GCIC acquisition purchase premium amortization	(1,381)	—	(1,381)
Dividend income from LLC equity interests in SLF and GCIC SLF	1,219	8,099	(6,880)
Dividend income	349	624	(275)
Fee income	1,290	2,514	(1,224)
Total investment income	172,298	152,171	20,127
Total expenses	86,226	76,150	10,076
Net investment income	86,072	76,021	10,051
Net realized gain (loss) on investment transactions	(4,442)	17,536	(21,978)
Net change in unrealized appreciation (depreciation) on investment transactions excluding purchase premium write-down	2,480	(11,587)	14,067
Net change in unrealized depreciation on investment transactions due to purchase premium write-down	(102,689)	—	(102,689)
Net gain (loss) on investment transactions	(104,651)	5,949	(110,600)
Net increase (decrease) in net assets resulting from operations	$ (18,579)	$ 81,970	$ (100,549)
Average earning debt investments, at fair value[1]	$ 1,904,121	$ 1,602,119	$ 302,002

(1) Does not include our investments in LLC equity interests in SLF and 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. As a result, annual comparisons of net income may not be meaningful.

On September 16, 2019, we completed our acquisition of GCIC. The acquisition was accounted for under the asset acquisition method of accounting in accordance with ASC 805-50, *Business Combinations — Related Issues*. Under asset acquisition accounting, where the consideration paid to GCIC’s stockholders exceeded the relative fair values of the assets acquired and liabilities assumed, the premium paid by us was allocated to the cost of the GCIC assets acquired by us pro-rata based on their relative fair value. Immediately following the acquisition of GCIC, we recorded its assets at their respective fair values and, as a result, the purchase premium allocated to the cost basis of the GCIC assets acquired was immediately recognized as unrealized depreciation on our Consolidated Statement of Operations. The purchase premium allocated to investments in loan securities will amortize over the life of the loans through interest income with a corresponding reversal of the unrealized depreciation on such loans acquired through their ultimate disposition. The purchase premium allocated to investments in equity securities will not amortize over the life of the equity securities through interest income and, assuming no subsequent change to the fair value of the GCIC equity securities acquired and disposition of such equity securities at fair value, we will recognize a realized loss with a corresponding reversal of the unrealized depreciation upon disposition of the GCIC equity securities acquired.

As a supplement to GAAP financial measures, we have provided the following non-GAAP financial measures that we believe are useful for the reasons described below:

- “Adjusted Net Investment Income” - excludes the amortization of the purchase price premium and the accrual for the capital gain incentive fee (including the portion of such accrual that is not payable under the Investment Advisory Agreement or Prior Investment Advisory Agreement) from net investment income calculated in accordance with GAAP;
- “Adjusted Net Realized and Unrealized Gain/(Loss)” - excludes the unrealized loss resulting from the purchase premium write-down and the corresponding reversal of the unrealized loss from the amortization

of the premium from the determination of realized and unrealized gain/(loss) determined in accordance with GAAP; and

- "Adjusted Net Income" – calculates net income and earnings per share based on Adjusted Net Investment Income and Adjusted Net Realized and Unrealized Gain/(Loss).

	For the year ended September 30, 2019
	(In thousands)
Net investment income	$ 86,072
Add: GCIC acquisition purchase premium amortization	1,381
Less: Accrual (reversal) for capital gain incentive fee	(5,580)
Adjusted net investment income	$ 81,873
Net gain (loss) on investment transactions	$ (104,651)
Add: Net change in unrealized depreciation on investment transactions due to purchase premium write-down	102,689
Adjusted net realized and unrealized gain (loss)	$ (1,962)
Net increase (decrease) in net assets resulting from operations	$ (18,579)
Add: GCIC acquisition purchase premium amortization	1,381
Less: Accrual (reversal) for capital gain incentive fee	(5,580)
Add: Net change in unrealized depreciation on investment transactions due to purchase premium write-down	102,689
Adjusted net income	$ 79,911

We believe that excluding the financial impact of the purchase premium in the above non-GAAP financial measures is useful for investors as this is a non-cash expense/loss and is one method we use to measure our financial condition and results of operations. In addition, we believe excluding the accrual of the capital gain incentive fee in the above non-GAAP financial measures is useful as it includes the portion of such accrual that is not contractually payable under the terms of either the Investment Advisory Agreement or the Prior Investment Advisory Agreement.

Although these non-GAAP financial measures are intended to enhance investors' understanding of our business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP.

Investment Income

Investment income increased from the year ended September 30, 2018 to the year ended September 30, 2019 by $20.1 million primarily as a result of an increase in the average earning debt investments balance, which is the average balance of accruing loans in our investment portfolio, of $302.0 million. This increase in our investment income was partially offset by a decline in accretion of discounts resulting from decreased debt investment payoffs, amortization of the GCIC acquisition purchase premium and a decline in dividend income from our LLC equity interests in SLF and GCIC SLF.

The income yield by debt security type for years ended September 30, 2019 and 2018 was as follows:

	Year ended September 30,	
	2019	**2018**
Senior secured	7.4%	7.1%
One stop	8.8%	8.5%
Second lien	11.1%	10.1%
Subordinated debt	8.8%	15.0%

Income yields on one stop and senior secured loans increased for the year ended September 30, 2019 primarily due to an increase in the average LIBOR rate during the year ended September 30, 2019 as compared to the year ended September 30, 2018. As of September 30, 2019, we have three second lien investments and three subordinated debt investments as shown in the Consolidated Schedule of Investments. Due to the limited number of second lien and subordinated debt investments, 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 our expenses for the years ended September 30, 2019 and 2018:

	Year ended September 30,		Variance
	2019	2018	2019 vs. 2018
	(In thousands)		
Interest and other debt financing expenses	$ 41,435	$ 29,859	$ 11,576
Amortization of debt issuance costs	2,096	3,315	(1,219)
Base management fee	27,872	24,214	3,658
Income incentive fee	14,482	11,652	2,830
Capital gain incentive fee	(5,580)	1,458	(7,038)
Professional fees	2,636	2,721	(85)
Administrative service fee	2,682	2,456	226
General and administrative expenses	603	475	128
Total expenses	$ 86,226	$ 76,150	$ 10,076
Average debt outstanding	$ 1,050,155	$ 822,823	$ 227,332

Interest Expense

Interest and other debt financing expenses increased by $11.6 million from the year ended September 30, 2018 to the year ended September 30, 2019 primarily due to an increase in the weighted average of outstanding borrowings from $822.8 million for the year ended September 30, 2018 to $1.1 billion for the year ended September 30, 2019. For more information about our outstanding borrowings for years ended September 30, 2019 and 2018, including the terms thereof, see Note 7. Borrowings in the notes to our consolidated financial statements and the "*Liquidity and Capital Resources*" section below.

The effective average interest rate on our outstanding debt increased to 4.2% for the year ended September 30, 2019 from 4.0% for the year ended September 30, 2018 primarily due to a higher average LIBOR during the year ended September 30, 2019 as compared to the year ended September 30, 2018.

Management Fee

The base management fee increased as a result of a sequential increase in average adjusted gross assets from 2018 to 2019.

Incentive Fees

The incentive fee payable under the Investment Advisory Agreement and the Prior Investment Advisory Agreement, as applicable, consists of two parts: (1) the Income Incentive Fee and (2) the Capital Gain Incentive Fee. The Income Incentive Fee increased by $2.8 million from the year ended September 30, 2018 to the year ended September 30, 2019, primarily as a result of an increase in Pre-Incentive Fee Net Investment Income. As we remain in the "catch-up" provision of the calculation of the Income Incentive Fee, the increase in net investment income causes a corresponding increase in the Income Incentive Fee until we are fully through the catch-up. For the year ended September 30, 2019, while still not fully through the "catch-up" provision of the Income Incentive Fee calculation, the Income Incentive Fee as a percentage of Pre-Incentive Fee Net Investment Income increased to 15.2% for the year ended September 30, 2019 compared to 13.1% for the year ended September 30, 2018.

The Capital Gain Incentive Fee payable as calculated under the Investment Advisory Agreement or the Prior Investment Advisory Agreement, as applicable, for the year ended September 30, 2019 and 2018 was $0 and $2.3 million, respectively. However, in accordance with generally accepted accounting principles in the United States of America, or GAAP, we are required to include the aggregate unrealized capital appreciation on investments in the calculation and accrue a capital gain incentive fee as if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee actually payable under the Investment Advisory Agreement or Prior Investment Advisory Agreement. The capital gain incentive fee accrual calculated in accordance with GAAP as of September 30, 2019 and 2018 was $0 and $7.2 million, respectively. Any payment due under the terms of the Investment Advisory Agreement or Prior Investment Advisory Agreement, as applicable, is calculated in arrears at the end of each calendar year, and we paid a $1.6 million and $1.2 million Capital Gain Incentive Fee calculated in accordance with the Prior Investment Advisory Agreement as of December 31, 2018 and 2017, respectively. We did not pay any Capital Gain Incentive Fee calculated under the Prior Investment Advisory Agreement as of any date prior to December 31, 2017.

There was a reversal in the accrual for the capital gain incentive fee under GAAP of $5.6 million, or $0.09 per share for the year ended September 30, 2019. The accrual for the capital gain incentive fee under GAAP was $1.5 million, or $0.02 per share for the year ended September 30, 2018. The reversal in the in accrual for a capital gain incentive fee under GAAP for the year ended September 30, 2019 from the year ended September 30, 2018, was primarily due to the GCIC purchase premium write-down as a result of the Merger. 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 $0.2 million from the year ended September 30, 2018 to the year ended September 30, 2019. In general, we expect certain of our operating expenses, including professional fees, the administrative service fee, and other general and administrative expenses to decline as a percentage of our total assets during periods of growth and increase as a percentage of our total assets during periods of asset declines.

The Administrator pays for certain expenses incurred by us. These expenses are subsequently reimbursed in cash. Total expenses reimbursed by us to the Administrator for the year ended September 30, 2019 and the year ended September 30, 2018 ended were $2.8 million and $2.4 million, respectively.

As of September 30, 2019 and 2018, included in accounts payable and other liabilities were $0.9 million and $0.4 million, respectively, for expenses paid on behalf of us by the Administrator. As of September 30, 2019, also included in accounts payable and other liabilities was $0.8 million of expenses paid on behalf of GCIC by the Administrator which were assumed in the Merger.

Excise Tax Expense

We have elected to be treated as a RIC under Subchapter M of the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. In order to be subject to tax as a RIC, we are required to meet certain source of income and asset diversification requirements, as well as timely distribute to our 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. We have made and intend to continue to make the requisite distributions to our stockholders that will generally relieve us from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to retain taxable income in excess of current year distributions into the next tax year in an amount less than what would trigger payments of U.S. federal income tax under Subchapter M of the Code. We may then be required to incur a 4% excise tax on such income. To the extent that we determine that our estimated current year annual taxable income may exceed estimated current year distributions, we accrue excise tax, if any, on estimated excess taxable income as taxable income is earned. For the years ended September 30, 2019 and 2018, we did not incur any expense for U.S. federal excise tax.

Net Realized and Unrealized Gains and Losses

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

	Year ended September 30,		Variance
	2019	2018	2019 vs. 2018
	(In thousands)		
Net realized gain (loss) on investments	$ (4,616)	$ 17,454	$ (22,070)
Foreign currency transactions	174	82	92
Net realized gain (loss) on investment transactions	$ (4,442)	$ 17,536	$ (21,978)
Unrealized appreciation on investments	33,448	25,126	8,322
Unrealized (depreciation) on investments	(134,955)	(34,832)	(100,123)
Unrealized appreciation (depreciation) on investments in SLF and GCIC SLF[1]	480	(1,881)	2,361
Unrealized appreciation (depreciation) on translation of assets and liabilities in foreign currencies	685	—	685
Unrealized appreciation (depreciation) on forward currency contracts	133	—	133
Net change in unrealized appreciation (depreciation) on investment transactions	$ (100,209)	$ (11,587)	$ (88,622)

(1) Unrealized appreciation (depreciation) on investments in SLF and GCIC SLF includes our investments in LLC equity interests in SLF and GCIC SLF. The investment in GCIC SLF was acquired by us in the Merger and was not held during the year ended September 30, 2018.

During the year ended September 30, 2019, we had a net realized loss of $4.4 million primarily due to realized losses recognized on the restructure, sale or write-off of a few portfolio company investments. These realized losses were partially offset by the realized gains from the sale of a few portfolio company equity investments.

For the year ended September 30, 2019, we had $33.4 million in unrealized appreciation on 202 portfolio company investments, which was offset by $135.0 million in unrealized depreciation, which included $102.7 million recognized due to the purchase premium write-down as a result of the Merger, on 267 portfolio company investments. Unrealized appreciation during the year ended September 30, 2019 resulted from an increase in fair value primarily due to the rise in market prices of portfolio company investments and the reversal of the net unrealized depreciation associated with the sale or restructure of a few portfolio company investments. Besides the unrealized depreciation recognized due to the purchase premium write-down, unrealized depreciation 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 sale of portfolio company investments during the year ended September 30, 2019.

For the year ended September 30, 2018, we 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 and the reversal of the net unrealized depreciation associated with the sale or restructure of a few portfolio company investments. Unrealized depreciation 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 sale of portfolio company investments during the year ended September 30, 2018.

For the year ended September 30, 2019, we had $0.5 million in unrealized appreciation on our investments in SLF and GCIC SLF LLC equity interests. The unrealized appreciation on our investment in SLF of $3.8 million was primarily driven by net investment income earned by SLF netted against negative credit adjustments at SLF. The unrealized depreciation on our investment in GCIC SLF of $3.3 million was primarily driven by net investment income earned by GCIC SLF netted against the net unrealized depreciation recognized due to the purchase premium write-down of $2.1 million and dividends GCIC SLF paid to us of $1.2 million during the year ended September 30, 2019. SLF did not pay us any dividends during the year ended September 30, 2019.

For the year ended September 30, 2018, we had $1.9 million in unrealized depreciation on our investment in SLF LLC equity interests, which was primarily driven by net investment income associated with SLF's investment portfolio netted against net negative credit related adjustments at SLF. We received dividends totaling $8.1 million from SLF during the year ended September 30, 2018.

Liquidity and Capital Resources

For the year ended September 30, 2019, we experienced a net increase in cash and cash equivalents, foreign currencies, restricted cash and cash equivalents and restricted foreign currencies of $38.5 million. During the period, cash used in operating activities was $118.7 million, primarily as a result of fundings of portfolio investments of $597.6 million, partially offset by the proceeds from principal payments and sales of portfolio investments of $367.0 million and net investment income of $86.1 million. Lastly, cash provided by financing activities was $157.2 million, primarily driven by borrowings on debt of $1.4 billion that were partially offset by repayments of debt of $1.1 billion and distributions paid of $75.3 million.

For the year ended September 30, 2018, we 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.

As of September 30, 2019 and September 30, 2018, we had cash and cash equivalents of $6.5 million and $5.9 million, respectively. In addition, we had foreign currencies of $0.1 million and $0.2 million as of September 30, 2019 and September 30, 2018, respectively, restricted cash and cash equivalents of $76.4 million and $39.7 million as of September 30, 2019 and September 30, 2018, respectively, and restricted foreign currencies of $1.3 million as of September 30, 2019. We held no restricted foreign currencies as of September 30, 2018.

Cash and cash equivalents and foreign currencies are available to fund new investments, pay operating expenses and pay distributions. As of September 30, 2019, $46.9 million of our restricted cash and cash equivalents and restricted foreign currencies could be used to fund new investments that meet the investment guidelines established in the Debt Securitizations, which are described in further detail in Note 7 to our consolidated financial statements, and for the payment of principal and interest expense on the notes issued in the Debt Securitizations. As of September 30, 2019, $9.2 million of our restricted cash and cash equivalents and restricted foreign currencies could be used to fund new investments that meet the guidelines under the MS Credit Facility II, as well as for the payment of interest expense and revolving debt of the MS Credit Facility II. As of September 30, 2019, $6.9 million of our restricted cash and cash equivalents and restricted foreign currencies could be used to fund investments that meet the guidelines under the WF Credit Facility as well as for the payment of interest expense and revolving debt of the WF Credit Facility. The WF Credit Facility was assumed by us from GCIC in the Merger. As of September 30, 2019, $9.1 million of our restricted cash and cash equivalents and restricted foreign currencies could be used to fund investments that meet the guidelines under the DB Credit Facility as well as for the payment of interest expense and revolving debt of the DB Credit Facility The DB Credit Facility was assumed by us from GCIC in the Merger. As of September 30, 2019, $5.5 million of our restricted cash, cash equivalents and restricted foreign currencies could be used to fund new investments that meet the regulatory and investment guidelines established by the SBA, for our SBIC Funds subsidiaries which are described in further detail in Note 7 to our consolidated financial statements, and for interest expense and fees on our outstanding SBA debentures.

As of September 30, 2019, the MS Credit Facility II allowed Funding II to borrow up to $300.0 million at any one time outstanding, subject to leverage and borrowing base restrictions. As of September 30, 2019, we had $259.9 million outstanding under the MS Credit Facility II. As of September 30, 2019, subject to leverage and borrowing base restrictions, we had approximately $40.1 million of remaining commitments and less than $1.0 million of availability on the MS Credit Facility II.

In connection with entry into the MS Credit Facility II, on February 4, 2019, Funding repaid all $97.1 million of the debt outstanding at the Credit Facility. Following such repayment, the agreements governing the Credit Facility were terminated. Prior to termination, the Credit Facility allowed Funding to borrow up to $170.0 million at any one time outstanding, subject to leverage and borrowing base restrictions. As of September 30, 2018, we had $136.0 million outstanding under the Credit Facility. As of September 30, 2018, subject to leverage and borrowing base restrictions, we had approximately $34.0 million of remaining commitments and $34.0 million of availability on the Credit Facility.

Effective September 16, 2019, we assumed, as a result of the Merger, the WF Credit Facility, which as of September 30, 2019, allowed GCIC Funding to borrow up to $300.0 million at any one time outstanding, subject to leverage and borrowing base restrictions. As of September 30, 2019, we had outstanding debt under the WF Credit Facility of $253.8 million. As of September 30, 2019, subject to leverage and borrowing base restrictions, we had approximately $46.2 million of remaining commitments and $0.5 million of availability on the WF Credit Facility.

Effective September 16, 2019, we assumed, as a result of the Merger, the DB Credit Facility which as of September 30, 2019, allowed GCIC Funding II to borrow up to $250.0 million at any one time outstanding, subject to leverage and borrowing base restrictions. As of September 30, 2019, we had outstanding debt under the DB Credit Facility of $248.0 million. As of September 30, 2019, subject to leverage and borrowing base restrictions, we had approximately $2.0 million of remaining commitments and $0.1 million of availability on the DB Credit Facility.

Prior to its termination on November 16, 2018, the MS Credit Facility allowed the 2010 issuer to to borrow up to $450.0 million at any one time outstanding, subject to leverage and borrowing base restrictions. The MS Credit Facility was terminated in connection with and as part of the private placement of the notes issued in the 2018 Debt Securitization, where a portion of the proceeds, net of expenses, were used to repay all amounts outstanding under the MS Credit Facility. As of September 30, 2018, the MS Credit Facility allowed the 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, we had $234.7 million outstanding under the MS Credit Facility. As of September 30, 2018, subject to leverage and borrowing base restrictions, we had approximately $65.3 million, of remaining commitments and $6.7 million of availability on the MS Credit Facility.

On June 22, 2016, we entered into the Adviser Revolver, which, as amended, permitted us to borrow up to $40.0 million at any one time outstanding as of September 30, 2019. On October 28, 2019, we increased the borrowing capacity from $40.0 million to $100.0 million. We 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, 2019 and September 30, 2018, we had no amounts outstanding on the Adviser Revolver.

Effective September 16, 2019, we assumed as a result of the Merger, the GCIC Adviser Revolver, which permitted us to borrow up to $40.0 million at any one time outstanding as of September 30, 2019. As of September 30, 2019 we had no amounts outstanding on the GCIC Adviser Revolver. On October 28, 2019, we terminated the GCIC Adviser Revolver.

On July 16, 2010, we completed the 2010 Debt Securitization, which was subsequently increased to $350.0 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, we completed the 2014 Debt Securitization in which the 2014 Issuer issued an aggregate of $402.6 million of notes, or the 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. We retained all of the Class C 2014 Notes and LLC equity interests in the 2014 Issuer totaling $37.5 million and $119.1 million, respectively. On March 23, 2018, we 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%, 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. The Class C-R 2014 Notes were retained by us, and we remain 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, 2019 and 2018 Consolidated Statements of Financial Condition as our debt and the Class C-R 2014 Notes and LLC equity interests in the 2014 Issuer were eliminated in consolidation. As of September 30, 2019 and 2018, we had outstanding debt under the 2014 Debt Securitization of $126.3 million and $197.5 million, respectively.

On November 16, 2018, we completed the 2018 Debt Securitization in which the 2018 Issuer issued an aggregate of $602.4 million of notes, or the 2018 Notes, including $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. We indirectly retained all of the Class C-2, Class D and Subordinated 2018 Notes.

The Class A, Class B and Class C-1 2018 Notes are included in the September 30, 2019 Consolidated Statements of Financial Condition as our debt and the Class C-2, Class D and Subordinated 2018 Notes were eliminated in consolidation. As of September 30, 2019, we had outstanding debt under the 2018 Debt Securitization of $408.2 million.

Effective September 16, 2019, we assumed as a result of the Merger, the GCIC 2018 Debt Securitization in which the GCIC 2018 Issuer issued an aggregate of $908.2 million of notes, or the GCIC 2018 Notes, including $490.0 million of AAA/AAA Class A-1 GCIC 2018 Notes, $38.5 million of AAA Class A-2 GCIC 2018 Notes, and $18.0 million of AA Class B-1 GCIC 2018 Notes. In partial consideration for the loans transferred to the GCIC 2018 Issuer as part of the GCIC 2018 Debt Securitization, GCIC indirectly retained, and we assumed in the Merger, all of the Class B-2, C and D GCIC 2018 Notes and the Subordinated GCIC 2018 Notes totaling $27.0 million, $95.0 million, $60.0 million, and $179.7 million, respectively. The Class A-1, Class A-2 and Class B-1 GCIC 2018 Notes are included in the September 30, 2019, Consolidated Statement of Financial Condition as our debt. As of September 30, 2019 the Class B-2, Class C and Class D GCIC 2018 Notes and the Subordinated GCIC 2018 Notes were eliminated in consolidation. As of September 30, 2019, we had outstanding debt under the GCIC 2018 Debt Securitization of $541.0 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, 2019, SBIC IV, SBIC V, and SBIC VI, had $90.0 million, $165.0 million, and $32.0 million, respectively, of outstanding SBA-guaranteed debentures that mature between September 2021 and September 2029. 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. The reinvestment period for SBIC IV expired on September 30, 2018. The original amount of debentures committed to SBIC IV and SBIC V by the SBA were $150.0 million and $175.0 million, respectively. Through September 30, 2019, SBIC IV and SBIC V have repaid $60.0 million and $10.0 million of outstanding debentures, respectively, and these commitments have effectively been terminated. As of September 30, 2019, SBIC VI had $18.0 million of undrawn debenture commitments which were available to be drawn, subject to SBA regulatory requirements. As of September 30, 2018, SBIC V and SBIC VI had $0 and $37.5 million of undrawn debenture commitments, respectively, of which $0 and $9.5 million, respectively, was available to be drawn, subject to SBA regulatory requirements.

In August 2019, our board of directors reapproved a share repurchase program, or the Program, which allows us to repurchase up to $150.0 million of our outstanding common stock on the open market at prices below the NAV per share as reported in our then most recently published consolidated financial statements. The Program may be implemented at the discretion of management. The shares may be purchased from time to time at prevailing market prices, through open market transactions, including block transactions. We did not make any repurchases of our common stock during the years ended September 30, 2019 and 2018.

As of September 30, 2019, in accordance with the 1940 Act, with certain limited exceptions, we were allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, is at least 150% after such borrowing.

Prior to February 6, 2019, in accordance with the 1940 Act, with certain limited exceptions, we were allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, was at least 200% after such borrowing. We currently intend to continue to target a GAAP debt-to-equity ratio of about 1.0x.

On September 13, 2011, we received exemptive relief from the SEC allowing us to modify the asset coverage requirement to exclude the SBA debentures from our asset coverage calculation. As such, our ratio of total consolidated assets to outstanding indebtedness may be less than 150%. This provides us with increased investment flexibility but also increases our risks related to leverage. As of September 30, 2019, our asset coverage for borrowed amounts was 220.3% (excluding the SBA debentures).

As of September 30, 2019 and September 30, 2018, we had outstanding commitments to fund investments, excluding our investments in SLF and GCIC SLF, totaling $261.6 million and $57.7 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, 2019, we believe that we had sufficient assets and liquidity to adequately cover future obligations under our unfunded commitments based on historical rates of drawings upon unfunded commitments, cash and restricted cash balances that we maintain, availability under our Revolving Credit Facility and Adviser Revolvers and ongoing principal repayments on debt investments. In addition, we generally hold some syndicated loans in larger portfolio companies that are saleable over a relatively short period to generate cash.

Due to the interplay of the 1940 Act restrictions on principal and joint transactions and the U.S. risk retention rules adopted pursuant to Section 941 of Dodd-Frank, as a business development company, we sought and received no action relief from the SEC to ensure we could engage in CLO financings in which assets are transferred through GC Advisors.

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

Portfolio Composition, Investment Activity and Yield

As of September 30, 2019 and September 30, 2018, we had investments in 241 and 199 portfolio companies, respectively, with a total fair value of $4.2 billion and $1.7 billion, respectively, and had investments in SLF and GCIC SLF with a total fair value of $123.6 million and $71.1 million, respectively. We acquired GCIC SLF from GCIC in the Merger and had no investments in GCIC SLF as of September 30, 2018.

The following table shows the asset mix of our new investment commitments, excluding assets acquired due in the Merger, for the years ended September 30, 2019 and 2018:

	Year ended September 30,					
	2019			2018		
		(In thousands)	Percentage of Commitments		(In thousands)	Percentage of Commitments
Senior secured	$	87,314	14.4%	$	114,840	17.2%
One stop		505,334	83.3		534,906	80.1
Second lien		1,513	0.2		—	—
Subordinated debt		23	0.0*		184	0.0*
LLC equity interests in SLF[(1)]		1,750	0.3		12,162	1.8
Equity		10,663	1.8		5,824	0.9
Total new investment commitments	$	606,597	100.0%	$	667,916	100.0%

* Represents an amount less than 0.1%.

(1) SLF's proceeds from LLC equity interests were utilized by SLF to invest in senior secured loans. As of September 30, 2019, SLF had investments in senior secured loans to 27 different borrowers.

For the years ended September 30, 2019 and 2018, we had approximately $357.5 million and $495.5 million, respectively, in proceeds from principal payments and return of capital distributions of portfolio companies. For the years ended September 30, 2019 and 2018, we had sales of investments in 18 and 21 portfolio companies, respectively, aggregating approximately $9.5 million and $37.6 million, respectively, in net proceeds.

The following table summarizes portfolio composition and investment activity as of and for the years ended September 30, 2019 and 2018:

	As of and for the years ended September 30,			
	2019		2018	
	(Dollars in thousands)			
Investments, at fair value	$	4,169,288	$	1,711,757
Number of portfolio companies (at period end)[(1)]		241		199
Investments in SLF and GCIC SLF, at fair value	$	123,644	$	71,084
New investment fundings	$	597,601	$	646,595
Principal payments and sales of portfolio investments	$	366,957	$	558,664

(1) Excludes our investments in SLF and GCIC SLF.

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

	As of September 30, 2019[1]			As of September 30, 2018[1]		
	Principal	Amortized Cost	Fair Value	Principal	Amortized Cost	Fair Value
	(In thousands)			(In thousands)		
Senior secured:						
Performing	$ 586,039	$ 597,033	$ 583,483	$ 230,230	$ 228,028	$ 229,886
Non-accrual[2]	15,749	8,573	5,857	2,834	2,818	1,283
One stop:						
Performing	3,502,213	3,548,330	3,466,310	1,435,004	1,417,730	1,425,854
Non-accrual[2]	12,053	10,700	7,806	8,976	8,910	4,342
Second lien:						
Performing	19,473	19,745	19,473	9,435	9,338	9,435
Non-accrual[2]	—	—	—	—	—	—
Subordinated debt:						
Performing	369	375	369	251	251	251
Non-accrual[2]	—	—	—	—	—	—
LLC equity interests in SLF and GCIC SLF[3]	N/A	127,487	123,644	N/A	75,407	71,084
Equity	N/A	79,527	85,990	N/A	38,170	40,706
Total	$ 4,135,896	$ 4,391,770	$ 4,292,932	$ 1,686,730	$ 1,780,652	$ 1,782,841

(1) 47 and 27 of our loans included a feature permitting a portion of the interest due on such loan to be PIK interest as of September 30, 2019 and September 30, 2018, respectively.

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

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

As of September 30, 2019, we had five debt investments on non-accrual status and non-accrual investments as a percentage of total debt investments at cost and fair value were 0.5% and 0.3%, respectively. As of September 30, 2018, we 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, 2019 and September 30, 2018, the fair value of our debt investments as a percentage of the outstanding principal value was 98.7% and 99.1%, 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 years ended September 30, 2019 and 2018, respectively:

	Year ended September 30,	
	2019	2018
Weighted average rate of new investment fundings	8.0%	8.0%
Weighted average spread over LIBOR of new floating rate investment fundings	5.7%	6.0%
Weighted average fees of new investment fundings	1.3%	1.3%
Weighted average rate of sales and payoffs of portfolio investments[1]	8.5%	8.3%

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

As of September 30, 2019, 92.3% and 92.3% of our debt portfolio at fair value and at amortized cost, respectively, had interest rate floors that limit the minimum applicable interest rates on such loans. As of September 30, 2018, 99.1% and 98.6% of our debt portfolio at fair value and at amortized cost, respectively, had interest rate floors that limit the minimum applicable interest rates on such loans.

As of September 30, 2019 and September 30, 2018, the portfolio median earnings before interest, taxes, depreciation and amortization, or EBITDA, for our portfolio companies (excluding SLF and GCIC SLF) was $28.6 million and $26.2 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 our investments and rates each of them based on an internal system developed by Golub Capital and its affiliates. This system is not generally accepted in our industry or used by our competitors. It is based on the following categories, which we refer to as GC Advisors' internal performance ratings:

Internal Performance Ratings

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

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

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

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

The following table shows the distribution of our investments on the 1 to 5 internal performance rating scale at fair value as of September 30, 2019 and September 30, 2018:

	As of September 30, 2019		As of September 30, 2018	
Internal Performance Rating	**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**	**Investments at Fair Value (In thousands)**	**Percentage of Total Investments**
5	$ 115,318	2.7%	$ 113,873	6.4%
4	3,787,809	88.2	1,455,754	81.6
3	337,358	7.9	195,414	11.0
2	52,434	1.2	17,250	1.0
1	13	0.0*	550	0.0*
Total	$ 4,292,932	100.0%	$ 1,782,841	100.0%

* Represents an amount less than 0.1%.

Senior Loan Fund LLC

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

As of September 30, 2019, SLF is capitalized by LLC equity interest subscriptions from its members. As of September 30, 2019 and 2018, we and RGA owned 87.5% and 12.5%, respectively, of the LLC equity interests. SLF's profits and losses are allocated to us and RGA in accordance with our respective ownership interests.

As of September 30, 2019 and 2018, SLF had the following commitments from its members (in the aggregate):

	As of September 30, 2019		As of September 30, 2018	
	Committed	**Funded[(1)]**	**Committed**	**Funded[(1)]**
	(In thousands)		*(In thousands)*	
LLC equity commitments	$ 200,000	$ 85,580	$ 200,000	$ 86,180
Total	$ 200,000	$ 85,580	$ 200,000	$ 86,180

(1) Funded LLC equity commitments are presented net of return of capital distributions subject to recall.

As of September 30, 2019, the senior secured revolving credit facility, or, as amended, the SLF Credit Facility, that Senior Loan Fund II LLC, a wholly-owned subsidiary of SLF, or SLF II, entered into with Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, N.A., as lender, allowed SLF II to borrow up to $75.6 million subject to leverage and borrowing base restrictions. The reinvestment period of the SLF Credit Facility ended August 29, 2018, and after such date, the maximum commitment is equal to advances outstanding. The stated maturity date is August 30, 2022. As of September 30, 2019 and September 30, 2018, SLF II had outstanding debt under the SLF Credit Facility of $75.6 million and $104.6 million, respectively. As of September 30, 2019, the SLF Credit Facility bears interest at one-month LIBOR plus 2.05% per annum.

As of September 30, 2019 and 2018, SLF had total assets at fair value of $161.0 million and $186.3 million, respectively. As of September 30, 2019, SLF had six portfolio company investments in two portfolio companies on non-accrual status with a fair value of $5.0 million. As of September 30, 2018, SLF had one investment in one portfolio company on non-accrual status with a fair value of $3.9 million. The portfolio companies in SLF are in industries and geographies similar to those in which we may invest directly. Additionally, as of September 30, 2019 and 2018, SLF had commitments to fund various undrawn revolving credit and delayed draw loans to its portfolio companies totaling $3.4 million and $5.9 million, respectively.

Below is a summary of SLF's portfolio, followed by a listing of the individual investments in SLF's portfolio as of September 30, 2019 and 2018:

	As of September 30, 2019	As of September 30, 2018
	(Dollars in thousands)	
Senior secured loans[1]	$ 154,254	$ 183,668
Weighted average current interest rate on senior secured loans[2]	7.4%	7.5%
Number of borrowers in SLF	27	32
Largest portfolio company investment[1]	$ 12,654	$ 13,716
Total of five largest portfolio company investments[1]	$ 54,268	$ 57,330

(1) At principal amount.

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

SLF Investment Portfolio as of September 30, 2019

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate(1)	Principal ($) / Shares(2)	Fair Value(3)
1A Smart Start LLC(4)	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	6.5 %	$ 2,961	$ 2,961
Advanced Pain Management Holdings, Inc.(4)(5)	Healthcare, Education and Childcare	Senior loan	12/2019	7.1	6,172	3,703
Advanced Pain Management Holdings, Inc.(4)(5)	Healthcare, Education and Childcare	Senior loan	12/2019	7.1	422	253
Advanced Pain Management Holdings, Inc.(4)(5)(7)	Healthcare, Education and Childcare	Senior loan	12/2019	7.1	193	(8)
Advanced Pain Management Holdings, Inc.(4)(5)	Healthcare, Education and Childcare	Senior loan	12/2019	10.6	2,139	4
Boot Barn, Inc.(4)	Retail Stores	Senior loan	06/2023	6.6	6,022	6,022
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	6.9	4,418	4,415
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	N/A(6)	—	—
Captain D's, LLC(4)	Personal, Food and Miscellaneous Services	Senior loan	12/2023	6.5	2,433	2,433
Captain D's, LLC(4)	Personal, Food and Miscellaneous Services	Senior loan	12/2023	7.5	17	17
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	7.4	8,415	8,415
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	7.4	4,239	4,239
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	2,392	2,392
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	1,203	1,203
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	58	58
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	40	40
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	N/A(6)	—	—
DISA Holdings Acquisition Subsidiary Corp.(4)	Diversified/Conglomerate Service	Senior loan	06/2022	7.1	4,773	4,773
DISA Holdings Acquisition Subsidiary Corp.(4)	Diversified/Conglomerate Service	Senior loan	06/2022	6.0	53	53
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.9	5,905	5,905
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.9	1,640	1,640
Flexan, LLC(4)	Chemicals, Plastics and Rubber	Senior loan	02/2020	9.5	431	431
Gamma Technologies, LLC(4)	Electronics	Senior loan	06/2024	7.3	10,084	10,084
III US Holdings, LLC	Diversified/Conglomerate Service	Senior loan	09/2022	8.1	4,288	4,288
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	03/2024	6.6	2,276	2,276
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	03/2024	6.6	118	118
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	03/2024	6.6	63	63
Joerns Healthcare, LLC(4)	Healthcare, Education and Childcare	Senior loan	08/2024	8.2	1,286	1,286
Joerns Healthcare, LLC(4)	Healthcare, Education and Childcare	Senior loan	08/2024	8.2	1,338	1,338
Mediaocean LLC	Diversified/Conglomerate Service	Senior loan	08/2020	N/A(6)	—	—
Paradigm DKD Group, LLC(4)(5)	Buildings and Real Estate	Senior loan	05/2022	8.4	1,480	1,094
Paradigm DKD Group, LLC(4)(5)(7)	Buildings and Real Estate	Senior loan	05/2022	8.4	(16)	(59)
Pasternack Enterprises, Inc. and Fairview Microwave, Inc(4)	Diversified/Conglomerate Manufacturing	Senior loan	07/2025	6.0	5,264	5,264
Polk Acquisition Corp.(4)	Automobile	Senior loan	06/2022	7.3	4,465	4,376
Polk Acquisition Corp.(4)	Automobile	Senior loan	06/2022	7.3	60	58
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	7.3	52	51

SLF Investment Portfolio as of September 30, 2019 - (continued)

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]	Principal ($) / Shares[2]	Fair Value[3]
Pyramid Healthcare, Inc.[4]	Healthcare, Education and Childcare	Senior loan	08/2020	8.8 %	$ 10,047	$ 10,047
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2020	9.2	257	257
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2020	8.8	147	147
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2020	8.8	99	99
RSC Acquisition, Inc.[4]	Insurance	Senior loan	11/2022	6.4	3,785	3,785
RSC Acquisition, Inc.[4]	Insurance	Senior loan	11/2021	N/A[6]	—	—
Rubio's Restaurants, Inc[4]	Beverage, Food and Tobacco	Senior loan	10/2019	9.1	4,890	4,890
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	12/2020	7.35% cash/1.00% PIK	4,341	3,907
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	12/2020	8.4	70	62
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	12/2020	8.4	63	57
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	12/2020	8.4	45	40
SEI, Inc.[4]	Electronics	Senior loan	07/2023	6.8	11,004	11,004
SEI, Inc.	Electronics	Senior loan	07/2023	N/A[6]	—	—
Self Esteem Brands, LLC[4]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2022	6.3	9,561	9,561
Self Esteem Brands, LLC[4]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2022	8.3	415	415
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	7.9	4,190	3,771
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	7.9	3,285	2,956
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	7.9	567	511
Teasdale Quality Foods, Inc.[4]	Grocery	Senior loan	10/2020	7.9	424	382
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	7.9	210	189
Upstream Intermediate, LLC	Healthcare, Education and Childcare	Senior loan	01/2024	6.0	2,796	2,796
WHCG Management, LLC[4]	Healthcare, Education and Childcare	Senior loan	03/2023	8.1	7,820	7,820
WIRB-Copernicus Group, Inc.[4]	Healthcare, Education and Childcare	Senior loan	08/2022	6.4	5,554	5,554
Total senior loan investments					$ 154,254	$ 147,436
Paradigm DKD Group, LLC[4][8][9]	Buildings and Real Estate	LLC units	N/A	N/A	170	$ 62
Paradigm DKD Group, LLC[4][8][9]	Buildings and Real Estate	LLC units	N/A	N/A	963	—
Paradigm DKD Group, LLC[4][8][9]	Buildings and Real Estate	LLC units	N/A	N/A	34	—
Joerns Healthcare, LLC[4][8][9]	Healthcare, Education and Childcare	Common Stock	N/A	N/A	309	3,017
W3 Co. [8][9]	Oil and Gas	LLC units	N/A	N/A	3	1,526
W3 Co. [8][9]	Oil and Gas	Preferred stock	N/A	N/A	—	218
Total equity investments						$ 4,823
Total investments					$ 154,254	$ 152,259

(1) Represents the weighted average annual current interest rate as of September 30, 2019. All interest rates are payable in cash, except where PIK is shown.

(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 - *Fair Value Measurements*, or ASC Topic 820. The determination of such fair value is not included in our board of directors' valuation process described elsewhere herein.

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

(5) Loan was on non-accrual status as of September 30, 2019. As such, no interest is being earned on this investment.

(6) The entire commitment was unfunded as of September 30, 2019. As such, no interest is being earned on this investment. The investment may be subject to an unused facility fee.

(7) The negative fair value is the result of the capitalized discount on the loan or the unfunded commitment being valued below par.

(8) Equity investment received as a result of the portfolio company's debt restructuring.

(9) Non-income producing.

SLF Investment Portfolio as of September 30, 2018

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]	Principal ($) / Shares[2]	Fair Value[3]
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
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
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

SLF Investment Portfolio as of September 30, 2018 - (continued)

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]	Principal ($) / Shares [2]	Fair Value[3]
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. All interest rates are payable in cash, except where PIK is shown.

(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 our board of directors' valuation process described elsewhere herein.

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

(5) Loan was on non-accrual status as of September 30, 2018. As such, no interest is being earned on this investment.

(6) Equity investment received as a result of the portfolio company's debt restructuring.

(7) Non-income producing.

As of September 30, 2019, we have committed to fund $175.0 million of LLC equity interests to SLF. As of September 30, 2019 and 2018, $74.9 million and $75.4 million, respectively, of our LLC equity interest commitment to SLF had been called and contributed, net of return of capital distributions subject to recall. For the year ended September 30, 2019, we did not receive dividend income from the SLF LLC equity interests. For the year ended September 30, 2018, we received $8.1 million in dividend income from the SLF LLC equity interests.

For the years ended September 30, 2019 and 2018, we earned a total return on our weighted average capital invested in SLF of 5.4% and 6.6%, respectively. The total return on weighted average capital invested is calculated by dividing total income earned on our investments in SLF by the combined daily average of our investments in the NAV of the SLF LLC equity interests.

Below is certain summarized financial information for SLF as of and for the years ended September 30, 2019 and 2018:

	As of September 30, 2019	As of September 30, 2018
	(In thousands)	
Selected Balance Sheet Information, at fair value		
Investments, at fair value	$ 152,259	$ 179,180
Cash and other assets	8,759	7,146
Total assets	$ 161,018	$ 186,326
Senior credit facility	$ 75,581	$ 104,622
Unamortized debt issuance costs	—	(18)
Other liabilities	424	484
Total liabilities	76,005	105,088
Members’ equity	85,013	81,238
Total liabilities and members' equity	$ 161,018	$ 186,326

	Years ended September 30,	
	2019	2018
	(In thousands)	
Selected Statement of Operations Information:		
Interest income	$ 13,402	$ 18,285
Fee income	9	202
Total investment income	13,411	18,487
Interest and other debt financing expenses	4,132	6,687
Administrative service fee	268	404
Other expenses	95	93
Total expenses	4,495	7,184
Net investment income	8,916	11,303
Net realized gains (losses) on investments	(2,343)	—
Net change in unrealized appreciation (depreciation) on investments	(2,199)	(4,197)
Net increase (decrease) in members' equity	$ 4,374	$ 7,106

GCIC Senior Loan Fund LLC:

Following the acquisition of GCIC SLF in the Merger, we co-invest with Aurora, a wholly-owned subsidiary of RGA, in senior secured loans through GCIC SLF. We acquired the investment in GCIC SLF through our acquisition of GCIC on September 16, 2019. 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 us and Aurora (with unanimous approval required from (i) one representative of each of the us and Aurora or (ii) both representatives of each of us 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, 2019, GCIC SLF is capitalized by LLC equity interest subscriptions from its members. GCIC SLF’s profits and losses are allocated to us and Aurora in accordance with our respective ownership interests. As of September 30, 2019, we and Aurora owned 87.5% and 12.5%, respectively, of the LLC equity interests. GCIC SLF’s profits and losses are allocated to us and Aurora in accordance with our respective ownership interests.

As of September 30, 2019, GCIC SLF had the following commitments from its members (in the aggregate):

	As of September 30, 2019	
	Committed	Funded [1]
	(In thousands)	
LLC equity commitments	$ 125,000	$ 55,264
Total	$ 125,000	$ 55,264

(1) Funded LLC equity commitments are presented net of return of capital distributions subject to recall.

GCIC SLF entered into a senior secured revolving credit facility, or, as amended, the GCIC SLF Credit Facility, with Wells Fargo Bank, N.A. through its wholly-owned subsidiary GCIC Senior Loan Fund II LLC, or GCIC SLF II, which as of September 30, 2019 allowed GCIC SLF II to borrow up to $59.6 million at any one time outstanding, subject to leverage and borrowing base restrictions, and which bears interest at one-month LIBOR plus 2.05%. The stated maturity date of this credit facility is September 28, 2022 and the maximum commitment under the facility is equal to advances outstanding.

As of September 30, 2019, GCIC SLF had total assets at fair value of $116.2 million. As of September 30, 2019, 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 we may invest directly. Additionally, as of September 30, 2019, GCIC SLF had commitments to fund various undrawn revolvers and delayed draw investments to its portfolio companies totaling $7.0 million.

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, 2019:

	September 30, 2019
	(Dollars in thousands)
Senior secured loans [1]	$ 112,864
Weighted average current interest rate on senior secured loans [2]	7.2%
Number of borrowers in GCIC SLF	28
Largest portfolio company investment [1]	$ 8,464
Total of five largest portfolio company investments [1]	$ 34,273

(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, 2019

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]	Principal ($)	Fair Value[2]
1A Smart Start LLC[3]	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	6.5 %	$ 1,910	$ 1,910
Boot Barn, Inc.[3]	Retail Stores	Senior loan	06/2023	6.6	3,159	3,159
Brandmuscle, Inc.[3]	Printing and Publishing	Senior loan	12/2021	N/A[4]	—	—
Brandmuscle, Inc.[3]	Printing and Publishing	Senior loan	12/2021	6.9	3,800	3,797
Captain D's, LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	12/2023	7.5	33	33
Captain D's, LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	12/2023	6.5	5,792	5,792
CLP Healthcare Services, Inc.[3]	Healthcare, Education and Childcare	Senior loan	12/2020	7.4	2,007	2,007
CLP Healthcare Services, Inc.[3]	Healthcare, Education and Childcare	Senior loan	12/2020	7.4	1,011	1,011
Community Veterinary Partners, LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	10/2021	N/A[4]	—	—
Community Veterinary Partners, LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	2,053	2,053
Community Veterinary Partners, LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	1,032	1,032
Community Veterinary Partners, LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	40	40
Community Veterinary Partners, LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	58	58
Elite Sportswear, L.P.[3]	Retail Stores	Senior loan	12/2021	8.5	121	99
Elite Sportswear, L.P.[3]	Retail Stores	Senior loan	12/2021	8.4	1,128	1,061
Elite Sportswear, L.P.[3]	Retail Stores	Senior loan	12/2021	8.4	581	546
Elite Sportswear, L.P.[3]	Retail Stores	Senior loan	12/2021	8.4	88	83
Elite Sportswear, L.P.[3]	Retail Stores	Senior loan	12/2021	8.4	2,806	2,638
Elite Sportswear, L.P.[3]	Retail Stores	Senior loan	12/2021	8.5	7	6
Elite Sportswear, L.P.[3]	Retail Stores	Senior loan	12/2021	8.4	84	79
Elite Sportswear, L.P.[3]	Retail Stores	Senior loan	12/2021	8.4	198	186
Flexan, LLC[3]	Chemicals, Plastics and Rubber	Senior loan	02/2020	9.5	192	192
Flexan, LLC[3]	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.9	2,635	2,635
Flexan, LLC[3]	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.9	732	732
G & H Wire Company, Inc[3]	Healthcare, Education and Childcare	Senior loan	09/2023	7.8	5,284	5,284
Gamma Technologies, LLC[3]	Electronics	Senior loan	06/2024	7.3	4,334	4,334
III US Holdings, LLC[3]	Diversified/Conglomerate Service	Senior loan	09/2022	8.1	4,253	4,253
Jensen Hughes, Inc.[3]	Buildings and Real Estate	Senior loan	03/2024	6.6	1,958	1,958
Jensen Hughes, Inc.[3]	Buildings and Real Estate	Senior loan	03/2024	6.6	102	102
Jensen Hughes, Inc.[3]	Buildings and Real Estate	Senior loan	03/2024	6.6	54	54
Mediaocean LLC[3]	Diversified/Conglomerate Service	Senior loan	08/2020	N/A[4]	—	—
Mills Fleet Farm Group LLC[3]	Retail Stores	Senior loan	10/2024	8.3	5,955	5,657
NBC Intermediate, LLC[3]	Beverage, Food and Tobacco	Senior loan	09/2023	N/A[4]	—	—
NBC Intermediate, LLC[3]	Beverage, Food and Tobacco	Senior loan	09/2023	6.5	2,565	2,565
Pasternack Enterprises, Inc. and Fairview Microwave, Inc[3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2025	6.0	4,913	4,913
Polk Acquisition Corp.[3]	Automobile	Senior loan	06/2022	7.3	8,125	7,962
Polk Acquisition Corp.[3]	Automobile	Senior loan	06/2022	7.3	60	58
Polk Acquisition Corp.[3]	Automobile	Senior loan	06/2022	7.3	52	51
Pyramid Healthcare, Inc.[3]	Healthcare, Education and Childcare	Senior loan	08/2020	9.2	68	68
Pyramid Healthcare, Inc.[3]	Healthcare, Education and Childcare	Senior loan	08/2020	8.8	2,426	2,426
Pyramid Healthcare, Inc.[3]	Healthcare, Education and Childcare	Senior loan	08/2020	8.8	147	147
Pyramid Healthcare, Inc.[3]	Healthcare, Education and Childcare	Senior loan	08/2020	8.8	367	367
Reladyne, Inc.[3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3	5,909	5,909
Reladyne, Inc.[3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3	621	621
Reladyne, Inc.[3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3	1,152	1,152

GCIC SLF Investment Portfolio as of September 30, 2019 - (continued)

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]	Principal ($)	Fair Value[2]
Reladyne, Inc.[3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3 %	$ 537	$ 537
Reladyne, Inc.[3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3	245	245
RSC Acquisition, Inc.[3]	Insurance	Senior loan	11/2021	N/A[4]	—	—
RSC Acquisition, Inc.[3]	Insurance	Senior loan	11/2022	6.4	3,255	3,255
Rubio's Restaurants, Inc[3]	Beverage, Food and Tobacco	Senior loan	10/2019	9.1	1,641	1,641
SEI, Inc.[3]	Electronics	Senior loan	07/2023	6.8	4,154	4,154
SEI, Inc.[3]	Electronics	Senior loan	07/2023	N/A[4]	—	—
Self Esteem Brands, LLC[3]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2022	6.3	5,445	5,445
Self Esteem Brands, LLC[3]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2022	8.3	498	498
Summit Behavioral Healthcare, LLC[3]	Healthcare, Education and Childcare	Senior loan	10/2023	6.9	100	94
Summit Behavioral Healthcare, LLC[3]	Healthcare, Education and Childcare	Senior loan	10/2023	6.9	5,895	5,600
Summit Behavioral Healthcare, LLC[3]	Healthcare, Education and Childcare	Senior loan	10/2023	6.9	290	276
Teasdale Quality Foods, Inc.[3]	Grocery	Senior loan	10/2020	7.9	1,009	908
Teasdale Quality Foods, Inc.[3]	Grocery	Senior loan	10/2020	7.9	137	123
Teasdale Quality Foods, Inc.[3]	Grocery	Senior loan	10/2020	7.9	51	46
Teasdale Quality Foods, Inc.[3]	Grocery	Senior loan	10/2020	7.9	791	712
Upstream Intermediate, LLC[3]	Healthcare, Education and Childcare	Senior loan	01/2024	6.0	3,532	3,532
WHCG Management, LLC[3]	Healthcare, Education and Childcare	Senior loan	03/2023	8.1	2,158	2,158
WHCG Management, LLC[3]	Healthcare, Education and Childcare	Senior loan	03/2023	N/A[4]	—	—
WIRB-Copernicus Group, Inc.[3]	Healthcare, Education and Childcare	Senior loan	08/2022	6.4	5,314	5,314
Total investments					$ 112,864	$ 111,568

(1) Represents the weighted average annual current interest rate as of September 30, 2019. All interest rates are payable in cash.

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

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

(4) The entire commitment was unfunded as of September 30, 2019. As such, no interest is being earned on this investment. The investment may be subject to an unused facility fee.

As of September 30, 2019, we have committed to fund $109.4 million of LLC equity interest subscriptions to GCIC SLF. As of September 30, 2019, $48.4 million of our LLC equity interest subscriptions to GCIC SLF had been called and contributed, net of return of capital distributions subject to recall. For the year ended September 30, 2019, we received $1.2 million in dividend income from the GCIC SLF LLC equity interests.

The annualized total return on our weighted average capital invested in GCIC SLF was not meaningful for the year ended September 30, 2019.

See below for certain summarized financial information for GCIC SLF as of September 30, 2019 and for the period subsequent to the Merger from September 16, 2019 to September 30, 2019:

	As of September 30, 2019
	(In thousands)
Selected Balance Sheet Information:	
Investments, at fair value	$ 111,568
Cash and other assets	4,627
Total assets	$ 116,195
Senior credit facility	$ 59,559
Other liabilities	341
Total liabilities	59,900
Members’ equity	56,295
Total liabilities and members' equity	$ 116,195

	For the period September 16, 2019 to September 30, 2019
	(In thousands)
Selected Statement of Operations Information:	
Interest income	$ 360
Total investment income	360
Interest and other debt financing expense	141
Administrative service fee	6
Other expenses	4
Total expenses	151
Net investment income	209
Net change in unrealized appreciation (depreciation) on investments	(18)
Net increase in members' equity	$ 191

Contractual Obligations and Off-Balance Sheet Arrangements

A summary of our significant contractual payment obligations as of September 30, 2019 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	$ 126.3	$ —	$ —	$ —	$ 126.3
2018 Debt Securitization	408.2	—	—	—	408.2
2018 GCIC Debt Securitization	541.0	—	—	—	541.0
SBA debentures	287.0	—	78.5	60.3	148.3
WF Credit Facility	253.8	—	—	253.8	—
MS Credit Facility II	259.9	—	—	259.9	—
DB Credit Facility	248.0	—	—	248.0	—
Unfunded commitments[(1)]	261.6	261.6	—	—	—
Total contractual obligations	$ 2,385.9	$ 261.6	$ 78.5	$ 822.0	$ 1,223.8

(1) Unfunded commitments represent unfunded commitments to fund investments, excluding our investments in SLF and GCIC SLF, as of September 30, 2019. These amounts may or may not be funded to the borrowing party now or in the future. The unfunded commitments relate to loans with various maturity dates, but we are showing this amount in the less than one year category as this entire amount was eligible for funding to the borrowers as of September 30, 2019, subject to the terms of each loan's respective credit agreement.

We may become a party to financial instruments with off-balance sheet risk in the normal course of our business to meet the financial needs of our portfolio companies. These instruments may include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. As of September 30, 2019, we had outstanding commitments to fund investments, excluding our investments in SLF and GCIC SLF, totaling $261.6 million. We have commitments of up to $100.1 million to SLF and commitments of up to $61.0 million to GCIC SLF as of September 30, 2019 that may be contributed primarily for the purpose of funding new investments approved by the respective SLFs' investment committee.

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

Under the Administration Agreement, the Administrator furnishes us with office facilities and equipment, provides us with clerical, bookkeeping and record keeping services at such facilities and provides us with other administrative services necessary to conduct our day-to-day operations. The Administrator also provides on our behalf managerial assistance to those portfolio companies to which we are required to offer to provide such assistance.

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

Distributions

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

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

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

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

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

Related Party Transactions

We have entered into a number of business relationships with affiliated or related parties, including the following:

- We entered into the Investment Advisory Agreement with GC Advisors. Mr. Lawrence Golub, our chairman, is a manager of GC Advisors, and Mr. David Golub, our 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, and other affiliates of Golub Capital have historically provided, us with the office facilities and administrative services necessary to conduct day-to-day operations pursuant to our Administration Agreement.

- We have entered into a license agreement with Golub Capital LLC, pursuant to which Golub Capital LLC has granted us 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 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 our 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. We are not a party to the Staffing Agreement.

- GC Advisors serves as collateral manager to the 2014 Issuer, the 2018 Issuer, and the GCIC 2018 Issuer under the 2014 Collateral Management Agreement, the 2018 Collateral Management Agreement, and the GCIC 2018 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 Collateral Management Agreement. Fees payable to GC Advisors for providing these services offset against the base management fee payable by us under the Investment Advisory Agreement.

- We have entered into the Adviser Revolver with GC Advisors in order to have the ability to borrow funds on a short-term basis.

- We assumed the GCIC Adviser Revolver with GC Advisors in the Merger with GCIC.

- During the first ten months of calendar year 2019 and for calendar year 2018, the Golub Capital Employee Grant Program Rabbi Trust, or the Trust, purchased approximately $10.3 million of shares, or 571,180 shares, and $7.2 million, or 396,099 shares, of our common stock, respectively, for the purpose of awarding incentive compensation to employees of Golub Capital.

- On September 16, 2019, we completed our acquisition of GCIC, pursuant to the Merger Agreement. Pursuant to the Merger Agreement, Merger Sub was first merged with and into GCIC, with GCIC as the surviving company, and, immediately following the Initial Merger, GCIC was then merged with and into us, with us as the surviving company. As a result of, and as of the effective time of, the Merger, GCIC's separate existence ceased.

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 ours. For example, GC Advisors presently serves as the investment adviser to Golub Capital BDC 3, Inc., an unlisted business development company that primarily focuses on investing in one stop and other senior secured loans. In addition, our officers and directors serve in similar capacity for Golub Capital BDC 3, Inc. GC Advisors and its affiliates may determine that an investment is appropriate for us and for Golub Capital BDC 3, Inc. 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 we should invest side-by-side with one or more other accounts. We do 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, we have adopted a formal code of ethics that governs the conduct of our and GC Advisors' officers, directors and employees. Our officers and directors also remain subject to the duties imposed by both the 1940 Act and the General Corporation Law of the State of Delaware.

Critical Accounting Policies

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

Fair Value Measurements

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

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

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

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

Our quarterly valuation process begins with each portfolio company investment being initially valued by the investment professionals of GC Advisors responsible for credit monitoring. Preliminary valuation conclusions are then documented and discussed with our senior management and GC Advisors. The audit committee of our board of directors reviews these preliminary valuations. At least once annually the valuation for each portfolio investment, subject to a de minimis threshold, is reviewed by an independent valuation firm. The board of directors discusses valuations and determines the fair value of each investment in our portfolio in good faith.

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

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

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

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

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

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset's or a liability's categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and we consider factors specific to the asset or liability. We assess the levels of assets and liabilities at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfers. There were no transfers among Level 1, 2 and 3 of the fair value hierarchy for assets and liabilities during the years ended September 30, 2019, 2018 and 2017. The following section describes the valuation techniques used by us to measure different assets and liabilities at fair value and includes the level within the fair value hierarchy in which the assets and liabilities are categorized.

Valuation of Investments

Level 1 investments are valued using quoted market prices. Level 2 investments are valued using market consensus prices that are corroborated by observable market data and quoted market prices for similar assets and liabilities. Level 3 investments are valued at fair value as determined in good faith by our board of directors, based on input of management, the audit committee and independent valuation firms that have been engaged at the direction of our board of directors to assist in the valuation of each portfolio investment without a readily available market quotation at least once during a trailing twelve-month period under a valuation policy and a consistently applied valuation process. This valuation process is conducted at the end of each fiscal quarter, with approximately 25% (based on the number of portfolio companies) of our valuations of debt and equity investments without readily available market quotations subject to review by an independent valuation firm. As of September 30, 2019 and September 30, 2018, with the exception of money market funds included in cash and cash equivalents and restricted cash and cash equivalents (Level 1 investments), forward currency contracts (Level 2 investments) and investments measured at fair value using the NAV, all investments were valued using Level 3 inputs of the fair value hierarchy.

When determining fair value of Level 3 debt and equity investments, we may take into account the following factors, where relevant: the enterprise value of a portfolio company, the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons to publicly traded securities, and changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments may be made and other relevant factors. The primary method for determining enterprise value uses a multiple analysis whereby appropriate multiples are applied to the portfolio company's 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, we will use the enterprise value analysis or a liquidation basis analysis to determine fair value. For debt investments that are not determined to be credit impaired, we use a market interest rate yield analysis to determine fair value.

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

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

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

Valuation of Other Financial Assets and Liabilities

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

Revenue Recognition:

Our revenue recognition policies are as follows:

Investments and Related Investment Income: Interest income is accrued based upon the outstanding principal amount and contractual interest terms of debt investments. Premiums, discounts, and origination fees are amortized or accreted into interest income over the life of the respective debt investment. For investments with contractual PIK interest, which represents contractual interest accrued and added to the principal balance that generally becomes due at maturity, we do not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not likely to be collectible. In addition, we may generate revenue in the form of amendment, structuring or due diligence fees, fees for providing managerial assistance, consulting fees and prepayment premiums on loans and record these fees as fee income when received. Loan origination fees, original issue discount and market discount or premium are capitalized, and we accrete or amortize such amounts as interest income. We record prepayment premiums on loans as fee income. Dividend income on preferred equity securities is recorded as dividend income on an accrual basis to the extent that such amounts are payable by the portfolio company and are expected to be collected. Dividend income on common equity securities is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies. Distributions received from LLC and limited partnership, or LP, investments are evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, we will not record distributions from equity investments in LLCs and LPs as dividend income unless there are sufficient accumulated tax-basis earnings and profits in the LLC or LP prior to the distribution. Distributions that are classified as a return of capital are recorded as a reduction in the cost basis of the investment.

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

Non-accrual: Loans may be left on accrual status during the period we are pursuing repayment of the loan. Management reviews all loans that become past due 90 days or more on principal and interest or when there is reasonable doubt that principal or interest will be collected for possible placement on non-accrual status. We generally reverse accrued interest when a loan is placed on non-accrual. Additionally, any original issue discount and market discount are no longer accreted to interest income as of the date the loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management’s judgment. We restore non-accrual loans to accrual status when past due principal and interest is paid and, in our management’s judgment, are likely to remain current. The total fair value of our non-accrual loans was $13.7 million as of September 30, 2019 and $5.6 million as of September 30, 2018.

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

Income taxes: See “Consolidated Results of Operations - Expenses - Excise Tax Expense.”

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are subject to financial market risks, including changes in interest rates. Many of the loans in our portfolio have floating interest rates, and we expect that our loans in the future may also have floating interest rates. These loans are usually based on a floating LIBOR and typically have interest rate reset provisions that adjust applicable interest rates under such loans to current market rates on a quarterly basis. The loans that are subject to the floating LIBOR are also subject to a minimum base rate, or floor, that we charge on our loans if the current market rates are below the respective floors. As of September 30, 2019 and 2018, the weighted average LIBOR floor on the loans subject to floating interest rates was 1.01% and 1.01%, respectively. Prior to their redemption on March 23, 2018, the Class A-1, A-2 and B 2014 Notes issued as part of the 2014 Debt Securitization had floating interest rate provisions based on three-month LIBOR that reset quarterly. The Class A-1-R, A-2-R and B-R 2014 Notes issued in connection with the refinancing of the 2014 Debt Securitization have floating rate interest provisions based on the three-month LIBOR that reset quarterly, as do the Class A, B and C-1 2018 Notes issued as part of the 2018 Debt Securitization and Class A-1 and B-1 GCIC 2018 Notes as issued as part of the GCIC 2018 Debt Securitization. The DB Credit Facility has an interest rate equal to three-month LIBOR. Finally, the MS Credit Facility II and the WF Credit Facility have a floating interest rate provision primarily based on one-month LIBOR. We expect that other credit facilities into which we enter in the future may have floating interest rate provisions.

Assuming that the Consolidated Statement of Financial Condition as of September 30, 2019 were to remain constant and that we took no actions to alter interest rate sensitivity as of such date, the following table shows the annualized impact of hypothetical base rate changes in interest rates.

Change in interest rates	Increase (decrease) in interest income	Increase (decrease) in interest expense	Net increase (decrease) in investment income
		(In thousands)	
Down 25 basis points	$ (10,083)	$ (4,497)	$ (5,586)
Up 50 basis points	20,291	8,994	11,297
Up 100 basis points	40,584	17,989	22,595
Up 150 basis points	60,875	26,983	33,892
Up 200 basis points	81,168	35,978	45,190

Although we believe that this analysis is indicative of our sensitivity to interest rate changes as of September 30, 2019, it does not adjust for changes in the credit market, credit quality, the size and composition of the assets in our portfolio and other business developments, including borrowings under the Debt Securitizations, the MS Credit Facility II, the DB Credit Facility, the WF Credit Facility or other borrowings, that could affect net increase in net assets resulting from operations, or net income. Accordingly, we can offer no assurances that actual results would not differ materially from the analysis above.

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

Item 8. Consolidated Financial Statements and Supplementary Data

Index to Consolidated Financial Statements

Management's Report on Internal Control over Financial Reporting

The management of Golub Capital BDC, Inc. ("GBDC," and collectively with its subsidiaries, the "Company," "we," "us," "our" and "Golub Capital BDC") is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system is a process designed to provide reasonable assurance to our management and board of directors regarding the preparation and fair presentation of published financial statements.

Golub Capital BDC's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions recorded necessary to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles. Our policies and procedures also provide reasonable assurance that receipts and expenditures are being made only in accordance with authorizations of management and the directors of Golub Capital BDC, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness as to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Golub Capital BDC's internal control over financial reporting as of September 30, 2019. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework* issued in 2013. Based on the assessment, management believes that, as of September 30, 2019, our internal control over financial reporting is effective based on those criteria.

Golub Capital BDC's independent registered public accounting firm that audited the financial statements has issued an audit report on the effectiveness of our internal control over financial reporting as of September 30, 2019. This report appears on page 106.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Golub Capital BDC, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial condition of Golub Capital BDC, Inc. and Subsidiaries (the Company), including the consolidated schedules of investments, as of September 30, 2019 and 2018, the related consolidated statements of operations, changes in net assets and cash flows for each of the three years in the period ended September 30, 2019, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2019 and 2018, and the results of its operations, changes in its net assets, and its cash flows for each of the three years in the period ended September 30, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated November 25, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of investments owned as of September 30, 2019 and 2018, by correspondence with the trustees or the underlying investee. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of investments using significant unobservable inputs and assumptions

Description of the Matter	At September 30, 2019, the fair value of the Company's investments categorized as Level 3 investments within the fair value hierarchy (Level 3 investments) totaled $4,169,288 thousand. Management determines the fair value of the Company's Level 3 investments by applying the methodologies outlined in Notes 2 and 6 to the consolidated financial statements and using significant unobservable inputs and assumptions. Determining the fair value of the Level 3 investments requires management to make judgments about the valuation methodologies (i.e., market approach or income approach) and significant unobservable inputs and assumptions including, among others, EBITDA multiples, revenue multiples, and market interest rates for similar loans with similar credit profiles, used in determining the fair value measurements. Auditing the fair value of the Company's Level 3 investments was complex, as the unobservable inputs and assumptions used by the Company are highly judgmental and could have a significant effect on the fair value measurements of such investments.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's investment valuation process. This included controls over management's assessment of the valuation methodologies and significant unobservable inputs and assumptions used in determining the fair value measurements of the Level 3 investments. Our audit procedures included, among others, evaluating the Company's valuation methodologies, testing the significant unobservable inputs and assumptions used by the Company in determining the fair value of the Company's Level 3 investments, and testing the mathematical accuracy of the Company's valuation calculations. For each Level 3 investment, we reviewed the information considered by the Board of Directors relating to the Company's determination of fair value. For a sample of the Company's Level 3 investments, with the involvement of our valuation specialists, we independently developed fair value estimates and compared them to the Company's estimates. We developed our independent fair value estimates by using borrower financial information, which we compared to agreements or underlying source documents provided to the Company by the borrowers, and available market information from third-party sources, such as market spreads, market multiples, and leverage. We also evaluated subsequent events and other available information and considered whether they corroborated or contradicted the Company's year-end valuations.

Accounting for the Company's acquisition of Golub Capital Investment Corporation

Description of the Matter	On September 16, 2019, the Company completed its acquisition of Golub Capital Investment Corporation (GCIC), as disclosed in Notes 2 and 14 to the consolidated financial statements. The transaction was accounted for as an asset acquisition with the Company as the acquiring entity. The consideration paid to GCIC's stockholders exceeded the fair value of GCIC's net assets, and the premium paid by the Company was allocated to the cost basis of GCIC's assets acquired by the Company based on their relative fair values. Because the Company is required to record its assets at their respective fair values, the purchase premium allocated to the cost basis of the assets acquired from GCIC was immediately recognized as unrealized depreciation by the Company. Auditing the Company's accounting for its acquisition of GCIC was complex due to the nature of it being a significant unusual transaction with a related party and the factors considered by the Company in determining that the transaction should be accounted for as an asset acquisition with the Company being the acquiring entity. Auditing the fair value of the assets acquired from GCIC was complex, as the unobservable inputs and assumptions used by the Company are highly judgmental and could have a significant effect on the fair value measurements of such assets.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls over its assessment of the accounting for the acquisition as an asset acquisition, as well as controls over management's assessment of the valuation methodologies and significant unobservable inputs and assumptions used in determining the fair value measurements of the assets acquired from GCIC. To test the Company's accounting for its acquisition of GCIC, we performed audit procedures that included, among others, assessing management's conclusion that the transaction be treated as an asset acquisition with the Company as the acquiring entity. We also inspected minutes of board of directors' meetings, executed transaction agreements, and transfer agent documentation to test the authorization and execution of the transaction and the related issuance of the Company's shares to GCIC's stockholders. Additionally, we evaluated the Company's measurement of the acquired assets, at fair value, at the acquisition date and the related purchase premium, including the measurement of the unrealized depreciation on the acquired assets. To test the fair value of the acquired assets, among other procedures, on a sample basis, with the involvement of our valuation specialists, we independently developed fair value estimates and compared them to the Company's estimates. We developed our independent fair value estimates by using borrower financial information, which we compared to agreements or underlying source documents provided to the Company by the borrowers, and available market information from third-party sources, such as market spreads, market multiples, and leverage.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2015.

Chicago, Illinois
November 25, 2019

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Golub Capital BDC, Inc. and Subsidiaries

Opinion on Internal Control Over Financial Reporting

We have audited Golub Capital BDC, Inc. and Subsidiaries' internal control over financial reporting as of September 30, 2019, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Golub Capital BDC, Inc. and Subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of September 30, 2019, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial condition, including the consolidated schedules of investments, of the Company as of September 30, 2019 and 2018, the related consolidated statements of operations, changes in net assets and cash flows for each of the three years in the period ended September 30, 2019, and the related notes and our report dated November 25, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Chicago, Illinois
November 25, 2019

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Statements of Financial Condition
(In thousands, except share and per share data)

	September 30, 2019	September 30, 2018
Assets		
Investments, at fair value		
Non-controlled/non-affiliate company investments	$ 4,156,713	$ 1,704,473
Non-controlled affiliate company investments	12,575	7,284
Controlled affiliate company investments	123,644	71,084
Total investments, at fair value (amortized cost of $4,391,770 and $1,780,652, respectively)	4,292,932	1,782,841
Cash and cash equivalents	6,463	5,878
Foreign currencies (cost of $54 and $159, respectively)	54	159
Restricted cash and cash equivalents	76,370	39,668
Restricted foreign currencies (cost of $1,321 and $0, respectively)	1,321	—
Cash collateral held at broker for forward currency contracts	600	—
Interest receivable	16,790	6,664
Other assets	333	342
Total Assets	$ 4,394,863	$ 1,835,552
Liabilities		
Debt	$ 2,124,392	$ 845,683
Less unamortized debt issuance costs	4,939	2,934
Debt less unamortized debt issuance costs	2,119,453	842,749
Unrealized depreciation on forward currency contracts	115	—
Interest payable	13,380	4,135
Management and incentive fees payable	12,884	17,671
Accounts payable and other liabilities	25,970	2,069
Accrued trustee fees	207	74
Total Liabilities	2,172,009	866,698
Commitments and Contingencies (Note 9)		
Net Assets		
Preferred stock, par value $0.001 per share, 1,000,000 shares authorized, zero shares issued and outstanding as of September 30, 2019 and September 30, 2018	—	—
Common stock, par value $0.001 per share, 200,000,000 shares authorized, 132,658,200 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized, 60,165,454 issued and outstanding as of September 30, 2018	133	60
Paid in capital in excess of par	2,310,610	949,547
Distributable earnings	(87,889)	19,247
Total Net Assets	2,222,854	968,854
Total Liabilities and Total Net Assets	$ 4,394,863	$ 1,835,552
Number of common shares outstanding	132,658,200	60,165,454
Net asset value per common share	$ 16.76	$ 16.10

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Statements of Operations
(In thousands, except share and per share data)

	Years ended September 30,		
	2019	2018	2017
Investment income			
From non-controlled/non-affiliate company investments:			
Interest income	$ 168,689	$ 140,267	$ 127,674
Dividend income	349	624	629
Fee income	1,279	2,514	1,757
Total investment income from non-controlled/non-affiliate company investments	170,317	143,405	130,060
From non-controlled affiliate company investments:			
Interest income	751	667	1,136
Fee income	11	—	—
Total investment income from non-controlled affiliate company investments	762	667	1,136
From controlled affiliate company investments:			
Interest income	—	—	1,639
Dividend income	1,219	8,099	4,929
Total investment income from controlled affiliate company investments	1,219	8,099	6,568
Total investment income	172,298	152,171	137,764
Expenses			
Interest and other debt financing expenses	43,531	33,174	31,534
Base management fee	27,872	24,214	23,815
Incentive fee	8,902	13,110	7,560
Professional fees	2,636	2,721	2,396
Administrative service fee	2,682	2,456	2,340
General and administrative expenses	603	475	556
Total expenses	86,226	76,150	68,201
Net investment income - before excise tax	86,072	76,021	69,563
Excise tax	—	—	17
Net investment income - after excise tax	86,072	76,021	69,546
Net gain (loss) on investment transactions			
Net realized gain (loss) from:			
Non-controlled/non-affiliate company investments	(4,616)	17,454	15,844
Non-controlled affiliate company investments	—	—	(6,442)
Foreign currency transactions	174	82	—
Net realized gain (loss) on investment transactions	(4,442)	17,536	9,402
Net change in unrealized appreciation (depreciation) from:			
Non-controlled/non-affiliate company investments	(100,297)	(11,212)	(3,878)
Non-controlled affiliate company investments	(1,210)	1,506	5,246
Controlled affiliate company investments	480	(1,881)	1,969
Translation of assets and liabilities in foreign currencies	685	—	—
Forward currency contracts	133	—	—
Net change in unrealized appreciation (depreciation) on investment transactions	(100,209)	(11,587)	3,337
Net change in unrealized appreciation (depreciation) on secured borrowings	—	—	3
Net gain (loss) on investment transactions and secured borrowings	(104,651)	5,949	12,742
Net increase (decrease) in net assets resulting from operations	$ (18,579)	$ 81,970	$ 82,288
Per Common Share Data			
Basic and diluted earnings (deficit) per common share	$ (0.29)	$ 1.37	$ 1.45
Dividends and distributions declared per common share	$ 1.40	$ 1.36	$ 1.53
Basic and diluted weighted average common shares outstanding	63,430,034	59,803,208	56,913,064

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Statements of Changes in Net Assets
(In thousands, except share data)

	Common Stock				
	Shares	Par Amount	Paid in Capital in Excess of Par	Distributable Earnings	Total Net Assets
Balance at September 30, 2016	55,059,067	$ 55	$ 855,998	$ 22,772	$ 878,825
Issuance of common stock, net of offering and underwriting costs	3,982,721	4	73,610	—	73,614
Net increase in net assets resulting from operations:					
Net investment income - after excise tax	—	—	—	69,546	69,546
Net realized gain (loss) on investment transactions	—	—	—	9,402	9,402
Net change in unrealized appreciation (depreciation) on investment transactions	—	—	—	3,340	3,340
Distributions to stockholders:					
Stock issued in connection with dividend reinvestment plan	535,505	1	9,661	—	9,662
Distributions from distributable earnings	—	—	—	(86,443)	(86,443)
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	38	(38)	—
Total increase (decrease) for the period ended September 30, 2017	4,518,226	5	83,309	(4,193)	79,121
Balance at September 30, 2017	59,577,293	$ 60	$ 939,307	$ 18,579	$ 957,946
Net increase in net assets resulting from operations:					
Net investment income - after excise tax	—	—	—	76,021	76,021
Net realized gain (loss) on investment transactions	—	—	—	17,536	17,536
Net change in unrealized appreciation (depreciation) on investment transactions	—	—	—	(11,587)	(11,587)
Distributions to stockholders:					
Stock issued in connection with dividend reinvestment plan	588,161	—	10,245	—	10,245
Distributions from distributable earnings	—	—	—	(81,307)	(81,307)
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	(5)	5	—
Total increase (decrease) for the period ended September 30, 2018	588,161	—	10,240	668	10,908
Balance at September 30, 2018	60,165,454	$ 60	$ 949,547	$ 19,247	$ 968,854
Issuance of common stock, net of offering and underwriting costs	71,779,964	72	1,345,085	—	1,345,157
Net increase (decrease) in net assets resulting from operations:					
Net investment income - after excise tax	—	—	—	86,072	86,072
Net realized gain (loss) on investment transactions	—	—	—	(4,442)	(4,442)
Net change in unrealized appreciation (depreciation) on investment transactions	—	—	—	(100,209)	(100,209)
Distributions to stockholders:					
Stock issued in connection with dividend reinvestment plan	712,782	1	12,046	—	12,047
Distributions from distributable earnings	—	—	—	(84,625)	(84,625)
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	3,932	(3,932)	—
Total increase (decrease) for the period ended September 30, 2019	72,492,746	73	1,361,063	(107,136)	1,254,000
Balance at September 30, 2019	132,658,200	$ 133	$ 2,310,610	$ (87,889)	$ 2,222,854

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	Years ended September 30,		
	2019	**2018**	**2017**
Cash flows from operating activities			
Net increase (decrease) in net assets resulting from operations	$ (18,579)	$ 81,970	$ 82,288
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash (used in) provided by operating activities:			
Amortization of deferred debt issuance costs	2,096	3,315	3,289
Accretion of discounts and amortization of premiums	(7,191)	(9,641)	(9,495)
Net realized (gain) loss on investments	4,616	(17,454)	(9,402)
Net realized (gain) loss on other short-term borrowings	(353)	(152)	—
Net realized (gain) loss on foreign currency and other transactions	(22)	—	—
Net change in unrealized (appreciation) depreciation on investments	101,027	11,587	(3,337)
Net change in unrealized (appreciation) depreciation on secured borrowings	—	—	(3)
Net change in unrealized (appreciation) depreciation on translation of assets and liabilities in foreign currencies	(679)	—	—
Net change in unrealized (appreciation) depreciation on forward currency contracts	(133)	—	—
Proceeds from (fundings of) revolving loans, net	(2,578)	7,235	(331)
Fundings of investments	(597,601)	(646,595)	(588,169)
Proceeds from principal payments and sales of portfolio investments	366,957	558,664	588,173
PIK interest	(2,951)	(1,622)	(1,839)
Cash acquired in merger	27,153	—	—
Changes in operating assets and liabilities:			
Interest receivable	13,770	(393)	(336)
Other assets	(1,427)	(10)	90
Interest payable	1,762	335	571
Management and incentive fees payable	(4,787)	4,456	452
Accounts payable and other liabilities	292	(243)	240
Accrued trustee fees	(29)	(2)	4
Net cash (used in) provided by operating activities	(118,657)	(8,550)	62,195
Cash flows from financing activities			
Borrowings on debt	1,358,608	760,450	545,000
Repayments of debt	(1,122,398)	(695,867)	(628,600)
Capitalized debt issuance costs	(4,101)	(1,976)	(1,935)
Proceeds from other short-term borrowings	25,325	9,511	—
Repayments on other short-term borrowings	(24,972)	(9,359)	—
Repayments on secured borrowings	—	—	(475)
Proceeds from shares sold, net of underwriting costs	—	—	74,014
Offering costs paid	—	—	(400)
Distributions paid[1]	(75,302)	(71,062)	(76,781)
Net cash provided by (used in) financing activities	157,160	(8,303)	(89,177)
Net change in cash and cash equivalents, foreign currencies, restricted cash and cash equivalents and restricted foreign currencies	38,503	(16,853)	(26,982)
Cash and cash equivalents, foreign currencies, restricted cash and cash equivalents and restricted foreign currencies, beginning of period	45,705	62,558	89,540
Cash and cash equivalents, foreign currencies, restricted cash and cash equivalents and restricted foreign currencies, end of period	$ 84,208	$ 45,705	$ 62,558
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest	$ 39,653	$ 29,523	$ 27,662
Taxes, including excise tax, paid during the period	—	—	17

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries

Consolidated Statements of Cash Flows - (continued)

(In thousands)

Distributions declared during the period	84,625	81,307	86,443
Supplemental disclosure of non-cash operating and financing activities:			
Funding of limited liability company ("LLC") equity interests in Senior Loan Fund LLC ("SLF")	$ —	$ —	$ (78,689)
Proceeds from subordinated notes in SLF principal payment	—	—	78,689
Proceeds from issuance of Class A-1-R, Class A-2-R, and Class B-R 2014 Notes	—	246,000	—
Redemptions of Class A-1, Class A-2, and Class B 2014 Notes	—	(246,000)	—
Proceeds from issuance of Class A-Refi 2010 Notes	—	—	205,000
Redemption of Class A and Class B 2010 Notes	—	—	(205,000)
Stock issued in connection with dividend reinvestment plan	12,047	10,245	9,662
Acquisition of subsidiaries[2]			
Noncash assets acquired:			
Investments, at cost	$ 2,372,370	$ —	$ —
Cash collateral held at broker for forward currency contracts	600	—	—
Interest receivable	23,896	—	—
Other assets	158	—	—
Total noncash assets purchased	2,397,024	—	—
Liabilities assumed:			
Debt	1,043,200	—	—
Interest payable	7,483	—	—
Unrealized depreciation on forward currency contracts	248	—	—
Distributions payable	2,722	—	—
Accounts payable and other liabilities	22,254	—	—
Accrued trustee fees	162	—	—
Total liabilities assumed	1,076,069	—	—
Issuance of common stock	$ 1,345,157	$ —	$ —
Merger costs capitalized into purchase price	2,950	—	—

The following table provides a reconciliation of cash and cash equivalents, foreign currencies, restricted cash and cash equivalents and restricted foreign currencies reported within the Consolidated Statements of Financial Condition that sum to the total of the same such amounts in the Consolidated Statements of Cash Flows:

	As of September 30,	
	2019	**2018**
Cash and cash equivalents	$ 6,463	$ 5,878
Foreign currencies (cost of $54 and $159, respectively)	54	159
Restricted cash and cash equivalents	76,370	39,668
Restricted foreign currencies (cost of $1,321 and $0, respectively)	1,321	—
Total cash and cash equivalents, foreign currencies, restricted cash and cash equivalents and restricted foreign currencies shown in the Consolidated Statements of Cash Flows [3]	$ 84,208	$ 45,705

(1) Includes payment of $2,722 distribution payable to GCIC shareholders that was assumed in the Merger (defined in Note 1). Also includes payment of $2 to GCIC shareholders in lieu of fractional shares of our common stock as a result of the Merger.

(2) Refer to Note 14 for more information related to our acquisition of GCIC.

(3) See Note 2. Significant Accounting Policies and Recent Accounting Updates for a description of cash and cash equivalents, foreign currencies, restricted cash and cash equivalents and restricted foreign currencies.

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments
September 30, 2019
(In thousands)

	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Investments									
Non-controlled/non-affiliate company investments									
Debt investments									
Aerospace and Defense									
ILC Dover, LP#+!~	Senior loan	L + 4.75%	(a)(c)(d)	6.94%	12/2023	$ 6,617	$ 6,583	0.3 %	$ 6,617
NTS Technical Systems^*#+!~	One stop	L + 6.25%	(a)(c)	8.35%	06/2021	25,650	25,611	1.2	25,650
NTS Technical Systems#+!~	One stop	L + 6.25%	(a)(c)	8.35%	06/2021	4,210	4,201	0.2	4,210
NTS Technical Systems(5)	One stop	L + 6.25%		N/A(6)	06/2021	—	(40)	—	—
Tronair Parent, Inc.^+	Senior loan	L + 4.75%	(c)	6.93%	09/2023	726	717	—	682
Tronair Parent, Inc.	Senior loan	L + 4.50%	(c)(f)	6.96%	09/2021	160	157	—	148
Whitcraft LLC^*+	One stop	L + 5.50%	(c)	7.60%	04/2023	42,099	43,102	1.9	42,099
Whitcraft LLC	One stop	L + 5.50%	(c)	7.60%	04/2023	8,300	8,292	0.4	8,300
Whitcraft LLC(5)	One stop	L + 5.50%		N/A(6)	04/2023	—	(1)	—	—
						87,762	88,622	4.0	87,706
Automobile									
Dent Wizard International Corporation#+!~	Senior loan	L + 4.00%	(a)	6.05%	04/2022	12,338	12,498	0.6	12,338
Grease Monkey International, LLC^*	Senior loan	L + 5.00%	(a)	7.04%	11/2022	7,834	7,934	0.4	7,834
Grease Monkey International, LLC#!~	Senior loan	L + 5.00%	(a)	7.04%	11/2022	2,394	2,494	0.1	2,394
Grease Monkey International, LLC#!~	Senior loan	L + 5.00%	(a)	7.04%	11/2022	1,215	1,267	0.1	1,215
Grease Monkey International, LLC#+!~	Senior loan	L + 5.00%	(a)	7.04%	11/2022	1,100	1,144	0.1	1,100
Grease Monkey International, LLC	Senior loan	L + 5.00%	(a)	7.04%	11/2022	126	130	—	126
Grease Monkey International, LLC	Senior loan	L + 5.00%	(a)	7.04%	11/2022	110	111	—	110
JHCC Holdings LLC	One stop	L + 5.50%	(c)	7.60%	09/2025	15,788	15,475	0.7	15,630
JHCC Holdings LLC	One stop	L + 5.50%	(a)	7.54%	09/2025	10	9	—	9
JHCC Holdings LLC(5)	One stop	L + 5.50%		N/A(6)	09/2025	—	(3)	—	(3)
Polk Acquisition Corp.*	Senior loan	L + 5.25%	(a)	7.29%	06/2022	5,185	5,307	0.2	5,081
Polk Acquisition Corp.	Senior loan	L + 5.25%	(a)	7.29%	06/2022	30	31	—	30
Power Stop, LLC#+!~	Senior loan	L + 4.75%	(c)	6.85%	10/2025	2,871	2,935	0.1	2,871
Quick Quack Car Wash Holdings, LLC*	One stop	L + 6.50%	(a)	8.54%	04/2023	13,218	13,345	0.6	13,218
Quick Quack Car Wash Holdings, LLC*	One stop	L + 6.50%	(a)	8.54%	04/2023	2,084	2,169	0.1	2,084
Quick Quack Car Wash Holdings, LLC	One stop	L + 6.50%	(a)(c)	8.55%	04/2023	1,822	1,897	0.1	1,822
Quick Quack Car Wash Holdings, LLC*	One stop	L + 6.50%	(a)	8.54%	04/2023	1,392	1,450	0.1	1,392
Quick Quack Car Wash Holdings, LLC	One stop	L + 6.50%	(a)	8.55%	04/2023	80	82	—	80
						67,597	68,275	3.2	67,331
Beverage, Food and Tobacco									
Abita Brewing Co., L.L.C.+	One stop	L + 5.75%	(c)	7.87%	04/2021	9,983	10,051	0.5	9,882
Abita Brewing Co., L.L.C.(5)	One stop	L + 5.75%		N/A(6)	04/2021	—	(1)	—	(2)
BJH Holdings III Corp.#+!~	One stop	L + 5.75%	(a)	7.79%	08/2025	46,400	48,003	2.1	45,936
BJH Holdings III Corp.	One stop	L + 5.75%	(a)	7.79%	08/2025	160	151	—	152
C. J. Foods, Inc.^*	One stop	L + 6.25%	(c)	8.35%	05/2020	29,179	30,052	1.3	29,179
C. J. Foods, Inc.^	One stop	L + 6.25%	(c)	8.35%	05/2020	2,207	2,275	0.1	2,207
C. J. Foods, Inc.	One stop	L + 6.25%	(a)	8.30%	05/2020	592	636	—	592
Cafe Rio Holding, Inc.^	One stop	L + 5.75%	(c)	7.95%	09/2023	18,801	19,065	0.9	18,801
Cafe Rio Holding, Inc.	One stop	L + 5.75%	(c)	7.95%	09/2023	2,270	2,367	0.1	2,270
Cafe Rio Holding, Inc.*	One stop	L + 5.75%	(c)	7.95%	09/2023	1,442	1,503	0.1	1,442
Cafe Rio Holding, Inc.	One stop	L + 5.75%	(c)	7.95%	09/2023	1,273	1,327	0.1	1,273

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Golub Capital BDC, Inc. and Subsidiaries
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Beverage, Food and Tobacco - (continued)									
Cafe Rio Holding, Inc.	One stop	L + 5.75%	(c)	7.85%	09/2023	$ 335	$ 332	— %	$ 335
Cafe Rio Holding, Inc.	One stop	L + 5.75%	(c)	0.0785	09/2023	183	183	—	183
Cafe Rio Holding, Inc.	One stop	P + 4.75%	(f)	0.0975	09/2023	60	61	—	60
Fintech Midco, LLC*	One stop	L + 5.25%	(a)	7.30%	08/2024	24,661	25,093	1.1	24,661
Fintech Midco, LLC	One stop	L + 5.25%	(a)	7.30%	08/2024	1,142	1,190	0.1	1,142
Fintech Midco, LLC(5)	One stop	L + 5.25%		N/A(6)	08/2024	—	(1)	—	—
Fintech Midco, LLC(5)	One stop	L + 5.25%		N/A(6)	08/2024	—	(1)	—	—
Flavor Producers, LLC#!~	Senior loan	L + 4.75%	(c)	6.85%	12/2023	5,031	4,903	0.2	4,630
Flavor Producers, LLC(5)	Senior loan	L + 4.75%		N/A(6)	12/2022	—	(6)	—	(10)
FWR Holding Corporation^	One stop	L + 5.50%	(a)	7.55%	08/2023	9,203	9,334	0.4	9,203
FWR Holding Corporation	One stop	L + 5.50%	(a)	7.55%	08/2023	1,839	1,916	0.1	1,839
FWR Holding Corporation	One stop	L + 5.50%	(a)	7.55%	08/2023	1,163	1,211	0.1	1,163
FWR Holding Corporation	One stop	L + 5.50%	(a)	7.55%	08/2023	368	381	—	368
FWR Holding Corporation	One stop	L + 5.50%	(a)	7.55%	08/2023	275	285	—	275
FWR Holding Corporation	One stop	L + 5.50%	(a)	7.55%	08/2023	34	33	—	34
FWR Holding Corporation	One stop	L + 5.50%		N/A(6)	08/2023	—	—	—	—
Global ID Corporation*#+!~	One stop	L + 6.50%	(c)	8.60%	11/2021	11,798	12,028	0.5	11,798
Global ID Corporation*	One stop	L + 6.50%	(c)	8.60%	11/2021	821	854	—	821
Global ID Corporation	One stop	L + 6.50%	(c)	8.60%	11/2021	719	749	—	719
Global ID Corporation	One stop	L + 6.50%	(c)	8.60%	11/2021	494	513	—	494
Global ID Corporation	One stop	L + 6.50%		N/A(6)	11/2021	—	—	—	—
Global ID Corporation	One stop	L + 6.50%		N/A(6)	11/2021	—	—	—	—
Mendocino Farms, LLC	One stop	L + 8.50%	(a)	3.04% cash/7.50% PIK	06/2023	767	799	—	767
Mendocino Farms, LLC	One stop	L + 8.50%	(a)	3.04% cash/7.50% PIK	06/2023	604	628	—	604
Mendocino Farms, LLC(5)	One stop	L + 1.00%		N/A(6)	06/2023	—	(1)	—	—
Mid-America Pet Food, L.L.C.^*	One stop	L + 6.00%	(c)	8.10%	12/2021	22,514	22,992	1.0	22,514
Mid-America Pet Food, L.L.C.	One stop	L + 6.00%		N/A(6)	12/2021	—	—	—	—
NBC Intermediate, LLC#+!~	Senior loan	L + 4.25%	(a)(c)	6.40%	09/2023	2,365	2,402	0.1	2,365
NBC Intermediate, LLC*	Senior loan	L + 4.25%	(c)	6.45%	09/2023	2,309	2,346	0.1	2,309
NBC Intermediate, LLC^	Senior loan	L + 4.25%	(c)	6.45%	09/2023	2,024	2,010	0.1	2,024
NBC Intermediate, LLC	Senior loan	L + 4.25%		N/A(6)	09/2023	—	—	—	—
Purfoods, LLC	One stop	L + 5.50%	(c)	7.62%	05/2021	16,176	16,457	0.7	16,176
Purfoods, LLC	One stop	L + 5.50%	(c)	7.60%	05/2021	543	564	—	543
Purfoods, LLC^	One stop	L + 5.50%	(c)	7.60%	05/2021	391	407	—	391
Purfoods, LLC#!~	One stop	L + 5.50%	(c)	7.60%	05/2021	296	307	—	296
Purfoods, LLC#!~	One stop	L + 5.50%	(c)	7.60%	05/2021	296	307	—	296
Purfoods, LLC*	One stop	L + 5.50%	(c)	7.60%	05/2021	295	307	—	295
Purfoods, LLC	One stop	L + 5.50%	(c)	7.59%	05/2021	253	257	—	253
Purfoods, LLC	One stop	N/A		7.00% PIK	05/2026	241	246	—	241
Purfoods, LLC	One stop	L + 5.50%	(c)	7.60%	05/2021	149	155	—	149
Purfoods, LLC^	One stop	L + 5.50%	(c)	7.60%	05/2021	48	48	—	48
Purfoods, LLC	One stop	L + 5.50%	(a)(c)	7.57%	05/2021	40	41	—	40
Purfoods, LLC^	One stop	L + 5.50%	(c)	7.60%	05/2021	30	30	—	30

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Beverage, Food and Tobacco - (continued)									
Purfoods, LLC^	One stop	L + 5.50%	(c)	7.60%	05/2021	$ 30	$ 30	—	$ 30
Purfoods, LLC^	One stop	L + 5.50%	(c)	7.60%	05/2021	28	28	—	28
Purfoods, LLC^	One stop	L + 5.50%	(c)	7.60%	05/2021	22	22	—	22
Purfoods, LLC^	One stop	L + 5.50%	(c)	7.60%	05/2021	22	22	—	22
Purfoods, LLC^	One stop	L + 5.50%	(c)	7.60%	05/2021	20	20	—	20
Rubio's Restaurants, Inc.^*	Senior loan	L + 7.00%	(c)	9.1%	10/2019	11,349	11,330	0.5	11,349
Rubio's Restaurants, Inc.	Senior loan	L + 7.00%	(a)(f)	9.62%	10/2019	90	91	—	90
Wood Fired Holding Corp.*	One stop	L + 5.75%	(c)	8.06%	12/2023	14,180	14,451	0.6	14,180
Wood Fired Holding Corp.	One stop	L + 5.75%	(c)	7.85%	12/2023	40	39	—	40
Wood Fired Holding Corp.	One stop	L + 5.75%		N/A(6)	12/2023	—	—	—	—
						245,555	250,822	10.8	244,569
Broadcasting and Entertainment									
TouchTunes Interactive Networks, Inc.^+	Senior loan	L + 4.75%	(a)	6.79%	05/2021	2,108	2,136	0.1	2,108
Buildings and Real Estate									
Brooks Equipment Company, LLC^*	One stop	L + 5.00%	(c)	7.12%	08/2020	26,730	26,930	1.2	26,730
Brooks Equipment Company, LLC*	One stop	L + 5.00%	(b)(c)	7.13%	08/2020	668	671	—	668
Brooks Equipment Company, LLC(5)	One stop	L + 5.00%		N/A(6)	08/2020	—	(3)	—	—
Jensen Hughes, Inc.	Senior loan	L + 4.50%	(a)(f)	6.55%	03/2024	1,015	1,058	0.1	1,015
Jensen Hughes, Inc.+	Senior loan	L + 4.50%	(a)(f)	6.55%	03/2024	923	940	—	923
Jensen Hughes, Inc.	Senior loan	L + 4.50%	(a)(f)	6.55%	03/2024	443	462	—	443
Jensen Hughes, Inc.+	Senior loan	L + 4.50%	(a)(c)	6.54%	03/2024	283	287	—	283
MRI Software LLC^	One stop	L + 5.75%	(a)	7.80%	06/2023	41,896	42,320	1.9	41,896
MRI Software LLC^*+	One stop	L + 5.75%	(a)	7.80%	06/2023	30,692	31,364	1.4	30,692
MRI Software LLC#+!~	One stop	L + 5.75%	(a)	7.80%	06/2023	7,601	7,834	0.3	7,601
MRI Software LLC	One stop	L + 5.75%	(a)	7.80%	06/2023	6,561	6,841	0.3	6,561
MRI Software LLC	One stop	L + 5.75%	(a)	7.80%	06/2023	4,604	4,793	0.2	4,604
MRI Software LLC^	One stop	L + 5.75%	(a)	7.80%	06/2023	3,231	3,369	0.1	3,231
MRI Software LLC#+!~	One stop	L + 5.75%	(a)	7.80%	06/2023	2,068	2,157	0.1	2,068
MRI Software LLC	One stop	L + 5.75%	(a)	7.80%	06/2023	1,207	1,256	0.1	1,207
MRI Software LLC^	One stop	L + 5.75%	(a)	7.80%	06/2023	696	708	—	696
MRI Software LLC#!~	One stop	L + 5.75%	(a)	7.80%	06/2023	292	289	—	292
MRI Software LLC*	One stop	L + 5.75%	(a)	7.80%	06/2023	292	290	—	292
MRI Software LLC*	One stop	L + 5.75%	(a)	7.80%	06/2023	192	191	—	192
MRI Software LLC#!~	One stop	L + 5.75%	(a)	7.80%	06/2023	97	96	—	97
MRI Software LLC(5)	One stop	L + 5.75%		N/A(6)	06/2023	—	(2)	—	—
MRI Software LLC(5)	One stop	L + 5.75%		N/A(6)	06/2023	—	(2)	—	—
Paradigm DKD Group, LLC+(7)	Senior loan	L + 6.25%	(c)	8.35%	05/2022	1,654	1,207	0.1	1,183
Paradigm DKD Group, LLC(5)(7)	Senior loan	L + 6.25%	(c)	N/A(6)	05/2022	—	(64)	—	(64)
						131,145	132,992	5.8	130,610
Chemicals, Plastics and Rubber									
Flexan, LLC*	One stop	L + 5.75%	(c)	7.85%	02/2020	3,306	3,345	0.1	3,306
Flexan, LLC^	One stop	L + 5.75%	(c)	7.85%	02/2020	1,556	1,575	0.1	1,556
Flexan, LLC	One stop	P + 4.50%	(f)	9.50%	02/2020	30	31	—	30
Inhance Technologies Holdings LLC	One stop	L + 5.25%	(c)	7.57%	07/2024	12,832	12,982	0.6	12,832
Inhance Technologies Holdings LLC	One stop	L + 5.25%	(c)	7.57%	07/2024	855	890	—	855

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Chemicals, Plastics and Rubber - (continued)								
Inhance Technologies Holdings LLC	One stop	P + 4.25% (f)	9.25%	07/2024	$ 100	$ 100	— %	$ 100
					18,679	18,923	0.8	18,679
Diversified/Conglomerate Manufacturing								
Blackbird Purchaser, Inc.#+!~	Senior loan	L + 4.50% (c)(f)	6.6%	04/2026	13,149	13,494	0.6	13,149
Blackbird Purchaser, Inc.	Senior loan	L + 4.50% (c)(f)	6.60%	04/2026	598	620	—	598
Blackbird Purchaser, Inc.	Senior loan	L + 4.50% (c)	6.6%	04/2024	70	68	—	70
Chase Industries, Inc.#+!~	Senior loan	L + 4.00% (c)(f)	6.1%	05/2025	12,120	12,267	0.5	12,120
Chase Industries, Inc.	Senior loan	L + 4.00% (c)	6.1%	05/2025	991	1,030	0.1	991
Chase Industries, Inc.	Senior loan	L + 4.00% (c)(f)	6.10%	05/2023	306	311	—	306
Inventus Power, Inc.^*+	One stop	L + 6.50% (a)	8.54%	04/2020	15,885	15,399	0.6	14,295
Inventus Power, Inc.	One stop	L + 6.50% (a)	8.55%	04/2020	610	581	—	530
Pasternack Enterprises, Inc. and Fairview Microwave, Inc#+!~	Senior loan	L + 4.00% (a)(f)	6.04%	07/2025	13,702	13,973	0.6	13,702
Pasternack Enterprises, Inc. and Fairview Microwave, Inc	Senior loan	L + 4.00% (b)	6.09%	07/2023	8	8	—	8
PetroChoice Holdings, Inc.^	Senior loan	L + 5.00% (c)	7.26%	08/2022	3,309	3,320	0.1	3,211
Reladyne, Inc.^*	Senior loan	L + 5.00% (c)	7.32%	07/2022	27,295	27,634	1.2	27,295
Reladyne, Inc.	Senior loan	L + 5.00% (c)	7.32%	07/2022	2,366	2,457	0.1	2,366
Reladyne, Inc.	Senior loan	L + 5.00% (c)	7.10%	07/2022	1,732	1,805	0.1	1,732
Reladyne, Inc.	Senior loan	L + 5.00% (c)	7.32%	07/2022	1,561	1,627	0.1	1,561
Reladyne, Inc.^	Senior loan	L + 5.00% (c)	7.32%	07/2022	1,283	1,333	0.1	1,283
Reladyne, Inc.#!~	Senior loan	L + 5.00% (c)	7.32%	07/2022	1,104	1,147	0.1	1,104
Reladyne, Inc.#!~	Senior loan	L + 5.00% (c)	7.32%	07/2022	503	523	—	503
Togetherwork Holdings, LLC*	One stop	L + 6.25% (a)	8.29%	03/2025	15,724	15,898	0.7	15,724
Togetherwork Holdings, LLC#+!~	One stop	L + 6.25% (a)	8.29%	03/2025	1,822	1,897	0.1	1,822
Togetherwork Holdings, LLC	One stop	L + 6.25% (a)	8.29%	03/2025	1,768	1,837	0.1	1,768
Togetherwork Holdings, LLC*	One stop	L + 6.25% (a)	8.29%	03/2025	1,724	1,795	0.1	1,724
Togetherwork Holdings, LLC#+!~	One stop	L + 6.25% (a)	8.29%	03/2025	1,664	1,704	0.1	1,664
Togetherwork Holdings, LLC*+	One stop	L + 6.25% (a)	8.29%	03/2025	1,605	1,671	0.1	1,605
Togetherwork Holdings, LLC	One stop	L + 6.25% (a)	8.29%	03/2025	1,496	1,556	0.1	1,496
Togetherwork Holdings, LLC*	One stop	L + 6.25% (a)	8.29%	03/2025	1,225	1,247	0.1	1,225
Togetherwork Holdings, LLC	One stop	L + 6.25% (a)	8.29%	03/2025	675	701	—	675
Togetherwork Holdings, LLC	One stop	L + 6.25% (a)	8.29%	03/2025	66	67	—	66
Togetherwork Holdings, LLC#!~	One stop	L + 6.25% (a)	8.29%	03/2025	60	62	—	60
Togetherwork Holdings, LLC(5)	One stop	L + 6.25%	N/A(6)	03/2024	—	(2)	—	—
					124,421	126,030	5.6	122,653
Diversified/Conglomerate Service								
3ES Innovation, Inc.#+!~(8)(12)	One stop	L + 5.75% (c)(d)	7.81%	05/2025	13,900	14,196	0.6	13,900
3ES Innovation, Inc.(5)(8)(12)	One stop	L + 5.75%	N/A(6)	05/2025	—	(2)	—	—
Accela, Inc.*	One stop	L + 8.75% (a)	5.29% cash/5.50% PIK	09/2023	11,933	11,983	0.5	11,695
Accela, Inc.	One stop	L + 8.75% (a)	5.29% cash/5.50% PIK	09/2023	996	1,003	—	976
Accela, Inc.	One stop	L + 8.75% (a)	5.29% cash/5.50% PIK	09/2023	104	104	—	102
Agility Recovery Solutions Inc.^*	One stop	L + 6.00% (e)	8.02%	03/2023	22,708	22,869	1.0	22,708
Agility Recovery Solutions Inc.	One stop	L + 6.00% (a)(c)	8.10%	03/2023	201	196	—	201
Apptio, Inc.#!~	One stop	L + 7.25% (c)	9.56%	01/2025	57,009	57,889	2.6	57,009
Apptio, Inc.(5)	One stop	L + 7.25%	N/A(6)	01/2025	—	(2)	—	—
Arch Global CCT Holdings Corp.#+!~	Senior loan	L + 4.75% (a)(f)	6.79%	04/2026	3,853	3,896	0.2	3,853

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Diversified/Conglomerate Service - (continued)									
Arch Global CCT Holdings Corp.	Senior loan	L + 4.75%		N/A(6)	04/2025	$ —	$ —	— %	$ —
Arch Global CCT Holdings Corp.	Senior loan	L + 4.75%		N/A(6)	04/2026	—	—	—	—
Astute Holdings, Inc.	One stop	L + 6.00%	(a)	8.04%	04/2025	10,935	11,132	0.5	10,935
Astute Holdings, Inc.	One stop	L + 6.00%	(a)	8.04%	04/2025	40	39	—	40
Astute Holdings, Inc.(5)	One stop	L + 6.00%		N/A(6)	04/2025	—	(2)	—	—
AutoQuotes, LLC	One stop	L + 5.75%	(c)	7.88%	11/2024	9,888	10,056	0.4	9,888
AutoQuotes, LLC	One stop	L + 5.75%		N/A(6)	11/2024	—	—	—	—
Axiom Merger Sub Inc.#!~	One stop	L + 5.50%	(b)(c)	7.85%	04/2026	5,906	5,969	0.3	5,906
Axiom Merger Sub Inc.#+!~(8)(9)	One stop	E + 5.75%	(g)	5.75%	04/2026	2,442	2,467	0.1	2,378
Axiom Merger Sub Inc.(5)	One stop	L + 5.50%		N/A(6)	04/2026	—	(1)	—	—
Axiom Merger Sub Inc.(5)	One stop	L + 5.50%		N/A(6)	04/2026	—	(3)	—	—
Bazaarvoice, Inc.*#+!~	One stop	L + 5.75%	(a)	7.79%	02/2024	48,613	49,581	2.2	48,613
Bazaarvoice, Inc.(5)	One stop	L + 5.75%		N/A(6)	02/2024	—	(3)	—	—
Bearcat Buyer, Inc.#+!~	Senior loan	L + 4.25%	(c)	6.35%	07/2026	2,957	2,983	0.1	2,928
Bearcat Buyer, Inc.#!~	Senior loan	L + 4.25%	(c)	6.35%	07/2026	312	309	—	309
Bearcat Buyer, Inc.	Senior loan	L + 4.25%	(c)	6.35%	07/2026	166	167	—	162
Bearcat Buyer, Inc.	Senior loan	L + 4.25%		N/A(6)	07/2024	—	—	—	—
Bullhorn, Inc.#!~	One stop	L + 6.75%	(b)	8.91%	11/2022	5,082	5,094	0.2	5,132
Bullhorn, Inc.#!~	One stop	L + 6.75%	(b)	8.91%	11/2022	1,217	1,220	0.1	1,229
Calabrio, Inc.#!~	One stop	L + 6.50%	(c)	8.60%	06/2025	9,880	10,058	0.4	9,880
Calabrio, Inc.	One stop	L + 6.50%	(a)(c)	8.54%	06/2025	84	84	—	84
Caliper Software, Inc.#!~	One stop	L + 6.00%	(c)(f)	8.10%	11/2025	26,137	26,698	1.2	26,137
Caliper Software, Inc.	One stop	L + 6.00%	(c)	8.10%	11/2023	284	287	—	284
Centrify Corporation*	One stop	L + 6.25%	(c)	8.36%	08/2024	23,375	23,422	1.0	22,674
Centrify Corporation	One stop	P + 5.25%	(f)	10.25%	08/2024	300	300	—	292
Clearwater Analytics, LLC^*	One stop	L + 7.00%	(c)	9.20%	09/2022	16,458	16,452	0.7	16,458
Clearwater Analytics, LLC+	One stop	L + 7.00%	(c)	9.22%	07/2025	6,102	6,134	0.3	6,102
Clearwater Analytics, LLC(5)	One stop	L + 7.00%		N/A(6)	09/2022	—	(4)	—	—
Cloudbees, Inc.	One stop	L + 9.00%	(a)(c)	10.60% cash/0.50% PIK	05/2023	4,193	4,240	0.2	4,172
Cloudbees, Inc.	One stop	L + 9.00%	(a)	10.54% cash/0.50% PIK	08/2021	1,462	1,482	0.1	1,421
Cloudbees, Inc.	One stop	L + 8.50%		N/A(6)	05/2023	—	—	—	—
Confluence Technologies, Inc.	One stop	L + 5.50%	(a)	7.55%	03/2024	15,470	15,741	0.7	15,470
Confluence Technologies, Inc.(5)	One stop	L + 5.50%		N/A(6)	03/2024	—	(1)	—	—
Connexin Software, Inc.#!~	One stop	L + 8.50%	(a)	10.54%	02/2024	7,550	7,637	0.3	7,475
Connexin Software, Inc.	One stop	L + 8.50%		N/A(6)	02/2024	—	—	—	—
Conservice, LLC#+!~	One stop	L + 5.25%	(a)	7.29%	12/2024	3,794	3,870	0.2	3,794
Conservice, LLC	One stop	L + 5.25%		N/A(6)	12/2024	—	—	—	—
Daxko Acquisition Corporation^*	One stop	L + 4.75%	(a)	6.79%	09/2023	22,173	22,490	1.0	22,173
Daxko Acquisition Corporation(5)	One stop	L + 4.75%		N/A(6)	09/2023	—	(1)	—	—
Digital Guardian, Inc.	One stop	L + 9.50%	(c)	8.82% cash/3.00% PIK	06/2023	8,470	8,855	0.4	8,896
Digital Guardian, Inc.	Subordinated debt	N/A		8.00% PIK	06/2023	8	6	—	8
Digital Guardian, Inc.	One stop	L + 6.50%		N/A(6)	06/2023	—	18	—	19
Digital Guardian, Inc.	One stop	L + 5.00%		N/A(6)	06/2023	—	—	—	—
DISA Holdings Acquisition Subsidiary Corp.#+!~	Senior loan	P + 3.00%	(c)(f)	7.09%	06/2022	5,107	5,228	0.2	5,107
DISA Holdings Acquisition Subsidiary Corp.	Senior loan	L + 4.00%	(a)(c)(f)	6.04%	06/2022	20	19	—	20

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
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(In thousands)

	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Diversified/Conglomerate Service - (continued)									
DISA Holdings Acquisition Subsidiary Corp.	Senior loan	L + 4.00%		N/A(6)	06/2022	$ —	$ 4	— %	$ —
E2open, LLC*#+!~	One stop	L + 5.75%	(c)	7.87%	11/2024	86,772	87,841	3.9	86,772
E2open, LLC(5)	One stop	L + 5.75%		N/A(6)	11/2024	—	(6)	—	—
EGD Security Systems, LLC^*	One stop	L + 5.75%	(c)	8.06%	06/2023	30,092	30,588	1.4	30,092
EGD Security Systems, LLC	One stop	L + 5.75%	(b)(c)	8.06%	06/2023	644	669	—	644
EGD Security Systems, LLC(5)	One stop	L + 5.75%		N/A(6)	06/2023	—	(2)	—	—
EGD Security Systems, LLC(5)	One stop	L + 5.75%		N/A(6)	06/2023	—	(2)	—	—
GS Acquisitionco, Inc.*#+!~	One stop	L + 5.75%	(a)	7.80%	05/2024	54,564	55,059	2.4	53,881
GS Acquisitionco, Inc.*	One stop	L + 5.75%	(a)	7.80%	05/2024	12,886	13,268	0.6	12,725
GS Acquisitionco, Inc.	One stop	L + 5.75%	(a)	7.80%	05/2024	3,320	3,419	0.1	3,279
GS Acquisitionco, Inc.#+!~	One stop	L + 5.75%	(a)	7.80%	05/2024	3,064	3,155	0.1	3,025
GS Acquisitionco, Inc.	One stop	L + 5.75%	(a)	7.80%	05/2024	1,918	1,976	0.1	1,895
GS Acquisitionco, Inc.	One stop	L + 5.75%	(a)	7.80%	05/2024	52	50	—	50
GS Acquisitionco, Inc.	One stop	L + 5.75%	(a)	7.80%	05/2024	11	10	—	9
HealthcareSource HR, Inc.*	One stop	L + 5.25%	(c)	7.35%	05/2023	34,095	34,208	1.5	34,095
HealthcareSource HR, Inc.(5)	One stop	L + 5.25%		N/A(6)	05/2023	—	(2)	—	—
HSI Halo Acquisition, Inc.#+!~	One stop	L + 5.75%	(c)	7.87%	08/2026	4,133	4,187	0.2	4,092
HSI Halo Acquisition, Inc.	One stop	L + 5.75%		N/A(6)	09/2025	—	—	—	—
HSI Halo Acquisition, Inc.(5)	One stop	L + 5.75%		N/A(6)	08/2026	—	(6)	—	(7)
Hydraulic Authority III Limited#!~(8)(9)(10)	One stop	L + 6.00%	(i)(j)	7.00%	11/2025	12,439	12,686	0.5	12,102
Hydraulic Authority III Limited(8)(9)(10)	One stop	N/A		11.00% PIK	11/2028	179	184	—	175
Hydraulic Authority III Limited(8)(9)(10)	One stop	L + 6.00%	(i)	8.10%	11/2025	24	24	—	24
ICIMS, Inc.#!~	One stop	L + 6.50%	(a)	8.56%	09/2024	14,355	14,597	0.7	14,355
ICIMS, Inc.#!~	One stop	L + 6.50%	(a)	8.56%	09/2024	4,501	4,595	0.2	4,501
ICIMS, Inc.(5)	One stop	L + 6.50%		N/A(6)	09/2024	—	(1)	—	—
III US Holdings, LLC	One stop	L + 6.00%		N/A(6)	09/2022	—	—	—	—
Imprivata, Inc.*#+!~	Senior loan	L + 4.00%	(c)	6.10%	10/2023	13,185	13,427	0.6	13,185
Imprivata, Inc.(5)	Senior loan	L + 4.00%		N/A(6)	10/2023	—	(1)	—	—
Infogix, Inc.*	One stop	L + 6.50%	(c)	8.60%	04/2024	7,252	7,419	0.3	7,107
Infogix, Inc.*+	One stop	L + 6.50%	(c)	8.60%	04/2024	1,119	1,140	0.1	1,096
Infogix, Inc.	One stop	L + 6.50%	(c)	8.60%	04/2024	28	27	—	26
Integral Ad Science, Inc.#!~	One stop	L + 7.25%	(a)	8.05% cash/1.25% PIK	07/2024	14,751	15,006	0.7	14,751
Integral Ad Science, Inc.(5)	One stop	L + 6.00%		N/A(6)	07/2023	—	(3)	—	(4)
Integration Appliance, Inc.^*#!~	One stop	L + 7.25%	(c)	9.43%	08/2023	68,335	69,389	3.1	68,335
Integration Appliance, Inc.	One stop	L + 7.25%	(a)	9.29%	08/2023	487	482	—	487
Internet Truckstop Group LLC*	One stop	L + 5.50%	(c)	7.61%	04/2025	22,816	23,521	1.0	22,816
Internet Truckstop Group LLC(5)	One stop	L + 5.50%		N/A(6)	04/2025	—	(3)	—	—
Invoice Cloud, Inc.	One stop	L + 6.50%	(c)	5.43% cash/3.25% PIK	02/2024	6,309	6,360	0.3	6,309
Invoice Cloud, Inc.	One stop	L + 6.00%		N/A(6)	02/2024	—	—	—	—
Invoice Cloud, Inc.(5)	One stop	L + 6.00%		N/A(6)	02/2024	—	(1)	—	—
JAMF Holdings, Inc.#!~	One stop	L + 7.00%	(c)	9.18%	11/2022	13,559	13,806	0.6	13,559
JAMF Holdings, Inc.	One stop	L + 7.00%	(a)	9.05%	11/2022	36	36	—	36
Kareo, Inc.	One stop	L + 9.00%	(a)	11.04%	06/2022	10,273	10,453	0.5	10,350

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Golub Capital BDC, Inc. and Subsidiaries
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Diversified/Conglomerate Service - (continued)								
Kareo, Inc.	One stop	L + 9.00% (a)	11.04%	06/2022	$ 940	$ 963	— %	$ 948
Kareo, Inc.	One stop	L + 9.00% (a)	11.04%	06/2022	753	772	—	759
Kareo, Inc.	One stop	L + 9.00%	N/A(6)	06/2022	—	—	—	—
Kaseya Traverse Inc*	One stop	L + 6.50% (c)(d)	7.72% cash/1.00% PIK	05/2025	33,149	34,346	1.5	33,149
Kaseya Traverse Inc	One stop	L + 6.50% (c)(d)	7.69% cash/1.00% PIK	05/2025	498	519	—	498
Kaseya Traverse Inc	One stop	L + 6.50% (c)	8.60%	05/2025	52	51	—	52
Keais Records Service, LLC	One stop	L + 4.50% (a)	6.54%	10/2024	18,076	18,388	0.8	18,076
Keais Records Service, LLC(5)	One stop	L + 4.50%	N/A(6)	10/2024	—	(1)	—	—
Keais Records Service, LLC	One stop	L + 4.50%	N/A(6)	10/2024	—	—	—	—
Learn-it Systems, LLC	Senior loan	L + 4.50% (c)	6.65%	03/2025	2,567	2,631	0.1	2,567
Learn-it Systems, LLC	Senior loan	L + 4.50% (c)	6.61%	03/2025	33	32	—	33
Learn-it Systems, LLC	Senior loan	L + 4.50% (a)(c)(f)	7.04%	03/2025	26	26	—	26
Litera Bidco LLC#+!~	One stop	L + 5.75% (c)(d)	7.95%	05/2026	3,379	3,411	0.2	3,379
Litera Bidco LLC	One stop	L + 5.75% (c)(d)	7.96%	05/2026	705	735	—	705
Litera Bidco LLC	One stop	L + 5.75% (c)(d)	7.96%	05/2026	705	734	—	705
Litera Bidco LLC	One stop	L + 5.75%	N/A(6)	05/2025	—	—	—	—
Maverick Bidco Inc.*#!~	One stop	L + 6.25% (c)	8.35%	04/2023	39,870	40,173	1.8	39,073
Maverick Bidco Inc.*	One stop	L + 6.25% (c)	8.35%	04/2023	3,215	3,289	0.1	3,151
Maverick Bidco Inc.	One stop	L + 6.25% (c)	8.55%	04/2023	68	65	—	62
MetricStream, Inc.	One stop	L + 7.00% (a)	9.04%	05/2024	9,131	9,232	0.4	9,192
MetricStream, Inc.	One stop	L + 7.00%	N/A(6)	05/2024	—	1	—	2
MetricStream, Inc.	One stop	L + 7.00%	N/A(6)	04/2024	—	12	—	14
Mindbody, Inc.#!~	One stop	L + 7.00% (a)	9.06%	02/2025	48,351	49,317	2.2	48,351
Mindbody, Inc.(5)	One stop	L + 7.00%	N/A(6)	02/2025	—	(1)	—	—
Ministry Brands, LLC+	Senior loan	L + 4.00% (a)	6.04%	12/2022	1,460	1,484	0.1	1,460
Ministry Brands, LLC+	Senior loan	L + 4.00% (a)	6.04%	12/2022	836	849	—	836
Ministry Brands, LLC	Senior loan	L + 4.00% (a)	6.04%	12/2022	381	397	—	381
MMan Acquisition Co.^*+	One stop	L + 3.50% (c)	3.26% cash/2.50% PIK	08/2023	22,428	19,646	0.8	16,798
Namely, Inc.#!~	One stop	L + 7.50% (a)	6.25% cash/1.25% PIK	06/2024	3,546	3,589	0.2	3,546
Namely, Inc.	One stop	L + 6.25%	N/A(6)	06/2024	—	—	—	—
Namely, Inc.(5)	One stop	L + 6.25%	N/A(6)	06/2024	—	(16)	—	—
Net Health Acquisition Corp.*	One stop	L + 5.50% (c)	7.60%	12/2023	8,642	8,775	0.4	8,555
Net Health Acquisition Corp.#+!~	One stop	L + 5.50% (c)	7.60%	12/2023	6,914	7,069	0.3	6,845
Net Health Acquisition Corp.*	One stop	L + 5.50% (c)	7.60%	12/2023	1,207	1,227	0.1	1,195
Net Health Acquisition Corp.(5)	One stop	L + 5.50%	N/A(6)	12/2023	—	(2)	—	(2)
Netsmart Technologies, Inc.(5)	Senior loan	L + 4.75%	N/A(6)	04/2021	—	(4)	—	(2)
Nextech Holdings, LLC#+!~	One stop	L + 5.50% (a)	7.54%	06/2025	4,052	4,132	0.2	4,052
Nextech Holdings, LLC	One stop	L + 5.50% (a)	7.54%	06/2025	100	96	—	100
Nextech Holdings, LLC(5)	One stop	L + 5.50%	N/A(6)	06/2025	—	(23)	—	—
Nexus Brands Group, Inc.*	One stop	L + 6.00% (c)	8.12%	11/2023	9,474	9,597	0.4	9,474
Nexus Brands Group, Inc.#+!~(8)(9)	One stop	N/A	7.00%	11/2023	7,240	7,396	0.3	7,060
Nexus Brands Group, Inc.	One stop	L + 6.00% (c)	8.10%	11/2023	2,007	2,091	0.1	2,007
Nexus Brands Group, Inc.#!~	One stop	L + 6.00% (c)	8.10%	11/2023	1,452	1,513	0.1	1,452
Nexus Brands Group, Inc.	One stop	L + 6.00% (a)(c)	8.13%	11/2023	160	162	—	160

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	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Diversified/Conglomerate Service - (continued)								
Nexus Brands Group, Inc.(8)(9)	One stop	N/A	N/A(6)	11/2023	$ —	$ —	— %	$ —
Nexus Brands Group, Inc.(5)(8)(9)	One stop	N/A	N/A(6)	11/2023	—	(1)	—	—
Nexus Brands Group, Inc.(5)	One stop	L + 6.00%	N/A(6)	11/2023	—	(1)	—	—
Personify, Inc.*+	One stop	L + 5.75% (c)	7.85%	09/2024	15,614	15,933	0.7	15,614
Personify, Inc.	One stop	L + 5.75% (c)	7.85%	09/2024	40	40	—	40
PlanSource Holdings, Inc.#!~	One stop	L + 6.25% (c)	8.81%	04/2025	9,330	9,516	0.4	9,330
PlanSource Holdings, Inc.(5)	One stop	L + 6.25%	N/A(6)	04/2025	—	(1)	—	—
Project Power Buyer, LLC#+!~	One stop	L + 5.75% (c)	7.86%	05/2026	11,613	11,860	0.5	11,613
Project Power Buyer, LLC(5)	One stop	L + 5.75%	N/A(6)	05/2025	—	(1)	—	—
Property Brands, Inc.	One stop	L + 6.00% (a)	8.04%	01/2024	20,049	20,296	0.9	20,049
Property Brands, Inc.*	One stop	L + 6.00% (a)	8.04%	01/2024	6,720	6,861	0.3	6,720
Property Brands, Inc.^	One stop	L + 6.00% (a)	8.04%	01/2024	3,276	3,413	0.2	3,276
Property Brands, Inc.	One stop	L + 6.00% (a)	8.04%	01/2024	1,438	1,496	0.1	1,438
Property Brands, Inc.	One stop	L + 6.00% (a)	8.04%	01/2024	1,218	1,267	0.1	1,218
Property Brands, Inc.	One stop	L + 6.00% (a)	8.04%	01/2024	1,200	1,251	0.1	1,200
Property Brands, Inc.	One stop	L + 6.00% (a)	8.04%	01/2024	507	527	—	507
Property Brands, Inc.(5)	One stop	L + 6.00%	N/A(6)	01/2024	—	(1)	—	—
Property Brands, Inc.(5)	One stop	L + 6.00%	N/A(6)	01/2024	—	(4)	—	—
Qgenda Intermediate Holdings, LLC+	One stop	L + 4.75% (a)	6.79%	06/2025	15,432	15,453	0.7	15,432
Qgenda Intermediate Holdings, LLC(5)	One stop	L + 4.75%	N/A(6)	06/2025	—	(2)	—	—
RegEd Aquireco, LLC+	Senior loan	L + 4.25% (a)	6.29%	12/2024	11,532	11,527	0.5	11,532
RegEd Aquireco, LLC	Senior loan	P + 3.25% (f)	8.25%	12/2024	58	58	—	58
RegEd Aquireco, LLC(5)	Senior loan	L + 4.25%	N/A(6)	12/2024	—	(5)	—	—
Saba Software, Inc.^*#+!~	Senior loan	L + 4.50% (b)	6.59%	05/2023	49,189	50,222	2.2	49,189
Saba Software, Inc.#+!~	Senior loan	L + 4.50% (b)	6.59%	05/2023	11,011	11,140	0.5	11,011
Saba Software, Inc.(5)	Senior loan	L + 4.50%	N/A(6)	05/2023	—	(2)	—	—
SnapLogic, Inc.	One stop	L + 8.75% (a)	5.29% cash/5.50% PIK	09/2024	5,734	5,650	0.3	5,671
SnapLogic, Inc.	One stop	L + 3.25%	N/A(6)	09/2024	—	—	—	—
SnapLogic, Inc.	One stop	L + 3.25%	N/A(6)	09/2024	—	—	—	—
Telesoft, LLC*	One stop	L + 5.00% (c)	7.32%	07/2022	7,276	7,437	0.3	7,276
Telesoft, LLC	One stop	L + 5.00%	N/A(6)	07/2022	—	—	—	—
TI Intermediate Holdings, LLC+	Senior loan	L + 4.50% (a)	6.54%	12/2024	3,553	3,624	0.2	3,553
TI Intermediate Holdings, LLC	Senior loan	L + 4.50%	N/A(6)	12/2024	—	—	—	—
Transact Holdings, Inc.#+!~	Senior loan	L + 4.75% (c)	7.01%	04/2026	3,110	3,160	0.1	3,094
Transaction Data Systems, Inc.*#+!~	One stop	L + 5.25% (a)	7.30%	06/2021	84,331	86,275	3.8	84,331
Transaction Data Systems, Inc.	One stop	L + 5.25% (a)	7.30%	06/2021	130	133	—	130
Trintech, Inc.^*	One stop	L + 6.50% (c)	8.76%	12/2023	22,629	23,071	1.0	22,629
Trintech, Inc.^	One stop	L + 6.50% (c)	8.76%	12/2023	9,383	9,625	0.4	9,383
Trintech, Inc.	One stop	L + 6.50% (c)	8.69%	12/2023	120	122	—	120
True Commerce, Inc.^#+!~	One stop	L + 5.75% (c)	7.85%	11/2023	15,428	15,776	0.7	15,428
True Commerce, Inc.+(8)(9)	One stop	L + 5.75% (c)	7.85%	11/2023	2,616	2,735	0.1	2,572
True Commerce, Inc.(8)	One stop	L + 5.75% (c)	7.85%	11/2023	919	960	—	919
True Commerce, Inc.(5)	One stop	L + 5.75%	N/A(6)	11/2023	—	(1)	—	—
Upserve, Inc.#!~	One stop	L + 5.50% (a)	7.54%	07/2023	5,141	5,222	0.2	5,141
Upserve, Inc.	One stop	L + 5.50% (a)	7.54%	07/2023	1,451	1,511	0.1	1,451

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Diversified Conglomerate/Service - (continued)									
Upserve, Inc.	One stop	L + 5.50%		N/A(6)	07/2023	$ —	$ —	$ — %	$ —
Vector CS Midco Limited & Cloudsense Ltd.#!~(8)(9)(10)	One stop	L + 7.25%	(c)	4.50% cash/2.75% PIK	05/2024	7,608	7,758	0.3	7,322
Vector CS Midco Limited & Cloudsense Ltd.(5)(8)(9)(10)	One stop	L + 4.50%		N/A(6)	05/2024	—	(1)	—	—
Velocity Technology Solutions, Inc.*	One stop	L + 6.00%	(c)	8.10%	12/2023	18,464	18,832	0.8	18,464
Velocity Technology Solutions, Inc.(5)	One stop	L + 6.00%		N/A(6)	12/2023	—	(1)	—	—
Vendavo, Inc.*#!~	One stop	L + 8.50%	(c)	10.62%	10/2022	35,726	35,670	1.6	35,726
Vendavo, Inc.	One stop	P + 7.25%	(f)	12.50%	10/2022	332	328	—	332
Verisys Corporation*	One stop	L + 6.50%	(c)	8.60%	01/2023	8,555	8,736	0.4	8,555
Verisys Corporation(5)	One stop	L + 6.50%		N/A(6)	01/2023	—	(1)	—	—
Workforce Software, LLC#!~	One stop	L + 6.50%	(c)	7.76% cash/1.00% PIK	07/2025	27,059	27,903	1.2	26,787
Workforce Software, LLC(5)	One stop	L + 6.50%		N/A(6)	07/2025	—	(3)	—	(2)
						1,419,537	1,439,750	63.2	1,409,960
Ecological									
Pace Analytical Services, LLC	One stop	L + 5.50%	(a)	7.54%	09/2022	29,947	30,387	1.3	29,947
Pace Analytical Services, LLC^	One stop	L + 5.50%	(a)	7.54%	09/2022	2,785	2,833	0.1	2,785
Pace Analytical Services, LLC	One stop	L + 5.50%	(a)	7.54%	09/2022	1,668	1,735	0.1	1,668
Pace Analytical Services, LLC*	One stop	L + 5.50%	(a)	7.54%	09/2022	1,534	1,565	0.1	1,534
Pace Analytical Services, LLC^	One stop	L + 5.50%	(a)	7.54%	09/2022	1,235	1,284	0.1	1,235
Pace Analytical Services, LLC	One stop	L + 5.50%	(a)	7.54%	09/2022	836	851	—	836
Pace Analytical Services, LLC*	One stop	L + 5.50%	(a)	7.54%	09/2022	684	696	—	684
Pace Analytical Services, LLC	One stop	L + 5.50%	(a)	7.54%	09/2022	566	588	—	566
Pace Analytical Services, LLC	One stop	L + 5.50%	(a)	7.54%	09/2022	190	197	—	190
Pace Analytical Services, LLC	One stop	L + 5.50%	(a)	7.54%	09/2022	40	39	—	40
WRE Holding Corp.*	Senior loan	L + 5.00%	(a)(c)	7.25%	01/2023	2,300	2,352	0.1	2,300
WRE Holding Corp.#!~	Senior loan	L + 5.00%	(a)(c)	7.25%	01/2023	949	990	—	949
WRE Holding Corp.	Senior loan	L + 5.00%	(a)(c)	7.25%	01/2023	314	327	—	314
WRE Holding Corp.	Senior loan	L + 5.00%	(a)(c)(f)	7.23%	01/2023	28	29	—	28
						43,076	43,873	1.8	43,076
Electronics									
Appriss Holdings, Inc.#+!~	One stop	L + 5.50%	(c)	7.60%	06/2026	25,221	26,050	1.1	25,221
Appriss Holdings, Inc.(5)	One stop	L + 5.50%		N/A(6)	06/2025	—	(4)	—	—
Compusearch Software Holdings, Inc.^#+!~	Senior loan	L + 4.25%	(c)	6.35%	05/2021	2,979	3,020	0.1	2,979
Diligent Corporation*+	One stop	L + 5.50%	(c)(d)	7.56%	04/2022	35,807	37,168	1.6	35,807
Diligent Corporation*#!~	One stop	L + 5.50%	(c)(d)	7.56%	04/2022	25,868	25,670	1.2	25,868
Diligent Corporation#!~	One stop	L + 5.50%	(c)(d)	7.56%	04/2022	12,538	12,841	0.6	12,538
Diligent Corporation^*	One stop	L + 5.50%	(c)(d)	7.56%	04/2022	11,308	11,675	0.5	11,308
Diligent Corporation	One stop	L + 5.50%	(c)(d)	7.73%	04/2022	697	723	—	697
Diligent Corporation	One stop	L + 5.50%	(c)	7.81%	04/2022	489	508	—	489
Diligent Corporation	One stop	L + 5.50%	(c)(d)	7.64%	04/2022	285	287	—	285
Diligent Corporation#!~	One stop	L + 5.50%	(c)(d)	7.56%	04/2022	101	100	—	101
Diligent Corporation#!~	One stop	L + 5.50%	(c)(d)	7.56%	04/2022	80	79	—	80
Diligent Corporation	One stop	L + 5.50%	(c)	7.81%	04/2022	39	38	—	39
Diligent Corporation#!~	One stop	L + 5.50%	(c)(d)	7.56%	04/2022	36	35	—	36
Episerver, Inc.#~!(8)(9)	One stop	L + 6.00%	(a)	6.00%	10/2024	20,821	21,208	0.9	20,139
Episerver, Inc.*	One stop	L + 5.75%	(a)	7.79%	10/2024	12,310	12,545	0.6	12,310

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
September 30, 2019
(In thousands)

	Investment Type	Spread Above Index[1]	Interest Rate[2]	Maturity Date	Principal ($) / Shares[3]	Amortized Cost	Percentage of Net Assets	Fair Value [4]
Electronics - (continued)								
Episerver, Inc.[5]	One stop	L + 5.75%	N/A[6]	10/2024	$ —	$ (2)	— %	$ —
Gamma Technologies, LLC^*#!~	One stop	L + 5.25% (a)	7.29%	06/2024	33,411	33,814	1.5	33,411
Gamma Technologies, LLC[5]	One stop	L + 5.25%	N/A[6]	06/2024	—	(1)	—	—
SEI, Inc.*	Senior loan	L + 4.75% (a)	6.79%	07/2023	9,575	9,805	0.4	9,575
Silver Peak Systems, Inc.	One stop	L + 7.00% (a)	9.03%	04/2024	5,998	6,018	0.3	6,004
Silver Peak Systems, Inc.	One stop	L + 7.00%	N/A[6]	04/2024	—	—	—	—
Sloan Company, Inc., The+[7]	One stop	L + 8.50% (c)	10.60%	04/2020	9,839	8,623	0.3	6,070
Sloan Company, Inc., The[7]	One stop	L + 8.50% (c)	10.60%	04/2020	659	578	—	406
Sloan Company, Inc., The[7]	One stop	L + 8.50% (c)	10.60%	04/2020	297	298	—	303
Sloan Company, Inc., The[7]	One stop	L + 8.50% (c)	10.60%	04/2020	104	85	—	64
Sovos Compliance*+	One stop	L + 4.75% (a)	6.79%	04/2024	19,614	20,308	0.9	19,614
Sovos Compliance	Second lien	N/A	12.00% PIK	04/2025	8,843	9,133	0.4	8,843
Sovos Compliance	One stop	L + 4.75% (a)	6.79%	04/2024	1,903	1,972	0.1	1,903
Sovos Compliance	Second lien	N/A	12.00% PIK	04/2025	1,195	1,242	0.1	1,195
Sovos Compliance	One stop	L + 4.75% (a)	6.79%	04/2024	768	797	—	768
Sovos Compliance[5]	One stop	L + 4.75%	N/A[6]	04/2024	—	(2)	—	—
Watchfire Enterprises, Inc.	Second lien	L + 8.00% (c)	10.10%	10/2021	9,435	9,370	0.4	9,435
					250,220	253,981	11.0	245,488
Finance								
Institutional Shareholder Services#!~	Senior loan	L + 4.50% (c)	6.60%	03/2026	18,965	19,421	0.8	18,775
Institutional Shareholder Services	Senior loan	L + 4.50% (c)	6.60%	03/2024	116	111	—	108
					19,081	19,532	0.8	18,883
Grocery								
Teasdale Quality Foods, Inc.+	Senior loan	L + 5.75% (c)	7.85%	10/2020	354	348	—	319
Teasdale Quality Foods, Inc.	Senior loan	L + 5.75% (c)	7.85%	10/2020	102	96	—	92
					456	444	—	411
Healthcare, Education and Childcare								
Active Day, Inc.	One stop	L + 6.50% (c)	8.60%	12/2021	24,420	24,768	1.1	24,420
Active Day, Inc.^	One stop	L + 6.50% (c)	8.60%	12/2021	1,884	1,915	0.1	1,884
Active Day, Inc.*	One stop	L + 6.50% (c)	8.60%	12/2021	1,215	1,235	0.1	1,215
Active Day, Inc.	Senior loan	L + 6.50% (c)	8.60%	12/2021	967	1,006	—	967
Active Day, Inc.*	One stop	L + 6.50% (c)	8.60%	12/2021	839	852	—	839
Active Day, Inc.	One stop	L + 6.50% (c)(f)	8.60%	12/2021	70	70	—	70
Active Day, Inc.[5]	One stop	L + 6.50%	N/A[6]	12/2021	—	(1)	—	—
Acuity Eyecare Holdings, LLC	One stop	L + 6.25% (c)	8.37%	03/2023	5,990	6,108	0.3	5,990
Acuity Eyecare Holdings, LLC	One stop	L + 6.25% (b)(c)	8.43%	03/2023	5,643	5,799	0.3	5,643
Acuity Eyecare Holdings, LLC^	One stop	L + 6.25% (c)	8.35%	03/2023	3,293	3,434	0.1	3,293
Acuity Eyecare Holdings, LLC	One stop	L + 6.25% (c)	8.39%	03/2023	1,593	1,656	0.1	1,593
Acuity Eyecare Holdings, LLC	One stop	L + 6.25% (c)	8.42%	03/2023	796	830	—	796
Acuity Eyecare Holdings, LLC	One stop	L + 6.25%	N/A[6]	03/2023	—	—	—	—
ADCS Clinics Intermediate Holdings, LLC+	One stop	L + 5.75% (a)	7.79%	05/2022	42,312	42,976	1.9	42,312
ADCS Clinics Intermediate Holdings, LLC*	One stop	L + 5.75% (a)	7.79%	05/2022	212	216	—	212
ADCS Clinics Intermediate Holdings, LLC*	One stop	L + 5.75% (a)	7.85%	05/2022	164	167	—	164
ADCS Clinics Intermediate Holdings, LLC*	One stop	L + 5.75% (a)	7.79%	05/2022	62	64	—	62
ADCS Clinics Intermediate Holdings, LLC	One stop	L + 5.75% (a)	7.79%	05/2022	30	30	—	30
Advanced Pain Management Holdings, Inc.+[7]	Senior loan	L + 5.00% (c)	7.10%	12/2019	5,261	3,281	0.1	3,157

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Golub Capital BDC, Inc. and Subsidiaries
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	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Healthcare, Education and Childcare - (continued)								
Advanced Pain Management Holdings, Inc.(7)	Senior loan	L + 8.50% (c)	10.60%	12/2019	$ 1,823	$ 3	— %	$ 3
Advanced Pain Management Holdings, Inc.+(7)	Senior loan	L + 5.00% (c)	7.10%	12/2019	360	225	—	216
Advanced Pain Management Holdings, Inc.(5)(7)	Senior loan	L + 5.00% (c)	7.10%	12/2019	164	(7)	—	(7)
Agilitas USA, Inc.*	One stop	L + 5.00% (c)	7.32%	04/2022	10,206	10,252	0.5	10,206
Agilitas USA, Inc.	One stop	L + 5.00% (c)	7.32%	04/2022	20	20	—	20
Apothecary Products, LLC+	Senior loan	L + 4.50% (c)	6.70%	07/2023	3,086	3,228	0.1	3,086
Apothecary Products, LLC	Senior loan	L + 4.50%	N/A(6)	07/2023	—	—	—	—
Aris Teleradiology Company, LLC+(7)	Senior loan	L + 5.50% (c)	7.60%	03/2021	5,403	3,244	0.1	1,149
Aris Teleradiology Company, LLC(7)	Senior loan	L + 5.50% (b)(c)(d)	7.66%	03/2021	1,084	684	—	220
Aspen Medical Products, LLC#+!~	One stop	L + 5.25% (a)(c)	7.30%	06/2025	4,303	4,389	0.2	4,303
Aspen Medical Products, LLC	One stop	L + 5.25%	N/A(6)	06/2025	—	—	—	—
BIO18 Borrower, LLC	One stop	L + 5.25% (a)	7.30%	11/2024	11,188	11,231	0.5	11,188
BIO18 Borrower, LLC	One stop	L + 5.25% (a)	7.30%	11/2024	66	66	—	66
BIO18 Borrower, LLC(5)	One stop	L + 5.25%	N/A(6)	11/2024	—	(4)	—	—
BIOVT, LLC^*	One stop	L + 5.75% (a)	7.79%	01/2021	34,487	35,136	1.6	34,487
BIOVT, LLC#!~	One stop	L + 5.75% (a)	7.79%	01/2021	2,094	2,179	0.1	2,094
BIOVT, LLC	One stop	L + 5.75% (a)	7.79%	01/2021	1,966	2,045	0.1	1,966
BIOVT, LLC	One stop	L + 5.75%	N/A(6)	01/2021	—	—	—	—
BIOVT, LLC	One stop	L + 5.75%	N/A(6)	01/2021	—	—	—	—
Blades Buyer, Inc.#+!~	Senior loan	L + 4.50% (b)(c)	6.75%	08/2025	2,848	2,879	0.1	2,827
Blades Buyer, Inc.	Senior loan	L + 4.50%	N/A(6)	08/2025	—	—	—	—
Blades Buyer, Inc.(5)	Senior loan	L + 4.50%	N/A(6)	08/2025	—	(8)	—	(8)
CLP Healthcare Services, Inc.^	Senior loan	L + 5.25% (c)	7.37%	12/2020	4,762	4,788	0.2	4,762
CMI Parent Inc.#+!~	Senior loan	L + 4.25% (a)	6.29%	08/2025	6,700	6,852	0.3	6,634
CMI Parent Inc.(5)	Senior loan	L + 4.25%	N/A(6)	08/2025	—	(2)	—	(4)
CRH Healthcare Purchaser, Inc.#+!~	Senior loan	L + 4.50% (c)	6.60%	12/2024	14,011	14,203	0.6	14,011
CRH Healthcare Purchaser, Inc.(5)	Senior loan	L + 4.50%	N/A(6)	12/2024	—	(1)	—	—
CRH Healthcare Purchaser, Inc.(5)	Senior loan	L + 4.50%	N/A(6)	12/2024	—	(3)	—	—
DCA Investment Holding, LLC^*+	One stop	L + 5.25% (c)	7.35%	07/2021	31,737	32,216	1.4	31,737
DCA Investment Holding, LLC^*#+!~	One stop	L + 5.25% (c)	7.35%	07/2021	27,496	28,087	1.2	27,496
DCA Investment Holding, LLC*	One stop	L + 5.25% (c)	7.35%	07/2021	8,405	8,655	0.4	8,405
DCA Investment Holding, LLC	One stop	L + 5.25% (c)	7.35%	07/2021	4,074	4,244	0.2	4,074
DCA Investment Holding, LLC	One stop	L + 5.25% (c)	7.35%	07/2021	3,706	3,860	0.2	3,706
DCA Investment Holding, LLC*	One stop	L + 5.25% (c)	7.35%	07/2021	2,537	2,643	0.1	2,537
DCA Investment Holding, LLC	One stop	L + 5.25% (c)	7.35%	07/2021	678	706	—	678
DCA Investment Holding, LLC	One stop	P + 4.25% (f)	9.25%	07/2021	309	303	—	309
DCA Investment Holding, LLC*	One stop	L + 5.25% (c)	7.35%	07/2021	300	306	—	300
DCA Investment Holding, LLC*	One stop	L + 5.25% (c)	7.35%	07/2021	94	95	—	94
Deca Dental Management LLC^*	One stop	L + 6.00% (c)	8.10%	12/2021	11,386	11,690	0.5	11,386
Deca Dental Management LLC#!~	One stop	L + 6.00% (a)(c)	8.11%	12/2021	1,385	1,423	0.1	1,385
Deca Dental Management LLC#+!~	One stop	L + 6.00% (c)	8.10%	12/2021	999	1,026	0.1	999
Deca Dental Management LLC	One stop	L + 6.00% (a)(c)	8.21%	12/2021	741	771	—	741
Deca Dental Management LLC	One stop	L + 6.00% (a)(c)	8.12%	12/2021	32	31	—	32
Deca Dental Management LLC	One stop	L + 6.00%	N/A(6)	12/2021	—	—	—	—

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Golub Capital BDC, Inc. and Subsidiaries
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	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Healthcare, Education, and Childcare - (continued)									
Dental Holdings Corporation	One stop	L + 6.00%	(c)	8.12%	02/2020	$ 10,226	$ 10,340	0.5 %	$ 10,226
Dental Holdings Corporation*	One stop	L + 6.00%	(c)	8.12%	02/2020	1,632	1,651	0.1	1,632
Dental Holdings Corporation	One stop	L + 6.00%	(c)	8.12%	02/2020	828	837	—	828
Elite Dental Partners LLC*	One stop	L + 5.25%	(a)	7.29%	06/2023	14,145	13,994	0.6	13,437
Elite Dental Partners LLC	One stop	L + 5.25%	(a)	7.29%	06/2023	1,874	1,862	0.1	1,781
Elite Dental Partners LLC	One stop	L + 5.25%	(a)	7.29%	06/2023	1,757	1,746	0.1	1,669
Elite Dental Partners LLC#+!~	One stop	L + 5.25%	(a)	7.29%	06/2023	1,676	1,665	0.1	1,592
Elite Dental Partners LLC#!~	One stop	L + 5.25%	(a)	7.29%	06/2023	1,607	1,596	0.1	1,527
Elite Dental Partners LLC	One stop	L + 5.25%	(a)	7.29%	06/2023	200	198	—	190
Elite Dental Partners LLC(5)	One stop	L + 5.25%		N/A(6)	06/2023	—	(6)	—	—
ERG Buyer, LLC*	One stop	L + 5.50%	(c)	7.60%	05/2024	19,330	19,265	0.8	18,749
ERG Buyer, LLC	One stop	P + 4.50%	(f)	9.50%	05/2024	20	14	—	12
ERG Buyer, LLC(5)	One stop	L + 5.50%		N/A(6)	05/2024	—	(9)	—	—
eSolutions, Inc.^*+	One stop	L + 6.50%	(a)	8.54%	03/2022	70,456	71,662	3.2	70,456
eSolutions, Inc.	One stop	L + 6.50%	(d)	8.56%	03/2022	100	100	—	100
Excelligence Learning Corporation^	One stop	L + 6.00%	(a)	8.04%	04/2023	10,171	9,808	0.4	9,154
Eyecare Services Partners Holdings LLC+	One stop	L + 6.25%	(c)	8.35%	05/2023	18,129	18,252	0.8	17,766
Eyecare Services Partners Holdings LLC*	One stop	L + 6.25%	(c)	8.35%	05/2023	7,951	8,126	0.4	7,792
Eyecare Services Partners Holdings LLC*	One stop	L + 6.25%	(c)	8.35%	05/2023	6,964	7,125	0.3	6,825
Eyecare Services Partners Holdings LLC*+	One stop	L + 6.25%	(c)	8.35%	05/2023	2,377	2,432	0.1	2,330
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.55%	05/2023	2,027	2,064	0.1	1,986
Eyecare Services Partners Holdings LLC*	One stop	L + 6.25%	(c)	8.35%	05/2023	1,526	1,561	0.1	1,495
Eyecare Services Partners Holdings LLC*	One stop	L + 6.25%	(c)	8.35%	05/2023	1,128	1,155	0.1	1,106
Eyecare Services Partners Holdings LLC*	One stop	L + 6.25%	(c)	8.35%	05/2023	994	1,017	—	974
Eyecare Services Partners Holdings LLC*+	One stop	L + 6.25%	(c)	8.35%	05/2023	641	654	—	629
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.51%	05/2023	200	198	—	192
G & H Wire Company, Inc.^	One stop	L + 5.75%	(a)	7.79%	09/2023	5,980	5,980	0.3	5,980
G & H Wire Company, Inc.(5)	One stop	L + 5.75%		N/A(6)	09/2022	—	(1)	—	—
Immucor, Inc.+	Senior loan	L + 5.00%	(c)	7.10%	06/2021	3,594	3,672	0.2	3,598
Joerns Healthcare, LLC^*	One stop	L + 6.00%	(c)	8.16%	08/2024	535	506	—	535
Joerns Healthcare, LLC^*	One stop	L + 6.00%	(c)	8.16%	08/2024	514	506	—	514
Katena Holdings, Inc.^	One stop	L + 5.50%	(c)	7.60%	06/2021	12,863	13,026	0.6	12,863
Katena Holdings, Inc.^	One stop	L + 5.50%	(c)	7.60%	06/2021	1,256	1,273	0.1	1,256
Katena Holdings, Inc.	One stop	L + 5.50%	(c)	7.60%	06/2021	860	869	—	860
Katena Holdings, Inc.	One stop	P + 4.50%	(f)	9.50%	06/2021	80	82	—	80
Krueger-Gilbert Health Physics, LLC#!~	One stop	L + 4.75%	(c)	6.85%	05/2025	2,383	2,368	0.1	2,383
Krueger-Gilbert Health Physics, LLC	One stop	L + 4.75%	(b)(c)	7.02%	05/2025	1,125	1,171	0.1	1,125
Krueger-Gilbert Health Physics, LLC	One stop	L + 4.75%		N/A(6)	05/2025	—	—	—	—
Krueger-Gilbert Health Physics, LLC(5)	One stop	L + 4.75%		N/A(6)	05/2025	—	(2)	—	—
Lombart Brothers, Inc.^*#+!~(8)	One stop	L + 6.25%	(c)	8.35%	04/2023	29,259	29,693	1.3	29,259
Lombart Brothers, Inc.^(8)(9)	One stop	L + 6.25%	(c)	8.35%	04/2023	3,150	3,196	0.1	3,150
Lombart Brothers, Inc.	One stop	P + 5.00%	(f)	10.00%	04/2023	98	99	—	98
Lombart Brothers, Inc.(8)(9)	One stop	P + 5.00%	(f)	10.00%	04/2023	14	15	—	14
MD Now Holdings, Inc.+	One stop	L + 5.00%	(c)	7.10%	08/2024	14,690	14,885	0.7	14,690
MD Now Holdings, Inc.(5)	One stop	L + 5.00%		N/A(6)	08/2024	—	(1)	—	—
MD Now Holdings, Inc.(5)	One stop	L + 5.00%		N/A(6)	08/2024	—	(1)	—	—
MWD Management, LLC & MWD Services, Inc.*	One stop	L + 5.25%	(c)	7.35%	06/2023	7,088	7,074	0.3	6,946
MWD Management, LLC & MWD Services, Inc.^	One stop	L + 5.25%	(c)	7.35%	06/2023	4,564	4,670	0.2	4,472

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Healthcare, Education, and Childcare - (continued)								
MWD Management, LLC & MWD Services, Inc.(5)	One stop	L + 5.25%	N/A(6)	06/2022	$ —	$ (3)	— %	$ (4)
Oliver Street Dermatology Holdings, LLC	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	19,200	17,574	0.6	14,400
Oliver Street Dermatology Holdings, LLC*	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	2,241	1,916	0.1	1,680
Oliver Street Dermatology Holdings, LLC	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	2,099	1,912	0.1	1,575
Oliver Street Dermatology Holdings, LLC^+	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	1,577	1,344	0.1	1,183
Oliver Street Dermatology Holdings, LLC*+	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	1,393	1,188	0.1	1,045
Oliver Street Dermatology Holdings, LLC*+	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	1,213	1,034	—	910
Oliver Street Dermatology Holdings, LLC^+	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	944	805	—	708
Oliver Street Dermatology Holdings, LLC*+	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	819	698	—	614
Oliver Street Dermatology Holdings, LLC#+!~	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	505	430	—	379
Oliver Street Dermatology Holdings, LLC	One stop	L + 7.25% (c)(f)	8.35% cash/1.00% PIK	05/2022	289	263	—	215
Oliver Street Dermatology Holdings, LLC^	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	98	89	—	74
Oliver Street Dermatology Holdings, LLC*	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	88	81	—	66
Oliver Street Dermatology Holdings, LLC^	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	70	63	—	52
Oliver Street Dermatology Holdings, LLC^	One stop	L + 7.25% (c)	8.35% cash/1.00% PIK	05/2022	64	59	—	48
ONsite Mammography, LLC	One stop	L + 6.75% (a)	8.79%	11/2023	5,842	5,920	0.3	5,842
ONsite Mammography, LLC	One stop	L + 6.75% (a)	8.79%	11/2023	1,031	1,075	0.1	1,031
ONsite Mammography, LLC	One stop	L + 6.75% (a)	8.79%	11/2023	100	102	—	100
Pinnacle Treatment Centers, Inc.	One stop	L + 5.75% (c)	8.01%	08/2021	19,329	19,650	0.9	19,329
Pinnacle Treatment Centers, Inc.#+!~	One stop	L + 5.75% (c)	8.01%	08/2021	716	730	—	716
Pinnacle Treatment Centers, Inc.	One stop	L + 5.75% (c)	8.01%	08/2021	347	360	—	347
Pinnacle Treatment Centers, Inc.	One stop	L + 5.75% (c)	8.01%	08/2021	188	193	—	188
Pinnacle Treatment Centers, Inc.^	One stop	L + 5.75% (c)	8.01%	08/2021	108	111	—	108
Pinnacle Treatment Centers, Inc.	One stop	L + 5.75% (c)(f)	8.53%	08/2021	102	103	—	102
PPT Management Holdings, LLC+	One stop	L + 6.75% (a)(c)	8.10% cash/0.75% PIK	12/2022	24,533	22,536	0.9	20,846
PPT Management Holdings, LLC	One stop	L + 6.75% (a)(c)	8.10% cash/0.75% PIK	12/2022	302	285	—	256
PPT Management Holdings, LLC	One stop	L + 6.75% (a)(c)	8.10% cash/0.75% PIK	12/2022	178	168	—	152
PPT Management Holdings, LLC	One stop	L + 6.75% (a)(c)	8.10% cash/0.75% PIK	12/2022	86	76	—	74
PPT Management Holdings, LLC(5)	One stop	L + 6.75% (a)(c)	8.10% cash/0.75% PIK	12/2022	16	(17)	—	(46)
Pyramid Healthcare, Inc.*+	One stop	L + 6.50% (c)	8.78%	08/2020	1,459	1,467	0.1	1,459
Pyramid Healthcare, Inc.	One stop	L + 6.50% (c)(f)	8.78%	08/2020	337	347	—	337
Pyramid Healthcare, Inc.	One stop	L + 6.50% (c)	8.62%	08/2020	113	117	—	113
Riverchase MSO, LLC*	Senior loan	L + 5.75% (c)	7.85%	10/2022	9,720	9,901	0.4	9,720
Riverchase MSO, LLC	Senior loan	P + 4.75% (f)	9.75%	10/2022	26	26	—	26
RXH Buyer Corporation^*	One stop	L + 5.75% (c)	7.85%	09/2021	27,814	28,193	1.3	27,814
RXH Buyer Corporation*	One stop	L + 5.75% (c)	7.85%	09/2021	3,147	3,192	0.1	3,147
RXH Buyer Corporation	One stop	L + 5.75% (c)(f)	8.78%	09/2021	158	159	—	158
SLMP, LLC^	One stop	L + 6.00% (a)	8.04%	05/2023	12,073	12,176	0.5	12,073
SLMP, LLC^	One stop	L + 6.00% (a)	8.04%	05/2023	5,813	6,060	0.3	5,813
SLMP, LLC	Subordinated debt	N/A	7.50% PIK	05/2027	223	229	—	223
SLMP, LLC(5)	One stop	L + 6.00%	N/A(6)	05/2023	—	(1)	—	—

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
September 30, 2019
(In thousands)

	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Healthcare, Education, and Childcare - (continued)									
SLMP, LLC(5)	One stop	L + 6.00%		N/A(6)	05/2023	$ —	$ (1)	— %	$ —
Spear Education, LLC^	One stop	L + 5.75%	(c)	8.07%	12/2019	7,964	8,098	0.4	7,964
Spear Education, LLC*	One stop	L + 5.75%	(c)	8.07%	12/2019	249	256	—	249
Spear Education, LLC	One stop	L + 5.75%		N/A(6)	12/2019	—	—	—	—
Summit Behavioral Healthcare, LLC^	Senior loan	L + 4.75%	(c)	6.87%	10/2023	11,065	10,961	0.5	10,512
Summit Behavioral Healthcare, LLC	Senior loan	L + 4.75%	(c)	6.87%	10/2023	180	178	—	171
Summit Behavioral Healthcare, LLC	Senior loan	L + 4.75%	(c)	6.87%	10/2023	144	141	—	136
WHCG Management, LLC*	Senior loan	L + 6.00%	(c)	8.10%	03/2023	6,256	6,405	0.3	6,256
WHCG Management, LLC	Senior loan	L + 6.00%	(c)	8.11%	03/2023	200	204	—	200
WHCG Management, LLC(5)	Senior loan	L + 6.00%		N/A(6)	03/2023	—	(4)	—	—
WIRB-Copernicus Group, Inc.^*#!~	Senior loan	L + 4.25%	(c)	6.35%	08/2022	24,583	25,145	1.1	24,583
WIRB-Copernicus Group, Inc.(5)	Senior loan	L + 4.25%		N/A(6)	08/2022	—	(1)	—	—
WIRB-Copernicus Group, Inc.(5)	Senior loan	L + 4.25%		N/A(6)	08/2022	—	(1)	—	—
						752,215	750,240	32.8	726,960
Home and Office Furnishings, Housewares, and Durable Consumer									
1A Smart Start LLC#+!~	Senior loan	L + 4.50%	(a)	6.54%	02/2022	1,389	1,412	0.1	1,389
CST Buyer Company^	One stop	L + 5.00%	(a)	7.04%	03/2023	5,347	5,441	0.2	5,347
CST Buyer Company	One stop	L + 5.00%		N/A(6)	03/2023	—	—	—	—
Plano Molding Company, LLC^+	One stop	L + 7.00%	(a)	9.04%	05/2021	14,748	14,698	0.6	14,158
						21,484	21,551	0.9	20,894
Hotels, Motels, Inns, and Gaming									
Davidson Hotel Company, LLC+	One stop	L + 5.25%	(a)(c)	7.29%	07/2024	8,544	8,476	0.4	8,459
Davidson Hotel Company, LLC(5)	One stop	L + 5.25%		N/A(6)	07/2024	—	(13)	—	(27)
Davidson Hotel Company, LLC(5)	One stop	L + 5.25%		N/A(6)	07/2024	—	—	—	(11)
Davidson Hotel Company, LLC(5)	One stop	L + 5.25%		N/A(6)	07/2024	—	—	—	(2)
						8,544	8,463	0.4	8,419
Insurance									
Captive Resources Midco, LLC^*#+!~	One stop	L + 6.00%	(c)	8.20%	05/2025	54,907	55,075	2.5	54,907
Captive Resources Midco, LLC(5)	One stop	L + 6.00%		N/A(6)	05/2025	—	(28)	—	—
Captive Resources Midco, LLC(5)	One stop	L + 6.00%		N/A(6)	05/2025	—	(27)	—	—
Integrity Marketing Acquisition, LLC#+!~	Senior loan	L + 5.75%	(c)	7.88%	08/2025	2,489	2,490	0.1	2,452
Integrity Marketing Acquisition, LLC	Senior loan	L + 5.75%		N/A(6)	08/2025	—	—	—	—
Integrity Marketing Acquisition, LLC(5)	Senior loan	L + 5.75%		N/A(6)	08/2025	—	(5)	—	(12)
Integrity Marketing Acquisition, LLC(5)	Senior loan	L + 5.75%		N/A(6)	08/2025	—	(3)	—	(8)
J.S. Held Holdings, LLC#+!~	One stop	L + 6.00%	(c)	8.10%	07/2025	2,930	2,944	0.1	2,930
J.S. Held Holdings, LLC	One stop	P + 5.00%	(f)	10.00%	07/2025	28	21	—	28
J.S. Held Holdings, LLC(5)	One stop	L + 6.00%		N/A(6)	07/2025	—	(38)	—	—
Orchid Underwriters Agency, LLC#+!~	Senior loan	L + 4.50%	(c)	6.70%	12/2024	4,231	4,295	0.2	4,231
Orchid Underwriters Agency, LLC	Senior loan	L + 4.50%		N/A(6)	12/2024	—	—	—	—
Orchid Underwriters Agency, LLC(5)	Senior loan	L + 4.50%		N/A(6)	12/2024	—	(1)	—	—
RSC Acquisition, Inc.#+!~	Senior loan	L + 4.25%	(a)(b)(c)(f)	6.40%	11/2022	36,746	38,166	1.7	36,746
RSC Acquisition, Inc.*	Senior loan	L + 4.25%	(b)	6.40%	11/2022	2,280	2,261	0.1	2,280
RSC Acquisition, Inc.	Senior loan	L + 4.25%		N/A(6)	11/2021	—	—	—	—
RSC Acquisition, Inc.(5)	Senior loan	L + 4.25%		N/A(6)	11/2022	—	(2)	—	—
						103,611	105,148	4.7	103,554
Leisure, Amusement, Motion Pictures, Entertainment									
CR Fitness Holdings, LLC#+!~	Senior loan	L + 4.25%	(a)	6.29%	07/2025	2,019	2,033	0.1	2,019

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Golub Capital BDC, Inc. and Subsidiaries

Consolidated Schedule of Investments - (continued)

September 30, 2019

(In thousands)

	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Leisure, Amusement, Motion Pictures, Entertainment - (continued)									
CR Fitness Holdings, LLC	Senior loan	L + 4.25%	(c)	6.55%	07/2025	$ 67	$ 61	— %	$ 67
CR Fitness Holdings, LLC	Senior loan	L + 4.25%		N/A(6)	07/2025	—	—	—	—
EOS Fitness Opco Holdings, LLC*	One stop	L + 4.75%	(c)	6.85%	01/2025	8,763	8,904	0.4	8,763
EOS Fitness Opco Holdings, LLC	One stop	L + 4.75%	(c)	6.86%	01/2025	334	347	—	334
EOS Fitness Opco Holdings, LLC	One stop	P + 3.75%	(f)	8.75%	01/2025	12	11	—	12
PADI Holdco, Inc.*	One stop	L + 5.75%	(c)	7.86%	04/2023	21,989	22,385	1.0	21,989
PADI Holdco, Inc.#+!~(8)(9)	One stop	E + 5.75%	(g)	5.75%	04/2023	20,870	21,387	0.9	19,859
PADI Holdco, Inc.	One stop	L + 5.75%	(c)	7.96%	04/2022	182	185	—	182
Planet Fit Indy 10 LLC+	One stop	L + 5.25%	(c)	7.35%	07/2025	16,828	16,721	0.8	16,828
Planet Fit Indy 10 LLC	One stop	L + 5.25%	(c)	7.46%	07/2025	2,337	2,396	0.1	2,337
Planet Fit Indy 10 LLC	One stop	L + 5.25%	(c)	7.35%	07/2025	30	29	—	30
Planet Fit Indy 10 LLC(5)	One stop	L + 5.25%		N/A(6)	07/2025	—	(8)	—	—
Self Esteem Brands, LLC^*	Senior loan	L + 4.25%	(a)	6.29%	02/2022	30,835	31,428	1.4	30,835
Self Esteem Brands, LLC	Senior loan	P + 3.25%	(f)	8.25%	02/2022	490	485	—	490
Sunshine Sub, LLC#!~	One stop	L + 4.75%	(a)	6.79%	05/2024	13,057	13,184	0.6	13,057
Sunshine Sub, LLC	One stop	L + 4.75%	(a)	6.79%	05/2024	5,711	5,946	0.3	5,711
Sunshine Sub, LLC(5)	One stop	L + 4.75%		N/A(6)	05/2024	—	(1)	—	—
Teaching Company, The*	One stop	L + 4.75%	(c)	6.93%	07/2023	17,878	18,119	0.8	17,878
Teaching Company, The	One stop	L + 4.75%	(a)(f)	6.77%	07/2023	24	24	—	24
Titan Fitness, LLC*	One stop	L + 4.75%	(a)(c)	6.88%	02/2025	30,625	31,165	1.4	30,625
Titan Fitness, LLC(5)	One stop	L + 4.75%		N/A(6)	02/2025	—	(2)	—	—
Titan Fitness, LLC(5)	One stop	L + 4.75%		N/A(6)	02/2025	—	(2)	—	—
WBZ Investment LLC	One stop	L + 5.50%	(a)	7.54%	09/2024	8,525	8,597	0.4	8,525
WBZ Investment LLC	One stop	L + 5.50%	(a)	7.54%	09/2024	849	884	—	849
WBZ Investment LLC	One stop	L + 5.50%	(a)	7.54%	09/2024	457	475	—	457
WBZ Investment LLC	One stop	P + 4.50%	(f)	9.50%	09/2024	10	10	—	10
						181,892	184,763	8.2	180,881
Oil and Gas									
Drilling Info Holdings, Inc.*#+!~	Senior loan	L + 4.25%	(a)	6.29%	07/2025	35,612	36,252	1.6	35,612
Drilling Info Holdings, Inc.(5)	Senior loan	L + 4.25%		N/A(6)	07/2023	—	(2)	—	—
Drilling Info Holdings, Inc.(5)	Senior loan	L + 4.25%		N/A(6)	07/2025	—	(13)	—	—
						35,612	36,237	1.6	35,612
Personal and Non Durable Consumer Products (Mfg. Only)									
Georgica Pine Clothiers, LLC	One stop	L + 5.50%	(c)	7.60%	11/2022	10,337	10,503	0.5	10,337
Georgica Pine Clothiers, LLC*	One stop	L + 5.50%	(c)	7.60%	11/2022	6,479	6,587	0.3	6,479
Georgica Pine Clothiers, LLC^	One stop	L + 5.50%	(c)	7.60%	11/2022	902	918	—	902
Georgica Pine Clothiers, LLC*	One stop	L + 5.50%	(c)	7.60%	11/2022	633	645	—	633
Georgica Pine Clothiers, LLC	One stop	L + 5.50%	(c)	7.73%	11/2022	50	50	—	50
IMPLUS Footwear, LLC#+!~	One stop	L + 6.25%	(c)	8.35%	04/2024	30,462	30,970	1.4	30,462
IMPLUS Footwear, LLC#+!~	One stop	L + 6.25%	(c)	8.41%	04/2024	5,202	5,288	0.2	5,202
IMPLUS Footwear, LLC	One stop	L + 6.25%	(c)	8.35%	04/2024	750	781	—	750
Orthotics Holdings, Inc.*(8)	One stop	L + 6.00%	(a)	8.04%	05/2020	11,738	11,799	0.5	11,504

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Golub Capital BDC, Inc. and Subsidiaries
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(In thousands)

	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Personal and Non Durable Consumer Products (Mfg. Only) - (continued)								
Orthotics Holdings, Inc.*(8)(9)	One stop	L + 6.00% (a)	8.04%	05/2020	$ 1,924	$ 1,934	0.1 %	$ 1,886
Orthotics Holdings, Inc.(5)	One stop	L + 6.00%	N/A(6)	05/2020	—	(1)	—	—
WU Holdco, Inc. #!~	One stop	L + 5.50% (c)	7.60%	03/2026	3,016	3,110	0.1	3,016
WU Holdco, Inc.	One stop	L + 5.50% (c)	7.62%	03/2026	58	61	—	58
WU Holdco, Inc.	One stop	L + 5.50%	N/A(6)	03/2025	—	—	—	—
					71,551	72,645	3.1	71,279
Personal, Food and Miscellaneous Services								
Blue River Pet Care, LLC+	One stop	L + 5.00% (c)(d)	7.04%	07/2026	25,636	25,716	1.1	25,379
Blue River Pet Care, LLC(5)	One stop	L + 5.00%	N/A(6)	07/2026	—	(129)	—	(129)
Blue River Pet Care, LLC(5)	One stop	L + 5.00%	N/A(6)	08/2025	—	(4)	—	(4)
Captain D's, LLC^	Senior loan	L + 4.50% (a)(c)	6.54%	12/2023	6,021	6,078	0.3	6,021
Captain D's, LLC	Senior loan	L + 4.50% (a)(c)(f)	7.48%	12/2023	40	40	—	40
Clarkson Eyecare LLC*+	One stop	L + 6.25% (c)	8.35%	04/2021	52,934	54,106	2.3	51,875
Clarkson Eyecare LLC#+!~	One stop	L + 6.25% (c)	8.37%	04/2021	6,703	6,778	0.3	6,569
Clarkson Eyecare LLC	One stop	L + 6.25% (c)	8.38%	04/2021	1,512	1,496	0.1	1,430
Clarkson Eyecare LLC	One stop	L + 6.25% (c)	8.35%	04/2021	1,236	1,266	0.1	1,211
Clarkson Eyecare LLC#!~	One stop	L + 6.25% (c)	8.39%	04/2021	150	147	—	147
Clarkson Eyecare LLC	One stop	L + 6.25% (c)	8.35%	04/2021	37	36	—	36
Clarkson Eyecare LLC	One stop	L + 6.25% (c)	8.35%	04/2021	32	31	—	31
Clarkson Eyecare LLC	One stop	L + 6.25% (c)(f)	8.38%	04/2021	32	32	—	31
Clarkson Eyecare LLC(5)	One stop	L + 6.25%	N/A(6)	04/2021	—	(14)	—	(15)
Community Veterinary Partners, LLC^	One stop	L + 5.50% (a)	7.54%	10/2021	2,205	2,290	0.1	2,205
Community Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.54%	10/2021	1,101	1,143	0.1	1,101
Community Veterinary Partners, LLC#!~	One stop	L + 5.50% (a)	7.54%	10/2021	873	906	—	873
Community Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.54%	10/2021	741	770	—	741
Community Veterinary Partners, LLC#!~	One stop	L + 5.50% (a)	7.54%	10/2021	657	683	—	657
Community Veterinary Partners, LLC#!~	One stop	L + 5.50% (a)	7.54%	10/2021	585	608	—	585
Community Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.54%	10/2021	315	310	—	315
Community Veterinary Partners, LLC*	One stop	L + 5.50% (a)	7.54%	10/2021	196	200	—	196
Community Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.54%	10/2021	50	49	—	50
Imperial Optical Midco Inc.	One stop	L + 4.75% (b)(c)	6.87%	08/2023	3,650	3,710	0.2	3,614
Imperial Optical Midco Inc.*	One stop	L + 4.75% (b)	6.84%	08/2023	2,846	2,820	0.1	2,817
Imperial Optical Midco Inc.	One stop	L + 4.75% (b)(c)	6.86%	08/2023	1,934	1,996	0.1	1,915
Imperial Optical Midco Inc.	One stop	L + 4.75% (b)	6.84%	08/2023	1,260	1,300	0.1	1,247
Imperial Optical Midco Inc.	One stop	L + 4.75% (b)(c)	6.90%	08/2023	1,147	1,183	0.1	1,135
Imperial Optical Midco Inc.	One stop	L + 4.75% (b)	6.84%	08/2023	125	118	—	118
Imperial Optical Midco Inc.	One stop	L + 4.75%	N/A(6)	08/2023	—	—	—	—
Midwest Veterinary Partners, LLC+	One stop	L + 4.75% (a)	6.79%	07/2025	4,317	4,238	0.2	4,274
Midwest Veterinary Partners, LLC	One stop	L + 4.75% (a)(b)(c)	6.81%	07/2025	136	135	—	134
Midwest Veterinary Partners, LLC(5)	One stop	L + 4.75%	N/A(6)	07/2025	—	(51)	—	(52)
PPV Intermediate Holdings II, LLC	One stop	L + 5.00% (c)	7.56%	05/2020	2,309	2,398	0.1	2,309
PPV Intermediate Holdings II, LLC	One stop	N/A	7.90% PIK	05/2023	22	23	—	22
PPV Intermediate Holdings II, LLC	One stop	P + 4.00% (f)	9.00%	05/2023	18	17	—	18
Ruby Slipper Cafe LLC, The*	One stop	L + 7.50% (c)	9.60%	01/2023	1,084	1,080	0.1	1,084
Ruby Slipper Cafe LLC, The	One stop	L + 7.50% (c)	9.60%	01/2023	602	620	—	602
Ruby Slipper Cafe LLC, The	One stop	L + 7.50% (c)	9.60%	01/2023	10	10	—	10

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	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Personal, Food and Miscellaneous Services - (continued)									
Southern Veterinary Partners, LLC*	One stop	L + 5.50%	(a)	7.54%	05/2025	$ 5,388	$ 5,410	0.2 %	$ 5,388
Southern Veterinary Partners, LLC*	One stop	L + 5.50%	(a)	7.54%	05/2025	3,799	3,959	0.2	3,799
Southern Veterinary Partners, LLC#!~	One stop	L + 5.50%	(a)	7.54%	05/2025	2,358	2,454	0.1	2,358
Southern Veterinary Partners, LLC	One stop	L + 5.50%	(c)	7.54%	05/2025	2,207	2,205	0.1	2,207
Southern Veterinary Partners, LLC*	One stop	L + 5.50%	(a)	7.54%	05/2025	2,068	2,152	0.1	2,068
Southern Veterinary Partners, LLC	One stop	L + 5.50%	(a)	7.54%	05/2025	1,626	1,693	0.1	1,626
Southern Veterinary Partners, LLC	One stop	L + 5.50%	(a)	7.54%	05/2025	1,518	1,581	0.1	1,518
Southern Veterinary Partners, LLC	One stop	L + 5.50%	(a)	7.54%	05/2025	1,514	1,576	0.1	1,514
Southern Veterinary Partners, LLC#!~	One stop	L + 5.50%	(a)	7.54%	05/2025	1,291	1,344	0.1	1,291
Southern Veterinary Partners, LLC*	One stop	L + 5.50%	(a)	7.54%	05/2025	1,198	1,246	0.1	1,198
Southern Veterinary Partners, LLC*	One stop	L + 5.50%	(a)	7.54%	05/2025	1,094	1,140	0.1	1,094
Southern Veterinary Partners, LLC*	One stop	L + 5.50%	(a)	7.54%	05/2025	920	958	—	920
Southern Veterinary Partners, LLC*	One stop	L + 5.50%	(a)	7.54%	05/2025	818	853	—	818
Southern Veterinary Partners, LLC(5)	One stop	L + 5.50%		N/A(6)	05/2023	—	(1)	—	—
Southern Veterinary Partners, LLC(5)	One stop	L + 5.50%		N/A(6)	05/2025	—	(1)	—	—
Veterinary Specialists of North America, LLC*	Senior loan	L + 4.25%	(a)	6.29%	04/2025	42,076	43,803	1.9	42,076
Veterinary Specialists of North America, LLC	Senior loan	L + 4.25%	(a)	6.29%	04/2025	1,459	1,522	0.1	1,459
Veterinary Specialists of North America, LLC(5)	Senior loan	L + 4.25%		N/A(6)	04/2025	—	(3)	—	—
Veterinary Specialists of North America, LLC(5)	Senior loan	L + 4.25%		N/A(6)	04/2025	—	(7)	—	—
Wetzel's Pretzels, LLC*	One stop	L + 6.75%	(a)	8.79%	09/2021	17,023	17,316	0.8	17,023
Wetzel's Pretzels, LLC	One stop	L + 6.75%	(a)	8.79%	09/2021	60	61	—	60
						206,933	211,396	9.5	205,009
Printing and Publishing									
Brandmuscle, Inc.^	Senior loan	L + 5.00%	(c)	7.10%	12/2021	1,139	1,163	0.1	1,145
Messenger, LLC#+!~	One stop	L + 6.00%	(a)(f)	8.05%	08/2023	9,145	9,255	0.4	9,053
Messenger, LLC	One stop	P + 5.00%	(f)	10.00%	08/2023	36	37	—	36
Messenger, LLC(5)	One stop	L + 6.00%		N/A(6)	08/2023	—	(3)	—	(3)
						10,320	10,452	0.5	10,231
Retail Stores									
2nd Ave. LLC	One stop	L + 5.50%	(c)	7.65%	09/2025	5,959	5,856	0.3	5,900
2nd Ave. LLC(5)	One stop	L + 5.50%		N/A(6)	09/2025	—	—	—	(1)
Batteries Plus Holding Corporation	One stop	L + 6.75%	(a)	8.79%	07/2022	22,424	22,782	1.0	22,424
Batteries Plus Holding Corporation(5)	One stop	L + 6.75%		N/A(6)	07/2022	—	(1)	—	—
Boot Barn, Inc.#+!~	Senior loan	L + 4.50%	(c)	6.60%	06/2023	7,596	7,770	0.3	7,596
Cycle Gear, Inc.^+	One stop	L + 5.00%	(c)	7.32%	01/2021	17,784	18,023	0.8	17,784
Cycle Gear, Inc.^	One stop	L + 5.00%	(c)	7.32%	01/2021	1,295	1,325	0.1	1,295
DTLR, Inc.^*+	One stop	L + 6.50%	(c)	8.77%	08/2022	41,813	42,484	1.9	41,813
Elite Sportswear, L.P.	Senior loan	L + 6.25%	(c)	8.35%	12/2021	6,297	6,179	0.3	5,919
Elite Sportswear, L.P.	Senior loan	L + 6.25%	(c)	8.35%	12/2021	2,532	2,485	0.1	2,380
Elite Sportswear, L.P.	Senior loan	L + 6.25%	(c)	8.35%	12/2021	1,303	1,280	0.1	1,225
Elite Sportswear, L.P.*	Senior loan	L + 6.25%	(c)	8.35%	12/2021	427	421	—	402
Elite Sportswear, L.P.	Senior loan	L + 6.25%	(c)	8.49%	12/2021	252	241	—	205
Elite Sportswear, L.P.	Senior loan	L + 6.25%	(c)	8.35%	12/2021	198	194	—	186

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Retail stores - (continued)								
Elite Sportswear, L.P.*	Senior loan	L + 6.25% (c)	8.35%	12/2021	$ 189	$ 186	— %	$ 177
Elite Sportswear, L.P.	Senior loan	L + 6.25% (c)	8.49%	12/2021	7	7	—	6
Feeders Supply Company, LLC	One stop	L + 5.75% (a)	7.79%	04/2021	8,723	8,880	0.4	8,723
Feeders Supply Company, LLC	Subordinated debt	N/A	12.50% cash/7.00% PIK	04/2021	138	140	—	138
Feeders Supply Company, LLC	One stop	L + 5.75%	N/A(6)	04/2021	—	—	—	—
Jet Equipment & Tools Ltd.#+!~(8)(9)(12)	One stop	L + 5.75% (a)	7.70%	11/2024	18,139	18,485	0.8	18,072
Jet Equipment & Tools Ltd.*(8)(12)	One stop	L + 5.75% (a)	7.79%	11/2024	12,490	12,787	0.6	12,490
Jet Equipment & Tools Ltd.#+!~(8)(12)	One stop	L + 5.75% (a)	7.79%	11/2024	4,349	4,437	0.2	4,349
Jet Equipment & Tools Ltd.(5)(8)(9)(12)	One stop	L + 5.75%	N/A(6)	11/2024	—	(1)	—	—
Marshall Retail Group LLC, The^*	One stop	L + 6.00% (c)	8.32%	08/2020	14,935	15,047	0.7	14,935
Marshall Retail Group LLC, The	One stop	L + 6.00% (c)(f)	8.15%	08/2020	830	834	—	830
Mills Fleet Farm Group LLC^*#+!~	One stop	L + 6.25% (c)	8.29%	10/2024	43,924	44,154	1.9	41,729
Pet Holdings ULC^*+(8)(12)	One stop	L + 5.50% (c)	7.82%	07/2022	46,974	48,263	2.1	46,974
Pet Holdings ULC^*(8)(12)	One stop	L + 5.50% (c)	7.82%	07/2022	228	231	—	228
Pet Holdings ULC(5)(8)(12)	One stop	L + 5.50%	N/A(6)	07/2022	—	(2)	—	—
Pet Supplies Plus, LLC*+	Senior loan	L + 4.50% (a)	6.54%	12/2024	14,326	14,615	0.6	14,326
Pet Supplies Plus, LLC(5)	Senior loan	L + 4.50%	N/A(6)	12/2023	—	(1)	—	—
PetPeople Enterprises, LLC^	One stop	L + 5.00% (a)	7.33%	09/2023	5,407	5,488	0.2	5,407
PetPeople Enterprises, LLC	One stop	L + 5.00% (a)	7.33%	09/2023	1,098	1,145	0.1	1,098
PetPeople Enterprises, LLC	One stop	L + 5.00% (a)	7.33%	09/2023	90	91	—	90
Sola Franchise, LLC and Sola Salon Studios, LLC	One stop	L + 5.25% (c)	7.35%	10/2024	7,034	7,054	0.3	7,034
Sola Franchise, LLC and Sola Salon Studios, LLC	One stop	L + 5.25% (c)	7.35%	10/2024	1,725	1,797	0.1	1,725
Sola Franchise, LLC and Sola Salon Studios, LLC	One stop	L + 5.25%	N/A(6)	10/2024	—	—	—	—
Sola Franchise, LLC and Sola Salon Studios, LLC(5)	One stop	L + 5.25%	N/A(6)	10/2024	—	(1)	—	—
Vermont Aus Pty Ltd#!~(8)(9)(11)	One stop	L + 5.75% (c)	6.75%	12/2024	2,201	2,226	0.1	2,151
Vermont Aus Pty Ltd(8)(9)(11)	One stop	L + 5.75% (c)	6.75%	12/2024	26	27	—	26
					290,713	294,928	13.0	287,636
Telecommunications								
NetMotion Wireless Holdings, Inc.^*	One stop	L + 6.25% (c)	8.35%	10/2021	11,627	11,832	0.5	11,627
NetMotion Wireless Holdings, Inc.	One stop	L + 6.25%	N/A(6)	10/2021	—	—	—	—
					11,627	11,832	0.5	11,627
Textiles and Leather								
SHO Holding I Corporation#!~	Senior loan	L + 5.00% (c)	7.26%	10/2022	4,066	4,052	0.2	3,903
SHO Holding I Corporation	Senior loan	L + 4.00% (c)	6.31%	10/2021	30	28	—	24
					4,096	4,080	0.2	3,927
Utilities								
Arcos, LLC#!~	One stop	L + 5.75% (c)	7.85%	02/2021	15,833	16,126	0.7	15,833
Arcos, LLC	One stop	L + 5.75%	N/A(6)	02/2021	—	—	—	—
					15,833	16,126	0.7	15,833
Total non-controlled/non-affiliate company debt investments					$ 4,124,068	$ 4,173,241	183.2 %	$ 4,073,336

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Golub Capital BDC, Inc. and Subsidiaries
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Equity Investments (13)(14)								
Aerospace and Defense								
NTS Technical Systems	Common Stock	N/A	N/A	N/A	2	$ 1,506	— %	$ 509
NTS Technical Systems	Preferred stock	N/A	N/A	N/A	—	256	—	378
NTS Technical Systems	Preferred stock	N/A	N/A	N/A	—	128	—	213
Whitcraft LLC	Common Stock	N/A	N/A	N/A	11	2,285	0.1	2,845
						4,175	0.1	3,945
Automobile								
Grease Monkey International, LLC	LLC units	N/A	N/A	N/A	803	1,304	0.1	1,741
Polk Acquisition Corp.	LP interest	N/A	N/A	N/A	5	314	—	220
Quick Quack Car Wash Holdings, LLC	LLC units	N/A	N/A	N/A	—	508	—	528
						2,126	0.1	2,489
Beverage, Food and Tobacco								
Benihana, Inc.	LLC units	N/A	N/A	N/A	43	699	0.1	960
C. J. Foods, Inc.	Preferred stock	N/A	N/A	N/A	—	75	—	577
Cafe Rio Holding, Inc.	Common Stock	N/A	N/A	N/A	5	603	—	650
Global ID Corporation	LLC interest	N/A	N/A	N/A	5	603	—	694
Hopdoddy Holdings, LLC	LLC units	N/A	N/A	N/A	44	217	—	211
Hopdoddy Holdings, LLC	LLC units	N/A	N/A	N/A	20	61	—	60
Mendocino Farms, LLC	Common Stock	N/A	N/A	N/A	169	770	0.1	739
Purfoods, LLC	LLC units	N/A	N/A	N/A	736	1,222	0.1	1,667
Rubio's Restaurants, Inc.	Preferred stock	N/A	N/A	N/A	2	945	0.1	985
Wood Fired Holding Corp.	LLC units	N/A	N/A	N/A	437	444	—	431
Wood Fired Holding Corp.	LLC units	N/A	N/A	N/A	437	—	—	—
						5,639	0.4	6,974
Buildings and Real Estate								
Brooks Equipment Company, LLC	Common Stock	N/A	N/A	N/A	10	1,021	0.1	2,376
Paradigm DKD Group, LLC+	LLC units	N/A	N/A	N/A	1,041	—	—	—
Paradigm DKD Group, LLC+	LLC units	N/A	N/A	N/A	184	70	—	67
Paradigm DKD Group, LLC+	LLC units	N/A	N/A	N/A	37	—	—	—
						1,091	0.1	2,443
Chemicals, Plastics and Rubber								
Flexan, LLC	Common Stock	N/A	N/A	N/A	1	—	—	—
Flexan, LLC	Preferred stock	N/A	N/A	N/A	—	137	—	146
Inhance Technologies Holdings LLC	LLC units	N/A	N/A	N/A	—	124	—	97
						261	—	243
Diversified/Conglomerate Manufacturing								
Inventus Power, Inc.	Preferred stock	N/A	N/A	N/A	1	372	—	5
Inventus Power, Inc.	Common Stock	N/A	N/A	N/A	1	—	—	—
Inventus Power, Inc.	LLC units	N/A	N/A	N/A	—	88	—	80
Inventus Power, Inc.	Preferred stock	N/A	N/A	N/A	—	20	—	23
Reladyne, Inc.	LP interest	N/A	N/A	N/A	1	931	0.1	1,279
						1,411	0.1	1,387
Diversified/Conglomerate Service								
Accela, Inc.	LLC units	N/A	N/A	N/A	670	418	—	208

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Golub Capital BDC, Inc. and Subsidiaries
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	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Diversified/Conglomerate Service - (continued)								
Agility Recovery Solutions Inc.	Preferred stock	N/A	N/A	N/A	97	$ 604	0.1 %	$ 815
Astute Holdings, Inc.	LP interest	N/A	N/A	N/A	—	294	—	348
Calabrio, Inc.	Common Stock	N/A	N/A	N/A	26	205	—	200
Caliper Software, Inc.	Common Stock	N/A	N/A	N/A	221	283	—	322
Caliper Software, Inc.	Preferred stock	N/A	N/A	N/A	3	2,734	0.1	2,862
Caliper Software, Inc.	Preferred stock	N/A	N/A	N/A	—	36	—	38
Centrify Corporation	LP interest	N/A	N/A	N/A	263	—	—	—
Centrify Corporation	LP interest	N/A	N/A	N/A	1	691	—	613
Cloudbees, Inc.	Warrant	N/A	N/A	N/A	93	181	—	239
Cloudbees, Inc.	Preferred stock	N/A	N/A	N/A	71	466	—	455
Confluence Technologies, Inc.	LLC interest	N/A	N/A	N/A	2	286	—	347
Connexin Software, Inc.	LLC interest	N/A	N/A	N/A	154	192	—	217
Digital Guardian, Inc.	Preferred stock	N/A	N/A	N/A	3,562	434	—	419
Digital Guardian, Inc.	Warrant	N/A	N/A	N/A	1,218	225	—	227
Digital Guardian, Inc.	Preferred stock	N/A	N/A	N/A	738	142	—	142
Digital Guardian, Inc.	Warrant	N/A	N/A	N/A	124	33	—	40
DISA Holdings Acquisition Subsidiary Corp.	Common Stock	N/A	N/A	N/A	—	154	—	426
GS Acquisitionco, Inc.(15)	LP interest	N/A	N/A	N/A	2	291	—	371
HealthcareSource HR, Inc.	LLC interest	N/A	N/A	N/A	—	621	—	810
Hydraulic Authority III Limited(8)(9)(10)	Preferred stock	N/A	N/A	N/A	284	386	—	382
Hydraulic Authority III Limited(8)(9)(10)	Common Stock	N/A	N/A	N/A	6	43	—	77
Internet Truckstop Group LLC	LP interest	N/A	N/A	N/A	408	447	—	438
Kareo, Inc.	Warrant	N/A	N/A	N/A	53	162	—	4
Kareo, Inc.	Warrant	N/A	N/A	N/A	5	6	—	11
Kareo, Inc.	Preferred stock	N/A	N/A	N/A	1	8	—	7
Maverick Bidco Inc.	LLC units	N/A	N/A	N/A	2	723	—	464
MetricStream, Inc.	Warrant	N/A	N/A	N/A	168	263	—	256
MMan Acquisition Co.	Common Stock	N/A	N/A	N/A	—	927	0.1	1,306
Namely, Inc.	Warrant	N/A	N/A	N/A	17	28	—	28
Net Health Acquisition Corp.	LP interest	N/A	N/A	N/A	1	1,440	0.1	1,437
Nexus Brands Group, Inc.	LP interest	N/A	N/A	N/A	—	444	—	439
Personify, Inc.	LLC units	N/A	N/A	N/A	639	828	0.1	950
Pride Midco, Inc.	Preferred stock	N/A	N/A	N/A	2	2,594	0.1	2,676
Project Alpha Intermediate Holding, Inc.	Common Stock	N/A	N/A	N/A	202	329	—	636
Project Alpha Intermediate Holding, Inc.	Common Stock	N/A	N/A	N/A	1	964	0.1	1,069
Property Brands, Inc.	LLC units	N/A	N/A	N/A	63	766	0.1	839
RegEd Aquireco, LLC	LP interest	N/A	N/A	N/A	3	21	—	24
RegEd Aquireco, LLC	LP interest	N/A	N/A	N/A	—	316	—	320
SnapLogic, Inc.	Preferred stock	N/A	N/A	N/A	184	458	—	458
SnapLogic, Inc.	Warrant	N/A	N/A	N/A	69	27	—	27
Vendavo, Inc.	Preferred stock	N/A	N/A	N/A	1,017	1,017	0.1	1,646
Verisys Corporation	Common Stock	N/A	N/A	N/A	579	712	—	786

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Diversified/Conglomerate Service - (continued)								
Vitalyst, LLC	Equity	N/A	N/A	N/A	1	$ 7	—	$ —
Vitalyst, LLC	Preferred stock	N/A	N/A	N/A	—	61	—	65
Workforce Software, LLC	Common Stock	N/A	N/A	N/A	—	973	0.1	939
Xmatters, Inc. and Alarmpoint, Inc.	Preferred stock	N/A	N/A	N/A	474	494	—	534
Xmatters, Inc. and Alarmpoint, Inc.	Warrant	N/A	N/A	N/A	84	64	—	59
Xmatters, Inc. and Alarmpoint, Inc.	Preferred stock	N/A	N/A	N/A	20	26	—	31
						22,824	1.0	25,007
Ecological								
Pace Analytical Services, LLC	Common Stock	N/A	N/A	N/A	6	700	0.1	781
Electronics								
Appriss Holdings, Inc.	Preferred stock	N/A	N/A	N/A	—	173	—	172
Diligent Corporation	Preferred stock	N/A	N/A	N/A	414	1,609	0.1	1,777
Episerver, Inc.	Common Stock	N/A	N/A	N/A	76	807	0.1	813
Project Silverback Holdings Corp.	Preferred stock	N/A	N/A	N/A	3	6	—	—
SEI, Inc.	LLC units	N/A	N/A	N/A	547	819	0.1	1,402
Silver Peak Systems, Inc.	Warrant	N/A	N/A	N/A	67	27	—	26
Sloan Company, Inc., The	LLC units	N/A	N/A	N/A	2	13	—	—
Sloan Company, Inc., The	LLC units	N/A	N/A	N/A	—	152	—	—
						3,606	0.3	4,190
Healthcare, Education and Childcare								
Active Day, Inc.	LLC interest	N/A	N/A	N/A	1	1,021	0.1	774
Acuity Eyecare Holdings, LLC	LLC units	N/A	N/A	N/A	1,158	1,334	0.1	1,212
ADCS Clinics Intermediate Holdings, LLC	Preferred stock	N/A	N/A	N/A	1	1,119	0.1	1,018
ADCS Clinics Intermediate Holdings, LLC	Common Stock	N/A	N/A	N/A	—	6	—	—
Aris Teleradiology Company, LLC	Preferred stock	N/A	N/A	N/A	5	—	—	—
Aris Teleradiology Company, LLC	Common Stock	N/A	N/A	N/A	2	—	—	—
Aris Teleradiology Company, LLC	Preferred stock	N/A	N/A	N/A	—	—	—	—
Aspen Medical Products, LLC	Common Stock	N/A	N/A	N/A	—	77	—	75
BIO18 Borrower, LLC	LLC interest	N/A	N/A	N/A	591	1,190	0.1	1,272
BIOVT, LLC	LLC units	N/A	N/A	N/A	—	1,223	0.1	1,663
CMI Parent Inc.	LLC units	N/A	N/A	N/A	2	3	—	3
CMI Parent Inc.	LLC units	N/A	N/A	N/A	—	240	—	232
CRH Healthcare Purchaser, Inc.	LP interest	N/A	N/A	N/A	429	469	—	482
DCA Investment Holding, LLC	LLC units	N/A	N/A	N/A	13,890	1,619	0.1	1,908
DCA Investment Holding, LLC	LLC units	N/A	N/A	N/A	140	218	—	528
Deca Dental Management LLC	LLC units	N/A	N/A	N/A	1,008	1,278	0.1	1,358
Dental Holdings Corporation	LLC units	N/A	N/A	N/A	1,277	891	—	185
Elite Dental Partners LLC	Common Stock	N/A	N/A	N/A	—	737	—	666
Encore GC Acquisition, LLC(15)	LLC units	N/A	N/A	N/A	26	272	—	278
Encore GC Acquisition, LLC	LLC units	N/A	N/A	N/A	26	52	—	160
ERG Buyer, LLC	LLC units	N/A	N/A	N/A	8	4	—	—
ERG Buyer, LLC	LLC units	N/A	N/A	N/A	1	661	—	510

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Healthcare, Education, and Childcare - (continued)								
Eyecare Services Partners Holdings LLC	LLC units	N/A	N/A	N/A	—	$ 262	$ — %	$ 171
Eyecare Services Partners Holdings LLC	LLC units	N/A	N/A	N/A	—	1	—	—
G & H Wire Company, Inc.	LLC interest	N/A	N/A	N/A	336	269	—	207
IntegraMed America, Inc.	LLC interest	N/A	N/A	N/A	—	417	—	64
Joerns Healthcare, LLC^*	Common Stock	N/A	N/A	N/A	123	2,852	0.1	1,207
Katena Holdings, Inc.	LLC units	N/A	N/A	N/A	1	573	—	514
Krueger-Gilbert Health Physics, LLC	LLC interest	N/A	N/A	N/A	136	152	—	156
Lombart Brothers, Inc.	Common Stock	N/A	N/A	N/A	1	440	—	559
MD Now Holdings, Inc.	LLC units	N/A	N/A	N/A	15	153	—	152
MWD Management, LLC & MWD Services, Inc.	LLC interest	N/A	N/A	N/A	412	335	—	282
Oliver Street Dermatology Holdings, LLC	LLC units	N/A	N/A	N/A	452	234	—	—
Pentec Acquisition Sub, Inc.	Preferred stock	N/A	N/A	N/A	1	116	—	106
Pinnacle Treatment Centers, Inc.	Common Stock	N/A	N/A	N/A	5	74	—	140
Pinnacle Treatment Centers, Inc.	Preferred stock	N/A	N/A	N/A	—	528	—	574
Radiology Partners, Inc.	LLC units	N/A	N/A	N/A	43	55	—	327
Radiology Partners, Inc.	LLC units	N/A	N/A	N/A	11	68	—	83
RXH Buyer Corporation	LP interest	N/A	N/A	N/A	11	973	—	705
Sage Dental Management, LLC	LLC units	N/A	N/A	N/A	3	3	—	—
Sage Dental Management, LLC	LLC units	N/A	N/A	N/A	—	249	—	5
SLMP, LLC	LLC units	N/A	N/A	N/A	668	789	0.1	843
Spear Education, LLC	LLC units	N/A	N/A	N/A	1	1	—	38
Spear Education, LLC	LLC units	N/A	N/A	N/A	—	62	—	82
SSH Corpration	Common Stock	N/A	N/A	N/A	—	40	—	143
Summit Behavioral Healthcare, LLC(15)	LLC interest	N/A	N/A	N/A	2	98	—	50
Summit Behavioral Healthcare, LLC	LLC interest	N/A	N/A	N/A	2	—	—	—
Surgical Information Systems, LLC(15)	Common Stock	N/A	N/A	N/A	4	414	—	505
WHCG Management, LLC	LLC units	N/A	N/A	N/A	1	414	—	287
						21,986	0.9	19,524
Insurance								
Captive Resources Midco, LLC(15)	LLC units	N/A	N/A	N/A	388	—	—	436
Orchid Underwriters Agency, LLC	LP interest	N/A	N/A	N/A	78	90	—	96
						90	—	532
Leisure, Amusement, Motion Pictures, Entertainment								
LMP TR Holdings, LLC	LLC units	N/A	N/A	N/A	712	712	0.1	1,478
PADI Holdco, Inc.	LLC units	N/A	N/A	N/A	1	1,073	0.1	1,114
WBZ Investment LLC	LLC interest	N/A	N/A	N/A	68	117	—	122
WBZ Investment LLC	LLC interest	N/A	N/A	N/A	46	80	—	84
WBZ Investment LLC	LLC interest	N/A	N/A	N/A	38	65	—	69
WBZ Investment LLC	LLC interest	N/A	N/A	N/A	33	58	—	60
WBZ Investment LLC	LLC interest	N/A	N/A	N/A	14	24	—	26
WBZ Investment LLC	LLC interest	N/A	N/A	N/A	1	2	—	2
						2,131	0.2	2,955
Personal and Non Durable Consumer Products (Mfg. Only)								
Georgica Pine Clothiers, LLC(15)	LLC units	N/A	N/A	N/A	20	291	—	389

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
September 30, 2019
(In thousands)

	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Personal and Non Durable Consumer Products (Mfg. Only) - (continued)								
Massage Envy, LLC	LLC interest	N/A	N/A	N/A	749	$ 210	$ 0.1 %	$ 1,776
						501	0.1	2,165
Personal, Food and Miscellaneous Services								
Blue River Pet Care, LLC	LLC units	N/A	N/A	N/A	—	76	—	74
Captain D's, LLC	LLC interest	N/A	N/A	N/A	158	156	—	147
Clarkson Eyecare LLC	LLC units	N/A	N/A	N/A	—	275	—	263
Community Veterinary Partners, LLC	Common Stock	N/A	N/A	N/A	4	597	—	730
Midwest Veterinary Partners, LLC	LLC units	N/A	N/A	N/A	6	—	—	—
Midwest Veterinary Partners, LLC	LLC units	N/A	N/A	N/A	—	29	—	29
PPV Intermediate Holdings II, LLC	LLC units	N/A	N/A	N/A	208	198	—	197
R.G. Barry Corporation	Preferred stock	N/A	N/A	N/A	—	161	—	120
Ruby Slipper Cafe LLC, The	LLC units	N/A	N/A	N/A	31	373	—	398
Southern Veterinary Partners, LLC	LLC units	N/A	N/A	N/A	147	188	—	409
Southern Veterinary Partners, LLC	LLC units	N/A	N/A	N/A	1	717	0.1	845
Wetzel's Pretzels, LLC	Common Stock	N/A	N/A	N/A	—	416	—	507
						3,186	0.1	3,719
Printing and Publishing								
Brandmuscle, Inc.	LLC interest	N/A	N/A	N/A	—	335	—	196
Retail Stores								
2nd Ave. LLC	LP interest	N/A	N/A	N/A	653	653	—	653
Batteries Plus Holding Corporation	LP interest	N/A	N/A	N/A	10	1,287	0.1	1,483
Cycle Gear, Inc.	LLC units	N/A	N/A	N/A	27	462	—	662
DTLR, Inc.	LLC interest	N/A	N/A	N/A	4	411	0.1	835
Elite Sportswear, L.P.	LLC interest	N/A	N/A	N/A	—	165	—	—
Feeders Supply Company, LLC	Preferred stock	N/A	N/A	N/A	4	400	—	413
Feeders Supply Company, LLC	Common Stock	N/A	N/A	N/A	—	—	—	—
Jet Equipment & Tools Ltd.(8)(9)(12)	LLC units	N/A	N/A	N/A	1	946	0.1	1,097
Marshall Retail Group LLC, The	LLC units	N/A	N/A	N/A	15	154	—	149
Paper Source, Inc.	Common Stock	N/A	N/A	N/A	8	1,387	—	363
Pet Holdings ULC(8)(12)	LP interest	N/A	N/A	N/A	677	483	—	282
Pet Supplies Plus, LLC	LLC units	N/A	N/A	N/A	144	181	—	205
Sola Franchise, LLC and Sola Salon Studios, LLC	LLC units	N/A	N/A	N/A	4	496	—	567
Sola Franchise, LLC and Sola Salon Studios, LLC	LLC units	N/A	N/A	N/A	1	101	—	118
						7,126	0.3	6,827
Total non-controlled/affiliate company equity investments						$ 77,188	3.8 %	$ 83,377
Total non-controlled/non-affiliate company investments					**$ 4,124,068**	**$ 4,250,429**	**187.0 %**	**$ 4,156,713**

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
September 30, 2019
(In thousands)

	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Non-controlled affiliate company investments(16)									
Debt investments									
Beverage, Food and Tobacco									
Uinta Brewing Company^+(7)(8)	One stop	L + 4.00%	(a)	6.04%	08/2021	$ 962	$ 928	— %	$ 793
Uinta Brewing Company(7)(8)	One stop	L + 4.00%	(a)(c)	6.04%	08/2021	192	188	—	170
						1,154	1,116	—	963
Diversified/Conglomerate Service									
Switchfly LLC(8)	One stop	L + 3.00%	(c)	5.32%	10/2023	5,363	5,142	0.2	4,827
Switchfly LLC(8)	One stop	L + 3.00%	(c)	5.32%	10/2023	447	430	—	403
Switchfly LLC(8)	One stop	L + 3.00%	(c)	5.32%	10/2023	34	33	—	30
Switchfly LLC(8)	One stop	L + 8.50%		N/A(6)	10/2023	—	—	—	—
						5,844	5,605	0.2	5,260
Mining, Steel, Iron and Non-Precious Metals									
Benetech, Inc.+(8)	One stop	L + 11.00%	(a)	11.04% cash/2.00% PIK	05/2020	4,249	4,222	0.2	3,398
Benetech, Inc.(8)	One stop	P + 9.75%	(a)(f)	12.61% cash/2.00% PIK	05/2020	581	572	—	341
						4,830	4,794	0.2	3,739
Total non-controlled affiliate company debt investments						**$ 11,828**	**$ 11,515**	**0.4 %**	**$ 9,962**
Equity Investments (13)(14)									
Beverage, Food and Tobacco									
Uinta Brewing Company(8)	Common Stock	N/A		N/A	N/A	153	$ 17	—	$ 82
Diversified/Conglomerate Service									
Switchfly LLC(8)	LLC units	N/A		N/A	N/A	3,418	2,322	0.1	2,523
Mining, Steel, Iron and Non-Precious Metals									
Benetech, Inc.(8)	LLC interest	N/A		N/A	N/A	59	—	—	8
Benetech, Inc.(8)	LLC interest	N/A		N/A	N/A	59	—	—	—
							—	—	8
Total non-controlled affiliate company equity investments							**$ 2,339**	**0.1 %**	**$ 2,613**
Total non-controlled affiliate company investments						**$ 11,828**	**$ 13,854**	**0.5 %**	**$ 12,575**
Controlled affiliate company investments(17)									
Equity Investments									
Investment Funds and Vehicles									
GCIC Senior Loan Fund LLC(8)(18)	LLC interest	N/A		N/A	N/A	48,356	$ 52,605	2.2 %	$ 49,258
Senior Loan Fund LLC(8)(18)	LLC interest	N/A		N/A	N/A	74,882	74,882	3.4	74,386
Total controlled affiliate equity investments							**$ 127,487**	**5.6 %**	**$ 123,644**
Total investments						**$ 4,135,896**	**$ 4,391,770**	**193.1 %**	**$ 4,292,932**

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
September 30, 2019
(In thousands)

	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Cash and cash equivalents, foreign currencies, restricted cash and cash equivalents, and restricted foreign currencies								
Cash, foreign currencies, restricted cash and cash equivalents and restricted foreign currencies						$ 84,278	3.8 %	$ 84,208
BlackRock Liquidity Funds T-Fund Institutional Shares (CUSIP 09248U718)			1.81% (19)			9,963	0.4	9,963
Total cash and cash equivalents, foreign currencies, restricted cash and cash equivalents, and restricted foreign currencies						**$ 94,241**	**4.2** %	**$ 94,171**
Total investments and cash, cash equivalents, and restricted cash and cash equivalents						**$ 4,486,011**	**197.3** %	**$ 4,387,103**

^ Denotes that all or a portion of the loan secures the notes offered in the 2014 Debt Securitization (as defined in Note 7).

* Denotes that all or a portion of the loan secures the notes offered in the 2018 Debt Securitization (as defined in Note 7).

# Denotes that all or a portion of the loan secures the notes offered in the GCIC 2018 Debt Securitization (as defined in Note 7).

+ Denotes that all or a portion of the loan collateralizes the WF Credit Facility (as defined in Note 7).

! Denotes that all or a portion of the loan collateralizes the DB Credit Facility (as defined in Note 7).

~ Denotes that all or a portion of the loan collateralizes the MS Credit Facility II (as defined in Note 7).

(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") denominated in U.S. dollars or U.K. pound sterling ("GBP"), Euro Interbank Offered Rate ("EURIBOR" or "E") or Prime ("P") and which reset daily, monthly, quarterly, semiannually, or annually. For each, the Company has provided the spread over LIBOR, EURIBOR or Prime and the weighted average current interest rate in effect as of September 30, 2019. 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 30, 2019, 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 30, 2019, as the loan may have priced or repriced based on an index rate prior to September 30, 2019.

(a) Denotes that all or a portion of the loan was indexed to the 30-day LIBOR, which was 2.02% as of September 30, 2019.

(b) Denotes that all or a portion of the loan was indexed to the 60-day LIBOR, which was 2.07% as of September 30, 2019.

(c) Denotes that all or a portion of the loan was indexed to the 90-day LIBOR, which was 2.09% as of September 30, 2019.

(d) Denotes that all or a portion of the loan was indexed to the 180-day LIBOR, which was 2.06% as of September 30, 2019.

(e) Denotes that all or a portion of the loan was indexed to the 360-day LIBOR, which was 2.03% as of September 30, 2019.

(f) Denotes that all or a portion of the loan was indexed to the Prime rate, which was 5.00% as of September 30, 2019.

(g) Denotes that all or a portion of the loan was indexed to the 90-day EURIBOR, which was -0.44% as of September 30, 2019.

(h) Denotes that all or a portion of the loan was indexed to the 30-day GBP LIBOR, which was 0.72% as of September 30, 2019.

(i) Denotes that all or a portion of the loan was indexed to the 90-day GBP LIBOR, which was 0.76% as of September 30, 2019.

(j) Denotes that all or a portion of the loan was indexed to the 180-day GBP LIBOR, which was 0.83% as of September 30, 2019.

(2) For portfolio companies with multiple interest rate contracts, the interest rate shown is a weighted average current interest rate in effect as of September 30, 2019.

(3) The total principal amount is presented for debt investments while the number of shares or units owned is presented for equity investments.

(4) The fair value of the investment was valued using significant unobservable inputs. See Note 6. Fair Value Measurements.

(5) 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.

(6) The entire commitment was unfunded as of September 30, 2019. As such, no interest is being earned on this investment. The investment may be subject to an unused facility fee.

(7) Loan was on non-accrual status as of September 30, 2019, meaning that the Company has ceased recognizing interest income on the loan.

(8) The investment is treated as a non-qualifying asset under Section 55(a) of the Investment Company Act of 1940, as amended (the "1940 Act"). Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of September 30, 2019, total non-qualifying assets at fair value represented 7.8% of the Company's total assets calculated in accordance with the 1940 Act.

(9) Investment is denominated in foreign currency and is translated into U.S. dollars as of the valuation date or the date of the transaction. See Note 2. Significant Accounting Policies and Recent Accounting Updates - Foreign Currency Transactions.

(10) The headquarters of this portfolio company is located in the United Kingdom.

(11) The headquarters of this portfolio company is located in Australia.

(12) The headquarters of this portfolio company is located in Canada.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
September 30, 2019
(In thousands)

(13) Equity investments are non-income producing securities unless otherwise noted.

(14) Ownership of certain equity investments may occur through a holding company or partnership.

(15) The Company holds an equity investment that entitles it to receive preferential dividends.

(16)As defined in the 1940 Act, the Company is deemed to be an "affiliated person" of the portfolio company as the Company owns five percent or more of the portfolio company's voting securities ("non-controlled affiliate"). Transactions related to investments in non-controlled affiliates for the year ended September 30, 2019 were as follows:

Portfolio Company	Fair value as of September 30, 2018	Purchases (cost)(l)	Redemptions (cost)	Transfer in/out (cost)	Discount accretion	Net change in unrealized gain/(loss)	Fair value as of September 30, 2019	Net realized gain/(loss)	Interest and fee income	Dividend income
Benetech, Inc.	$ 4,496	$ 535	$ (385)	$ 205	$ (40)	$ (1,064)	$ 3,747	$ —	$ 623	$ —
Switchfly LLC	2,788	408	—	4,983	(339)	(57)	7,783	—	139	—
Uinta Brewing Company(m)	—	155	—	1,023	(44)	(89)	1,045	—	—	—
Total Non-Controlled Affiliates	$ 7,284	$ 1,098	$ (385)	$ 6,211	$ (423)	$ (1,210)	$ 12,575	$ —	$ 762	$ —

(l) Purchases at cost includes amounts related to payment-in-kind ("PIK") interest capitalized and added to the principal balance of the respective loans.

(m) During the three months ended March 31, 2019, the Company's ownership increased to over five percent of the portfolio company's voting securities.

(17)As defined in the 1940 Act, the Company is deemed to be both an "affiliated person" of and "control" this portfolio company as the Company 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"). Transactions related to investments in controlled affiliates for the year ended September 30, 2019 were as follows:

Portfolio Company	Fair value as of September 30, 2018	Purchases (cost)	Redemptions (cost)	Transfer in/out (cost)	Discount accretion	Net change in unrealized gain/(loss)	Fair value as of September 30, 2019	Net realized gain/(loss)	Interest and fee income	Dividend income
Senior Loan Fund LLC(n)	$ 71,084	$ 1,750	$ (2,275)	$ —	$ —	$ 3,827	$ 74,386	$ —	$ —	$ —
GCIC Senior Loan Fund LLC(o)	—	—	—	52,605	—	(3,347)	49,258	—	—	1,219
Total Controlled Affiliates	$ 71,084	$ 1,750	$ (2,275)	$ 52,605	$ —	$ 480	$ 123,644	$ —	$ —	$ 1,219

(n) Together with RGA Reinsurance Company ("RGA"), the Company co-invests through SLF. SLF is capitalized as transactions are completed and all portfolio and investment decisions in respect to SLF must be approved by the SLF investment committee consisting of two representatives of the Company and RGA (with unanimous approval required from (i) one representative of each of the Company and RGA or (ii) both representatives of each of the Company and RGA). Therefore, although the Company owns more than 25% of the voting securities of SLF, the Company does not have sole control over significant actions of SLF for purposes of the 1940 Act or otherwise.

(o) Together with Aurora National Life Assurance Company ("Aurora"), the Company co-invests through GCIC Senior Loan Fund ("GCIC SLF"), following the acquisition of GCIC SLF in the merger with GCIC (described in Note 1). GCIC SLF is capitalized as transactions are completed and all portfolio and investment decisions in respect to GCIC SLF must be approved by the GCIC SLF investment committee consisting of two representatives of the Company and Aurora (with unanimous approval required from (i) one representative of each of the Company and Aurora or (ii) both representatives of each of the Company and Aurora). Therefore, although the Company owns more than 25% of the voting securities of GCIC SLF, the Company does not have sole control over significant actions of GCIC SLF for purposes of the 1940 Act or otherwise.

(18) The Company generally receives quarterly profit distributions from its equity investments in SLF and GCIC SLF. For the year ended September 30, 2019, the Company did not receive a profit distribution from its equity investments in SLF. For its equity investment in GCIC SLF, the Company received $1,219 for the year ended September 30, 2019. See Note 4. Investments.

(19) The rate shown is the annualized seven-day yield as of September 30, 2019.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments
September 30, 2018
(In thousands)

	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Investments								
Non-controlled/non-affiliate company investments								
Debt investments								
Aerospace and Defense								
ILC Dover, LP	Senior loan	L + 4.75% (c)	7.14%	12/2023	$ 9,928	$ 9,841	1.0 %	$ 9,928
NTS Technical Systems*^	One stop	L + 6.25% (a)	8.36%	06/2021	21,718	21,508	2.2	21,718
NTS Technical Systems(5)	One stop	L + 6.25%	N/A(6)	06/2021	—	(53)	—	—
Tresys Technology Holdings, Inc.(7)	One stop	L + 6.75% (a)	8.99%	12/2018	3,899	3,845	0.1	780
Tresys Technology Holdings, Inc.(7)	One stop	L + 6.75% (a)	8.99%	12/2018	659	658	0.1	659
Tronair Parent, Inc.^	Senior loan	L + 4.75% (c)	7.56%	09/2023	366	363	0.1	366
Tronair Parent, Inc.	Senior loan	L + 4.50% (a)(b)(c)(f)	7.03%	09/2021	80	79	—	80
Whitcraft LLC*^	One stop	L + 6.25% (c)	8.64%	04/2023	12,439	12,298	1.3	12,439
Whitcraft LLC^	One stop	L + 6.25% (c)	8.64%	04/2023	194	192	—	194
Whitcraft LLC(5)	One stop	L + 6.25%	N/A(6)	04/2023	—	(1)	—	—
Whitcraft LLC(5)	One stop	L + 6.25%	N/A(6)	04/2023	—	(2)	—	—
					49,283	48,728	4.8	46,164
Automobile								
Dent Wizard International Corporation*	Senior loan	L + 4.00% (a)	6.23%	04/2020	4,477	4,463	0.5	4,477
Grease Monkey International, LLC*^	Senior loan	L + 5.00% (a)	7.24%	11/2022	4,863	4,813	0.5	4,808
Grease Monkey International, LLC	Senior loan	L + 5.00% (a)	7.24%	11/2022	76	75	—	75
Grease Monkey International, LLC	Senior loan	L + 5.00% (a)	7.24%	11/2022	27	25	—	25
Grease Monkey International, LLC	Senior loan	L + 5.00% (a)	7.24%	11/2022	21	20	—	20
Grease Monkey International, LLC(5)	Senior loan	L + 5.00%	N/A(6)	11/2022	—	(2)	—	(2)
Quick Quack Car Wash Holdings, LLC	One stop	L + 6.50% (a)	8.74%	04/2023	8,751	8,652	0.9	8,751
Quick Quack Car Wash Holdings, LLC	One stop	L + 6.50% (a)	8.67%	04/2023	150	148	—	150
Quick Quack Car Wash Holdings, LLC	One stop	L + 6.50% (a)	8.70%	04/2023	40	39	—	40
Quick Quack Car Wash Holdings, LLC(5)	One stop	L + 6.50%	N/A(6)	04/2023	—	(4)	—	—
					18,405	18,229	1.9	18,344
Beverage, Food and Tobacco								
Abita Brewing Co., L.L.C.	One stop	L + 5.75% (a)	7.99%	04/2021	6,998	6,926	0.7	6,998
Abita Brewing Co., L.L.C.	One stop	L + 5.75%	N/A(6)	04/2021	—	—	—	—
C. J. Foods, Inc.*^	One stop	L + 6.25% (c)	8.64%	05/2020	8,582	8,528	0.9	8,582
C. J. Foods, Inc.^	One stop	L + 6.25% (c)	8.64%	05/2020	649	647	0.1	649
C. J. Foods, Inc.	One stop	L + 6.25% (c)	8.58%	05/2020	517	514	0.1	517
Cafe Rio Holding, Inc.*^	One stop	L + 5.75% (a)	7.99%	09/2023	10,370	10,220	1.1	10,370
Cafe Rio Holding, Inc.	One stop	L + 5.75% (a)	7.99%	09/2023	80	79	—	80
Cafe Rio Holding, Inc.	One stop	L + 5.75% (a)	7.99%	09/2023	40	37	—	40
Cafe Rio Holding, Inc.	One stop	P + 4.75% (f)	10.00%	09/2023	10	8	—	10
Fintech Midco, LLC	One stop	L + 6.00% (a)	8.25%	08/2024	12,995	12,868	1.3	12,865
Fintech Midco, LLC(5)	One stop	L + 6.00%	N/A(6)	08/2024	—	(1)	—	(1)
Fintech Midco, LLC(5)	One stop	L + 6.00%	N/A(6)	08/2024	—	(2)	—	(3)
Firebirds International, LLC*	One stop	L + 5.75% (a)	7.89%	12/2018	1,049	1,048	0.1	1,049
Firebirds International, LLC*	One stop	L + 5.75% (a)	7.89%	12/2018	295	295	—	295
Firebirds International, LLC^	One stop	L + 5.75% (a)	7.89%	12/2018	95	95	—	95
Firebirds International, LLC	One stop	L + 5.75% (c)	7.99%	12/2018	41	41	—	41
Firebirds International, LLC	One stop	L + 5.75%	N/A(6)	12/2018	—	—	—	—
Flavor Producers, LLC	Senior loan	L + 4.75% (c)	7.13%	12/2023	2,155	2,127	0.2	2,155
Flavor Producers, LLC(5)	Senior loan	L + 4.75%	N/A(6)	12/2022	—	(1)	—	—

Golub Capital BDC, Inc. and Subsidiaries
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(In thousands)

	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Beverage, Food and Tobacco - (continued)								
FWR Holding Corporation^	One stop	L + 5.75% (a)	7.99%	08/2023	$ 5,259	$ 5,194	0.6 %	$ 5,259
FWR Holding Corporation	One stop	L + 5.75% (a)	7.99%	08/2023	65	64	—	65
FWR Holding Corporation	One stop	L + 5.75% (a)(f)	8.80%	08/2023	42	41	—	42
FWR Holding Corporation(5)	One stop	L + 5.75%	N/A(6)	08/2023	—	(1)	—	—
Global Franchise Group, LLC*	Senior loan	L + 5.75% (a)	7.99%	12/2019	3,220	3,203	0.3	3,220
Global Franchise Group, LLC	Senior loan	L + 5.75%	N/A(6)	12/2019	—	—	—	—
Global ID Corporation*	One stop	L + 6.50% (c)	8.84%	11/2021	5,144	5,104	0.5	5,144
Global ID Corporation	One stop	L + 6.50% (c)	8.84%	11/2021	72	71	—	72
Global ID Corporation	One stop	L + 6.50%	N/A(6)	11/2021	—	—	—	—
Global ID Corporation(5)	One stop	L + 6.50%	N/A(6)	11/2021	—	(1)	—	—
Hopdoddy Holdings, LLC	One stop	L + 9.50% (c)	10.31% cash/1.50% PIK	08/2020	1,307	1,301	0.1	1,307
Hopdoddy Holdings, LLC	One stop	L + 9.50% (c)	10.34% cash/1.50% PIK	08/2020	47	47	—	47
Hopdoddy Holdings, LLC	One stop	L + 9.50% (c)	10.32% cash/1.50% PIK	08/2020	3	2	—	3
Mendocino Farms, LLC(5)	One stop	L + 8.50%	N/A(6)	06/2023	—	(2)	—	—
Mid-America Pet Food, L.L.C.*^	One stop	L + 6.00% (c)	8.39%	12/2021	10,752	10,664	1.1	10,752
Mid-America Pet Food, L.L.C.(5)	One stop	L + 6.00%	N/A(6)	12/2021	—	(1)	—	—
NBC Intermediate, LLC^	Senior loan	L + 4.25% (a)	6.50%	09/2023	2,079	2,061	0.2	2,058
NBC Intermediate, LLC *	Senior loan	L + 4.25% (a)	6.50%	09/2023	1,097	1,086	0.1	1,086
NBC Intermediate, LLC	Senior loan	P + 3.25% (f)	8.50%	09/2023	5	4	—	4
Purfoods, LLC	One stop	L + 6.00% (c)	8.31%	05/2021	8,379	8,270	0.9	8,379
Purfoods, LLC	One stop	N/A	7.00% PIK	05/2026	116	116	—	116
Purfoods, LLC	One stop	L + 6.00% (a)	8.15%	05/2021	65	64	—	65
Purfoods, LLC^	One stop	L + 6.00% (c)	8.39%	05/2021	39	39	—	39
Purfoods, LLC	One stop	L + 6.00% (c)	8.39%	05/2021	30	30	—	30
Purfoods, LLC	One stop	L + 6.00% (c)	8.39%	05/2021	30	30	—	30
Purfoods, LLC	One stop	L + 6.00% (c)	8.33%	05/2021	30	30	—	30
Purfoods, LLC^	One stop	L + 6.00% (c)	8.39%	05/2021	24	23	—	24
Purfoods, LLC^	One stop	L + 6.00% (c)	8.39%	05/2021	15	15	—	15
Purfoods, LLC^	One stop	L + 6.00% (c)	8.39%	05/2021	15	15	—	15
Purfoods, LLC^	One stop	L + 6.00% (c)	8.39%	05/2021	14	14	—	14
Purfoods, LLC^	One stop	L + 6.00% (c)	8.39%	05/2021	11	11	—	11
Purfoods, LLC^	One stop	L + 6.00% (c)	8.39%	05/2021	11	11	—	11
Purfoods, LLC^	One stop	L + 6.00% (c)	8.39%	05/2021	10	10	—	10
Purfoods, LLC(5)	One stop	L + 6.00%	N/A(6)	05/2021	—	(1)	—	—
Rubio's Restaurants, Inc.*^	Senior loan	L + 5.25% (c)	7.64%	10/2019	11,173	11,000	1.2	11,173
Uinta Brewing Company^(7)	One stop	L + 8.50% (a)	10.74%	08/2019	3,725	3,716	0.3	2,459
Uinta Brewing Company(7)	One stop	L + 8.50% (a)	10.74%	08/2019	693	691	0.1	444
					97,348	96,350	9.9	95,666
Broadcasting and Entertainment								
TouchTunes Interactive Networks, Inc.^	Senior loan	L + 4.75% (a)	6.99%	05/2021	1,447	1,444	0.1	1,447
Buildings and Real Estate								
Brooks Equipment Company, LLC*^	One stop	L + 5.00% (c)	7.31%	08/2020	21,096	20,996	2.2	21,096
Brooks Equipment Company, LLC*	One stop	L + 5.00% (b)(c)	7.28%	08/2020	2,634	2,623	0.3	2,634
Brooks Equipment Company, LLC(5)	One stop	L + 5.00%	N/A(6)	08/2020	—	(6)	—	—
Jensen Hughes, Inc.	Senior loan	L + 4.50% (a)	6.71%	03/2024	500	498	0.1	500
Jensen Hughes, Inc.	Senior loan	L + 4.50% (a)	6.74%	03/2024	153	151	—	153

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	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Buildings and Real Estate - (continued)									
Jensen Hughes, Inc.	Senior loan	L + 4.50%	(a)	6.65%	03/2024	$ 29	$ 29	— %	$ 29
MRI Software LLC^	One stop	L + 5.50%	(c)	7.89%	06/2023	23,684	23,156	2.4	23,684
MRI Software LLC*^	One stop	L + 5.50%	(c)	7.89%	06/2023	13,744	13,614	1.4	13,744
MRI Software LLC^	One stop	L + 5.50%	(c)	7.89%	06/2023	357	354	0.1	357
MRI Software LLC	One stop	L + 5.50%	(c)	7.89%	06/2023	295	292	—	295
MRI Software LLC	One stop	L + 5.50%	(c)	7.89%	06/2023	194	192	—	194
MRI Software LLC^	One stop	L + 5.50%	(a)	7.65%	06/2023	165	163	—	165
MRI Software LLC	One stop	L + 5.50%	(a)	7.67%	06/2023	35	32	—	35
MRI Software LLC(5)	One stop	L + 5.50%		N/A(6)	06/2023	—	(6)	—	—
						62,886	62,088	6.5	62,886
Chemicals, Plastics and Rubber									
Flexan, LLC*	One stop	L + 5.75%	(c)	8.14%	02/2020	2,310	2,296	0.3	2,310
Flexan, LLC^	One stop	L + 5.75%	(c)	8.14%	02/2020	1,086	1,081	0.1	1,086
Flexan, LLC	One stop	P + 4.50%	(f)	9.75%	02/2020	11	11	—	11
Inhance Technologies Holdings LLC	One stop	L + 5.25%	(b)	7.43%	07/2024	6,880	6,731	0.7	6,811
Inhance Technologies Holdings LLC(5)	One stop	L + 5.25%		N/A(6)	07/2024	—	(1)	—	(1)
Inhance Technologies Holdings LLC(5)	One stop	L + 5.25%		N/A(6)	07/2024	—	(1)	—	(2)
						10,287	10,117	1.1	10,215
Diversified/Conglomerate Manufacturing									
Chase Industries, Inc.	Senior loan	L + 4.00%	(c)	6.34%	05/2025	6,870	6,756	0.7	6,870
Chase Industries, Inc.	Senior loan	L + 4.00%	(c)	6.34%	05/2023	16	14	—	16
Chase Industries, Inc.	Senior loan	L + 4.00%	(c)	6.38%	05/2025	12	8	—	12
Inventus Power, Inc.*^	One stop	L + 6.50%	(a)	8.74%	04/2020	7,285	7,266	0.7	6,557
Inventus Power, Inc.	One stop	L + 6.50%	(a)(c)	8.78%	04/2020	271	270	—	236
Onicon Incorporated*^	One stop	L + 5.50%	(a)(c)	7.88%	04/2022	17,916	17,784	1.9	17,916
Onicon Incorporated(5)	One stop	L + 5.50%		N/A(6)	04/2022	—	(3)	—	—
Pasternack Enterprises, Inc. and Fairview Microwave, Inc	Senior loan	L + 4.00%	(a)(f)	6.24%	07/2025	5,634	5,607	0.6	5,606
Pasternack Enterprises, Inc. and Fairview Microwave, Inc	Senior loan	L + 4.00%		N/A(6)	07/2023	—	—	—	—
PetroChoice Holdings, Inc.^	Senior loan	L + 5.00%	(b)	7.20%	08/2022	1,732	1,700	0.2	1,732
Plex Systems, Inc.*^	One stop	L + 7.50%	(a)	9.82%	06/2020	18,797	18,635	1.9	18,797
Plex Systems, Inc.(5)	One stop	L + 7.50%		N/A(6)	06/2020	—	(14)	—	—
Reladyne, Inc.*^	Senior loan	L + 5.00%	(c)	7.34%	07/2022	16,878	16,691	1.7	16,878
Reladyne, Inc.^	Senior loan	L + 5.00%	(c)	7.34%	07/2022	173	171	—	173
Reladyne, Inc.	Senior loan	L + 5.00%	(c)	7.34%	07/2022	142	141	—	142
Reladyne, Inc.(5)	Senior loan	L + 5.00%		N/A(6)	07/2022	—	(3)	—	—
Source Refrigeration & HVAC, Inc.*	Senior loan	L + 4.75%	(c)	7.14%	04/2023	9,453	9,352	1.0	9,453
Source Refrigeration & HVAC, Inc.	Senior loan	L + 4.75%	(c)	7.10%	04/2023	111	110	—	111
Source Refrigeration & HVAC, Inc.	Senior loan	P + 3.75%	(f)	9.00%	04/2023	89	86	—	89
Source Refrigeration & HVAC, Inc.	Senior loan	L + 4.75%	(c)	7.09%	04/2023	57	56	—	57
Source Refrigeration & HVAC, Inc.(5)	Senior loan	L + 4.75%		N/A(6)	04/2023	—	(2)	—	—
Sunless Merger Sub, Inc.	Senior loan	L + 5.00%	(a)(f)	7.28%	07/2019	1,381	1,384	0.2	1,381
Sunless Merger Sub, Inc.	Senior loan	P + 3.75%	(f)	8.75%	07/2019	256	256	—	256
Togetherwork Holdings, LLC	One stop	L + 6.50%	(a)	8.74%	03/2025	9,158	9,031	0.9	9,066
Togetherwork Holdings, LLC	One stop	L + 6.50%	(a)	8.74%	03/2025	557	549	0.1	552
Togetherwork Holdings, LLC	One stop	L + 6.50%	(a)	8.74%	03/2025	116	114	—	114
Togetherwork Holdings, LLC	One stop	L + 6.50%	(a)	8.74%	03/2025	108	106	—	107

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Diversified/Conglomerate Manufacturing - (continued)									
Togetherwork Holdings, LLC(5)	One stop	L + 6.50%		N/A(6)	03/2024	$ —	$ (1)	— %	$ (1)
Togetherwork Holdings, LLC(5)	One stop	L + 6.50%		N/A(6)	03/2025	—	(2)	—	(1)
Togetherwork Holdings, LLC(5)	One stop	L + 6.50%		N/A(6)	03/2025	—	(3)	—	(2)
						97,012	96,059	9.9	96,117
Diversified/Conglomerate Service									
Accela, Inc.	One stop	L + 6.00%	(c)	8.39%	09/2023	5,261	5,193	0.5	5,261
Accela, Inc.(5)	One stop	L + 6.00%		N/A(6)	09/2023	—	(1)	—	—
Agility Recovery Solutions Inc.*^	One stop	L + 6.50%	(a)	8.74%	03/2020	13,809	13,750	1.4	13,809
Agility Recovery Solutions Inc.(5)	One stop	L + 6.50%		N/A(6)	03/2020	—	(3)	—	—
Anaqua, Inc.*^	One stop	L + 6.50%	(c)	8.85%	07/2022	6,948	6,867	0.7	6,948
Anaqua, Inc.(5)	One stop	L + 6.50%		N/A(6)	07/2022	—	(1)	—	—
Apttus Corporation	One stop	L + 7.85%	(e)	10.06%	01/2023	4,127	3,969	0.4	4,312
Bazaarvoice, Inc.	One stop	L + 8.00%	(a)	10.24%	02/2024	8,958	8,799	0.9	8,958
Bazaarvoice, Inc.	One stop	P + 7.00%	(f)	12.25%	02/2024	30	28	—	30
Browz LLC	One stop	L + 9.50%	(b)	10.17% cash/1.50% PIK	03/2023	1,503	1,473	0.2	1,503
Browz LLC	One stop	L + 9.50%		N/A(6)	03/2023	—	—	—	—
Centrify Corporation*	One stop	L + 6.25%	(c)	8.59%	08/2024	10,974	10,813	1.1	10,864
Centrify Corporation(5)	One stop	L + 6.25%		N/A(6)	08/2024	—	(2)	—	(2)
Clearwater Analytics, LLC*^	One stop	L + 5.00%	(a)	7.24%	09/2022	8,532	8,319	0.9	8,532
Clearwater Analytics, LLC(5)	One stop	L + 5.00%		N/A(6)	09/2022	—	(2)	—	—
Cloudbees, Inc.	One stop	L + 9.00%	(a)	10.61% cash/0.50% PIK	05/2023	1,898	1,841	0.2	1,870
Cloudbees, Inc.	One stop	L + 9.00%		N/A(6)	05/2023	—	—	—	—
Confluence Technologies, Inc.	One stop	L + 7.50%	(a)	9.65%	03/2024	7,033	6,889	0.7	7,033
Confluence Technologies, Inc.	One stop	P + 6.50%	(a)(f)	10.96%	03/2024	16	15	—	16
Connexin Software, Inc.	One stop	L + 8.50%	(a)	10.74%	02/2024	2,401	2,348	0.3	2,401
Connexin Software, Inc.	One stop	L + 8.50%		N/A(6)	02/2024	—	—	—	—
Datto, Inc.*	One stop	L + 8.00%	(a)	10.15%	12/2022	11,156	10,969	1.2	11,156
Datto, Inc.(5)	One stop	L + 8.00%		N/A(6)	12/2022	—	(1)	—	—
Daxko Acquisition Corporation*^	One stop	L + 5.25%	(b)	7.54%	09/2023	11,246	11,014	1.2	11,246
Daxko Acquisition Corporation(5)	One stop	L + 5.25%		N/A(6)	09/2023	—	(1)	—	—
Digital Guardian, Inc.	One stop	L + 9.00%	(c)	10.33% cash/1.00% PIK	06/2023	3,999	3,952	0.4	3,999
Digital Guardian, Inc.	Subordinated debt	N/A		8.00% PIK	01/2019	184	184	—	184
Digital Guardian, Inc.(5)	One stop	L + 6.00%		N/A(6)	06/2023	—	—	—	(2)
Digital Guardian, Inc.	One stop	L + 9.00%		N/A(6)	06/2023	—	—	—	—
DISA Holdings Acquisition Subsidiary Corp.*	Senior loan	L + 4.00%	(a)(f)	6.10%	06/2022	2,006	1,997	0.2	2,006
DISA Holdings Acquisition Subsidiary Corp.	Senior loan	L + 4.00%	(a)	6.10%	06/2022	2	2	—	2
DISA Holdings Acquisition Subsidiary Corp.(5)	Senior loan	L + 4.00%		N/A(6)	06/2022	—	(1)	—	—
EGD Security Systems, LLC	One stop	L + 6.25%	(c)	8.58%	06/2022	11,114	10,960	1.1	11,114
EGD Security Systems, LLC^	One stop	L + 6.25%	(c)	8.56%	06/2022	98	97	—	98
EGD Security Systems, LLC	One stop	L + 6.25%	(c)	8.58%	06/2022	75	74	—	75
EGD Security Systems, LLC^	One stop	L + 6.25%	(c)	8.59%	06/2022	52	52	—	52
GS Acquisitionco, Inc.	One stop	L + 5.00%	(a)	7.25%	05/2024	22,840	22,620	2.3	22,611
GS Acquisitionco, Inc.	One stop	L + 5.00%	(a)	7.25%	05/2024	878	870	0.1	869
GS Acquisitionco, Inc.(5)	One stop	L + 4.75%		N/A(6)	05/2024	—	(1)	—	(1)
GS Acquisitionco, Inc.(5)	One stop	L + 4.75%		N/A(6)	05/2024	—	(5)	—	(5)
HealthcareSource HR, Inc.*	One stop	L + 6.75%	(c)	9.14%	05/2020	23,389	23,203	2.4	23,389
HealthcareSource HR, Inc.(5)	One stop	L + 6.75%		N/A(6)	05/2020	—	(1)	—	—

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Diversified/Conglomerate Service - (continued)									
Host Analytics, Inc.	One stop	N/A		8.50% cash/2.25% PIK	08/2021	$ 3,169	$ 3,131	0.3 %	$ 3,169
Host Analytics, Inc.	One stop	N/A		8.50% cash/2.25% PIK	08/2021	2,656	2,557	0.3	2,656
Host Analytics, Inc.	One stop	N/A		8.50% cash/2.25% PIK	08/2021	741	733	0.1	741
Host Analytics, Inc.(5)	One stop	N/A		N/A(6)	08/2021	—	(6)	—	—
ICIMS, Inc.	One stop	L + 6.50%	(c)	8.64%	09/2024	5,412	5,305	0.5	5,304
ICIMS, Inc.(5)	One stop	L + 6.50%		N/A(6)	09/2024	—	(1)	—	(1)
III US Holdings, LLC	One stop	L + 6.50%		N/A(6)	09/2022	—	—	—	—
Imprivata, Inc.	Senior loan	L + 4.00%	(c)	6.39%	10/2023	13,045	12,907	1.3	13,045
Imprivata, Inc.(5)	Senior loan	L + 4.00%		N/A(6)	10/2023	—	(2)	—	—
Infogix, Inc.	One stop	L + 6.00%	(c)	8.39%	04/2024	3,330	3,315	0.3	3,330
Infogix, Inc.	One stop	P + 5.00%	(f)	10.25%	04/2024	9	9	—	9
Integral Ad Science, Inc.	One stop	L + 7.25%	(a)	8.25% cash/1.25% PIK	07/2024	5,000	4,904	0.5	4,900
Integral Ad Science, Inc.(5)	One stop	L + 6.00%		N/A(6)	07/2023	—	(1)	—	(1)
Integration Appliance, Inc.*^	One stop	L + 7.25%	(a)	9.36%	08/2023	34,762	34,381	3.6	34,415
Integration Appliance, Inc.(5)	One stop	L + 7.25%		N/A(6)	08/2023	—	(7)	—	(9)
JAMF Holdings, Inc.	One stop	L + 8.00%	(c)	10.32%	11/2022	4,550	4,475	0.5	4,550
JAMF Holdings, Inc.(5)	One stop	L + 8.00%		N/A(6)	11/2022	—	(1)	—	—
Jobvite, Inc.	One stop	L + 8.00%	(a)	10.15%	07/2023	2,048	1,979	0.2	1,968
Jobvite, Inc.	One stop	L + 8.00%		N/A(6)	07/2023	—	—	—	—
Jobvite, Inc.(5)	One stop	L + 8.00%		N/A(6)	07/2023	—	—	—	(1)
Kareo, Inc.	One stop	L + 9.00%	(a)	11.24%	06/2022	4,518	4,348	0.5	4,518
Kareo, Inc.	One stop	L + 9.00%	(a)	11.24%	06/2022	332	327	—	332
Kareo, Inc.	One stop	L + 9.00%		N/A(6)	06/2022	—	—	—	—
Maverick Bidco Inc.*	One stop	L + 6.25%	(c)	8.64%	04/2023	17,468	17,195	1.8	17,468
Maverick Bidco Inc.	One stop	L + 6.25%	(c)	8.59%	04/2023	167	166	—	167
Maverick Bidco Inc.	One stop	L + 6.25%	(c)	8.60%	04/2023	34	32	—	34
Maverick Bidco Inc.(5)	One stop	L + 6.25%		N/A(6)	04/2023	—	(3)	—	—
Ministry Brands, LLC	Senior loan	L + 4.00%	(a)	6.24%	12/2022	866	862	0.1	866
Ministry Brands, LLC	Senior loan	L + 4.00%	(a)	6.24%	12/2022	496	493	0.1	496
Ministry Brands, LLC	Senior loan	L + 4.00%	(a)	6.24%	12/2022	9	9	—	9
MMan Acquisition Co.^	One stop	L + 6.00%	(c)	8.34%	08/2023	9,726	9,608	1.0	9,531
MMan Acquisition Co.	One stop	L + 6.00%	(c)	8.34%	08/2023	100	99	—	98
Net Health Acquisition Corp.	One stop	L + 5.50%	(a)	7.74%	12/2023	3,857	3,823	0.4	3,857
Net Health Acquisition Corp.	One stop	L + 5.50%	(a)	7.74%	12/2023	540	536	0.1	540
Net Health Acquisition Corp.(5)	One stop	L + 5.50%		N/A(6)	12/2023	—	(1)	—	—
Netsmart Technologies, Inc.	Senior loan	L + 3.75%	(a)	5.99%	06/2025	1,737	1,725	0.2	1,750
Netsmart Technologies, Inc.(5)	Senior loan	L + 4.75%		N/A(6)	04/2023	—	(6)	—	—
Nextech Systems, LLC	One stop	L + 6.00%	(a)	8.24%	03/2024	10,357	10,322	1.1	10,357
Nextech Systems, LLC	One stop	L + 6.00%		N/A(6)	03/2024	—	—	—	—
Nexus Brands Group, Inc.	One stop	L + 6.00%	(c)	8.33%	11/2023	5,750	5,689	0.6	5,750
Nexus Brands Group, Inc.	One stop	L + 6.00%	(c)	8.39%	11/2023	91	90	—	91
Nexus Brands Group, Inc.(5)	One stop	L + 6.00%		N/A(6)	11/2023	—	(1)	—	—
Nexus Brands Group, Inc.(5)	One stop	L + 6.00%		N/A(6)	11/2023	—	(1)	—	—
Personify, Inc.	One stop	L + 5.75%	(c)	8.14%	09/2024	5,349	5,296	0.5	5,295
Personify, Inc.(5)	One stop	L + 5.75%		N/A(6)	09/2024	—	(1)	—	(1)
Property Brands, Inc.	One stop	L + 6.00%	(a)	8.24%	01/2024	10,872	10,655	1.1	10,872
Property Brands, Inc.^	One stop	L + 6.00%	(a)	8.24%	01/2024	219	216	—	219

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Diversified/Conglomerate Service - (continued)								
Property Brands, Inc.(5)	One stop	L + 6.00%	N/A(6)	01/2024	$ —	$ (1)	— %	$ —
Property Brands, Inc.(5)	One stop	L + 6.00%	N/A(6)	01/2024	—	(1)	—	—
Saba Software, Inc.*^	Senior loan	L + 4.50% (a)	6.74%	05/2023	22,515	22,217	2.3	22,515
Saba Software, Inc.(5)	Senior loan	L + 4.50%	N/A(6)	05/2023	—	(2)	—	—
Saldon Holdings, Inc.*	Senior loan	L + 4.25% (a)	6.41%	09/2022	750	741	0.1	746
Saldon Holdings, Inc. *	Senior loan	L + 4.25% (a)	6.41%	09/2022	716	713	0.1	713
Telesoft, LLC*	One stop	L + 5.00% (c)	7.34%	07/2022	4,160	4,129	0.4	4,160
Telesoft, LLC(5)	One stop	L + 5.00%	N/A(6)	07/2022	—	(1)	—	—
Transaction Data Systems, Inc.*	One stop	L + 5.25% (a)	7.50%	06/2021	39,051	38,889	4.0	39,051
Transaction Data Systems, Inc.	One stop	L + 5.25% (c)	7.64%	06/2021	15	14	—	15
Trintech, Inc.*^	One stop	L + 6.00% (b)	8.20%	12/2023	10,875	10,756	1.1	10,875
Trintech, Inc.^	One stop	L + 6.00% (b)	8.20%	12/2023	3,412	3,375	0.4	3,412
Trintech, Inc.	One stop	L + 6.00% (b)	8.20%	12/2023	30	28	—	30
True Commerce, Inc.^	One stop	L + 5.75% (c)	8.14%	11/2023	5,610	5,550	0.6	5,610
True Commerce, Inc.(5)	One stop	L + 5.75%	N/A(6)	11/2023	—	(1)	—	—
Upserve, Inc.	One stop	L + 5.50% (a)	7.65%	07/2023	2,969	2,948	0.3	2,947
Upserve, Inc.	One stop	L + 5.50%	N/A(6)	07/2023	—	—	—	—
Upserve, Inc.(5)	One stop	L + 5.50%	N/A(6)	07/2023	—	(1)	—	(1)
Valant Medical Solutions, Inc.	One stop	L + 11.00% (a)	10.88% cash/2.25% PIK	10/2020	828	775	0.1	828
Valant Medical Solutions, Inc.	One stop	N/A	6.00% PIK	02/2020	149	149	—	184
Valant Medical Solutions, Inc.	One stop	L + 11.00% (a)	10.88% cash/2.25% PIK	10/2020	10	10	—	10
Velocity Technology Solutions, Inc.	One stop	L + 6.00% (c)	8.39%	12/2023	8,228	8,103	0.9	8,228
Velocity Technology Solutions, Inc.(5)	One stop	L + 6.00%	N/A(6)	12/2023	—	(1)	—	—
Vendavo, Inc.*	One stop	L + 8.50% (c)	10.81%	10/2022	28,936	28,441	3.0	28,936
Vendavo, Inc.(5)	One stop	L + 8.50%	N/A(6)	10/2022	—	(9)	—	—
Vendor Credentialing Service LLC^	One stop	L + 5.75% (a)	7.99%	11/2021	12,115	11,949	1.3	12,115
Vendor Credentialing Service LLC	One stop	L + 5.75%	N/A(6)	11/2021	—	—	—	—
Verisys Corporation*	One stop	L + 7.75% (c)	10.14%	01/2023	3,886	3,844	0.4	3,886
Verisys Corporation(5)	One stop	L + 7.75%	N/A(6)	01/2023	—	(1)	—	—
Workforce Software, LLC^	One stop	L + 6.50% (c)	8.83%	06/2021	5,790	5,756	0.6	5,790
Workforce Software, LLC	One stop	L + 6.50% (c)	8.81%	06/2021	577	571	0.1	577
Workforce Software, LLC(5)	One stop	L + 6.50%	N/A(6)	06/2021	—	(1)	—	—
					456,361	450,374	47.0	455,279
Ecological								
Pace Analytical Services, LLC	One stop	L + 6.25% (a)	8.49%	09/2022	15,190	14,912	1.6	15,190
Pace Analytical Services, LLC^	One stop	L + 6.25% (a)	8.49%	09/2022	1,412	1,396	0.1	1,412
Pace Analytical Services, LLC	One stop	L + 6.25% (a)	8.48%	09/2022	716	709	0.1	716
Pace Analytical Services, LLC*	One stop	L + 6.25% (a)	8.49%	09/2022	346	342	—	346
Pace Analytical Services, LLC^	One stop	L + 6.25% (a)	8.47%	09/2022	118	117	—	118
Pace Analytical Services, LLC	One stop	L + 6.25% (a)	8.49%	09/2022	10	8	—	10
Pace Analytical Services, LLC(5)	One stop	L + 6.25%	N/A(6)	09/2022	—	(3)	—	—
WRE Holding Corp.*	Senior loan	L + 4.75% (a)	6.99%	01/2023	1,008	999	0.1	1,008
WRE Holding Corp.	Senior loan	L + 4.75% (a)	6.99%	01/2023	42	42	—	42
WRE Holding Corp.	Senior loan	L + 4.75% (a)	6.99%	01/2023	21	21	—	21
WRE Holding Corp.	Senior loan	L + 4.75% (a)	6.99%	01/2023	5	5	—	5
					18,868	18,548	1.9	18,868

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Electronics									
Appriss Holdings, Inc.*^	One stop	L + 6.25%	(c)	8.64%	05/2022	$ 36,397	$ 36,016	3.7 %	$ 36,034
Appriss Holdings, Inc.(5)	One stop	L + 6.25%		N/A(6)	05/2022	—	(33)	—	(29)
Compusearch Software Holdings, Inc.*^	Senior loan	L + 4.25%	(c)	6.64%	05/2021	2,067	2,065	0.2	2,067
Diligent Corporation*	One stop	L + 5.50%	(d)	8.09%	04/2022	26,132	25,856	2.7	26,132
Diligent Corporation	One stop	L + 5.50%	(d)	8.09%	04/2022	4,879	4,816	0.5	4,879
Diligent Corporation*	One stop	L + 5.50%	(d)	8.09%	04/2022	4,790	4,700	0.5	4,790
Diligent Corporation*^	One stop	L + 5.50%	(d)	8.09%	04/2022	2,622	2,586	0.3	2,622
Diligent Corporation	One stop	L + 5.50%	(c)	7.98%	04/2022	102	101	—	102
Diligent Corporation	One stop	L + 5.50%	(c)	8.03%	04/2022	81	80	—	81
Diligent Corporation	One stop	L + 5.50%	(c)(d)	8.03%	04/2022	36	35	—	36
Diligent Corporation(5)	One stop	L + 5.50%		N/A(6)	04/2022	—	(1)	—	—
Diligent Corporation(5)	One stop	L + 5.50%		N/A(6)	04/2022	—	(2)	—	—
Gamma Technologies, LLC*^	One stop	L + 5.50%	(a)	7.74%	06/2024	21,478	21,297	2.2	21,478
Gamma Technologies, LLC(5)	One stop	L + 5.50%		N/A(6)	06/2024	—	(1)	—	—
SEI, Inc.*	Senior loan	L + 5.25%	(a)	7.49%	07/2023	5,477	5,428	0.6	5,477
Sloan Company, Inc., The	One stop	L + 13.00%	(c)	10.89% cash/4.50% PIK	04/2020	6,467	6,426	0.5	5,173
Sloan Company, Inc., The	One stop	L + 13.00%	(c)	10.89% cash/4.50% PIK	04/2020	432	432	—	346
Sloan Company, Inc., The	One stop	L + 13.00%	(c)	10.89% cash/4.50% PIK	04/2020	50	50	—	40
Sovos Compliance*^	One stop	L + 6.00%	(a)	8.24%	03/2022	9,234	9,125	1.0	9,234
Sovos Compliance^	One stop	L + 6.00%	(a)	8.24%	03/2022	1,553	1,536	0.2	1,553
Sovos Compliance	One stop	L + 6.00%	(a)	8.24%	03/2022	173	172	—	173
Sovos Compliance(5)	One stop	L + 6.00%		N/A(6)	03/2022	—	(1)	—	—
Sovos Compliance(5)	One stop	L + 6.00%		N/A(6)	03/2022	—	(2)	—	—
Watchfire Enterprises, Inc.	Second lien	L + 8.00%	(c)	10.39%	10/2021	9,435	9,338	1.0	9,435
						131,405	130,019	13.4	129,623
Grocery									
MyWebGrocer, Inc.*	One stop	L + 5.00%	(d)	7.52%	09/2018	14,271	14,271	1.5	14,271
Teasdale Quality Foods, Inc.	Senior loan	L + 4.75%	(c)	6.92%	10/2020	324	321	—	317
						14,595	14,592	1.5	14,588
Healthcare, Education and Childcare									
Active Day, Inc.	One stop	L + 6.00%	(a)	8.24%	12/2021	13,265	13,071	1.3	13,000
Active Day, Inc.^	One stop	L + 6.00%	(a)	8.24%	12/2021	1,024	1,014	0.1	1,003
Active Day, Inc.*	One stop	L + 6.00%	(a)	8.24%	12/2021	660	655	0.1	646
Active Day, Inc.*	One stop	L + 6.00%	(a)	8.24%	12/2021	456	451	0.1	447
Active Day, Inc.	One stop	P + 5.00%	(f)	10.25%	12/2021	22	21	—	20
Acuity Eyecare Holdings, LLC	One stop	L + 6.75%	(b)	9.01%	03/2022	2,564	2,519	0.3	2,538
Acuity Eyecare Holdings, LLC	One stop	L + 6.75%	(b)	9.04%	03/2022	203	180	—	185
Acuity Eyecare Holdings, LLC^	One stop	L + 6.75%	(b)	9.02%	03/2022	149	148	—	148
Acuity Eyecare Holdings, LLC	One stop	P + 5.75%	(f)	11.00%	03/2022	10	10	—	9
ADCS Clinics Intermediate Holdings, LLC	One stop	L + 5.75%	(b)	8.04%	05/2022	21,065	20,641	2.1	20,644
ADCS Clinics Intermediate Holdings, LLC*	One stop	L + 5.75%	(b)	8.04%	05/2022	107	106	—	105
ADCS Clinics Intermediate Holdings, LLC	One stop	L + 5.75%	(b)	8.04%	05/2022	83	82	—	81
ADCS Clinics Intermediate Holdings, LLC	One stop	L + 5.75%	(b)	8.04%	05/2022	50	49	—	48
ADCS Clinics Intermediate Holdings, LLC*	One stop	L + 5.75%	(b)	8.04%	05/2022	31	31	—	31
Agilitas USA, Inc.	One stop	L + 6.00%	(c)	8.34%	04/2022	8,354	8,295	0.9	8,187
Agilitas USA, Inc.	One stop	L + 6.00%	(c)	8.34%	04/2022	10	9	—	8
Agilitas USA, Inc.(5)	One stop	L + 6.00%		N/A(6)	04/2022	—	(1)	—	—

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	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Healthcare, Education and Childcare - (continued)									
Aris Teleradiology Company, LLC*(7)	Senior loan	L + 5.50%	(c)	8.00%	03/2021	$ 2,693	$ 2,678	0.1 %	$ 1,236
Aris Teleradiology Company, LLC(7)	Senior loan	L + 5.50%	(c)(d)	8.01%	03/2021	141	140	—	47
Avalign Technologies, Inc.^	Senior loan	L + 4.50%	(a)	6.75%	07/2021	1,343	1,340	0.1	1,343
BIORECLAMATIONIVT, LLC*^	One stop	L + 6.25%	(a)	8.49%	01/2021	16,852	16,718	1.7	16,852
BIORECLAMATIONIVT, LLC	One stop	P + 5.25%	(f)	10.50%	01/2021	100	99	—	100
CLP Healthcare Services, Inc.^	Senior loan	L + 5.50%	(c)	7.89%	12/2020	3,884	3,858	0.4	3,807
DCA Investment Holding, LLC*^	One stop	L + 5.25%	(c)	7.64%	07/2021	18,584	18,393	1.9	18,584
DCA Investment Holding, LLC*^	One stop	L + 5.25%	(c)	7.64%	07/2021	13,329	13,249	1.4	13,329
DCA Investment Holding, LLC	One stop	L + 5.25%	(c)	7.64%	07/2021	2,450	2,422	0.3	2,450
DCA Investment Holding, LLC	One stop	L + 5.25%	(c)	7.64%	07/2021	151	150	—	151
DCA Investment Holding, LLC	One stop	L + 5.25%	(c)	7.64%	07/2021	149	147	—	149
DCA Investment Holding, LLC	One stop	L + 5.25%	(c)	7.64%	07/2021	47	47	—	47
DCA Investment Holding, LLC(5)	One stop	L + 5.25%		N/A(6)	07/2021	—	(7)	—	—
DCA Investment Holding, LLC(5)	One stop	L + 5.25%		N/A(6)	07/2021	—	(9)	—	—
Deca Dental Management LLC*^	One stop	L + 6.25%	(c)	8.64%	07/2020	4,062	4,040	0.4	4,062
Deca Dental Management LLC	One stop	L + 6.25%	(a)(c)	8.57%	07/2020	494	492	0.1	494
Deca Dental Management LLC	One stop	L + 6.25%	(a)	8.49%	07/2020	50	50	—	50
Deca Dental Management LLC(5)	One stop	L + 6.25%		N/A(6)	07/2020	—	(1)	—	—
Dental Holdings Corporation	One stop	L + 5.50%	(d)	8.02%	02/2020	7,142	7,081	0.7	7,142
Dental Holdings Corporation	One stop	L + 5.50%	(d)	8.02%	02/2020	1,133	1,126	0.1	1,133
Dental Holdings Corporation	One stop	L + 5.50%	(b)	7.67%	02/2020	220	214	—	220
Elite Dental Partners LLC*	One stop	L + 5.25%	(a)	7.49%	06/2023	12,274	12,101	1.3	12,274
Elite Dental Partners LLC	One stop	L + 5.25%	(a)	7.49%	06/2023	115	101	—	115
Elite Dental Partners LLC(5)	One stop	L + 5.25%		N/A(6)	06/2023	—	(1)	—	—
ERG Buyer, LLC	One stop	L + 5.50%	(c)	7.89%	05/2024	13,183	12,996	1.4	13,183
ERG Buyer, LLC(5)	One stop	L + 5.50%		N/A(6)	05/2024	—	(2)	—	—
ERG Buyer, LLC(5)	One stop	L + 5.50%		N/A(6)	05/2024	—	(11)	—	—
eSolutions, Inc.*^	One stop	L + 6.50%	(a)	8.74%	03/2022	31,722	31,340	3.3	31,484
eSolutions, Inc.(5)	One stop	L + 6.50%		N/A(6)	03/2022	—	(1)	—	(1)
Excelligence Learning Corporation^	One stop	L + 6.00%	(a)	8.24%	04/2023	4,805	4,768	0.5	4,517
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.64%	05/2023	7,926	7,758	0.8	7,926
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.64%	05/2023	576	566	0.1	576
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.64%	05/2023	355	353	0.1	355
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.64%	05/2023	172	171	—	172
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.59%	05/2023	100	100	—	100
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.64%	05/2023	58	57	—	58
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.64%	05/2023	51	50	—	51
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.64%	05/2023	33	28	—	33
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.64%	05/2023	32	25	—	32
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	8.63%	05/2023	25	22	—	25
G & H Wire Company, Inc.^	One stop	L + 5.75%	(a)	7.99%	09/2023	5,425	5,367	0.6	5,425
G & H Wire Company, Inc.(5)	One stop	L + 5.75%		N/A(6)	09/2022	—	(1)	—	—
Immucor, Inc.	Senior loan	L + 5.00%	(c)	7.39%	06/2021	1,597	1,597	0.2	1,626
Joerns Healthcare, LLC*^	One stop	L + 6.00%	(c)	8.31%	05/2020	3,497	3,476	0.3	3,253
Katena Holdings, Inc.^	One stop	L + 6.00%	(c)	8.39%	06/2021	8,523	8,466	0.9	8,352
Katena Holdings, Inc.^	One stop	L + 6.00%	(c)	8.39%	06/2021	833	827	0.1	816
Katena Holdings, Inc.	One stop	L + 6.00%	(c)	8.39%	06/2021	568	562	0.1	557

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Healthcare, Education and Childcare - (continued)									
Katena Holdings, Inc.(5)	One stop	L + 6.00%		N/A(6)	06/2021	$ —	$ (1)	— %	$ (2)
Lombart Brothers, Inc.^	One stop	L + 6.75%	(c)	9.14%	04/2022	5,041	4,938	0.5	4,966
Lombart Brothers, Inc.^(8)	One stop	L + 6.75%	(c)	9.14%	04/2022	1,648	1,620	0.2	1,623
Lombart Brothers, Inc.	One stop	P + 5.50%	(f)	10.75%	04/2022	29	28	—	28
Lombart Brothers, Inc.(8)	One stop	P + 5.50%	(f)	10.75%	04/2022	8	8	—	8
Maverick Healthcare Group, LLC*	Senior loan	L + 7.50%	(a)	7.89% cash/2.00% PIK	04/2017	1,316	1,316	0.1	1,316
MD Now Holdings, Inc.	One stop	L + 5.25%	(c)	7.64%	08/2024	7,770	7,619	0.8	7,692
MD Now Holdings, Inc.(5)	One stop	L + 5.25%		N/A(6)	08/2024	—	(1)	—	(2)
MD Now Holdings, Inc.(5)	One stop	L + 5.25%		N/A(6)	08/2024	—	(1)	—	(2)
MWD Management, LLC & MWD Services, Inc.	One stop	L + 5.25%	(c)	7.64%	06/2023	5,866	5,808	0.6	5,866
MWD Management, LLC & MWD Services, Inc.^	One stop	L + 5.25%	(c)	7.64%	06/2023	229	228	—	229
MWD Management, LLC & MWD Services, Inc.(5)	One stop	L + 5.25%		N/A(6)	06/2022	—	(1)	—	—
MWD Management, LLC & MWD Services, Inc.(5)	One stop	L + 5.25%		N/A(6)	06/2023	—	(3)	—	—
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.00%	(c)	8.39%	05/2022	9,338	9,156	1.0	9,338
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.00%	(c)	8.39%	05/2022	942	929	0.1	942
Oliver Street Dermatology Holdings, LLC*	One stop	L + 6.00%	(c)	8.39%	05/2022	210	208	—	210
Oliver Street Dermatology Holdings, LLC^	One stop	L + 6.00%	(c)	8.39%	05/2022	151	149	—	151
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.00%	(c)	8.39%	05/2022	133	132	—	133
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.00%	(c)	8.39%	05/2022	116	115	—	116
Oliver Street Dermatology Holdings, LLC^	One stop	L + 6.00%	(c)	8.39%	05/2022	90	89	—	90
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.00%	(c)(f)	8.85%	05/2022	81	80	—	81
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.00%	(c)	8.39%	05/2022	78	78	—	78
Oliver Street Dermatology Holdings, LLC^	One stop	L + 6.00%	(c)	8.39%	05/2022	46	45	—	46
Oliver Street Dermatology Holdings, LLC*	One stop	L + 6.00%	(c)	8.39%	05/2022	41	41	—	41
Oliver Street Dermatology Holdings, LLC^	One stop	L + 6.00%	(c)	8.39%	05/2022	32	32	—	32
Oliver Street Dermatology Holdings, LLC^	One stop	L + 6.00%	(c)	8.39%	05/2022	30	29	—	30
Oliver Street Dermatology Holdings, LLC(5)	One stop	L + 6.00%		N/A(6)	05/2022	—	(1)	—	—
ONsite Mammography, LLC	One stop	L + 6.75%	(a)	8.99%	11/2023	3,064	3,005	0.3	3,064
ONsite Mammography, LLC	One stop	L + 6.75%	(c)(d)	9.15%	11/2023	22	21	—	22
ONsite Mammography, LLC(5)	One stop	L + 6.75%		N/A(6)	11/2023	—	(1)	—	—
Pinnacle Treatment Centers, Inc.	One stop	L + 6.25%	(c)	8.59%	08/2021	9,879	9,724	1.0	9,879
Pinnacle Treatment Centers, Inc.	One stop	L + 6.25%	(b)(c)	8.52%	08/2021	58	57	—	58
Pinnacle Treatment Centers, Inc.^	One stop	L + 6.25%	(c)	8.59%	08/2021	55	54	—	55
Pinnacle Treatment Centers, Inc.	One stop	L + 6.25%	(a)	8.46%	08/2021	43	42	—	43
PPT Management Holdings, LLC^	One stop	L + 7.50%	(b)(f)	9.69%	12/2022	10,713	10,443	0.9	8,758
PPT Management Holdings, LLC*	One stop	L + 7.50%	(b)(c)(f)	9.69%	12/2022	139	140	—	114
PPT Management Holdings, LLC	One stop	L + 7.50%	(b)(f)	9.69%	12/2022	84	84	—	68
PPT Management Holdings, LLC	One stop	L + 7.50%	(b)(f)	9.69%	12/2022	40	31	—	32
PPT Management Holdings, LLC(5)	One stop	L + 7.50%	(b)(f)	9.69%	12/2022	7	4	—	(30)
Riverchase MSO, LLC	Senior loan	L + 5.25%	(c)	7.64%	10/2022	4,930	4,880	0.5	4,930
Riverchase MSO, LLC	Senior loan	L + 5.25%	(c)	7.63%	10/2022	54	53	—	54
RXH Buyer Corporation*^	One stop	L + 5.75%	(c)	8.14%	09/2021	17,083	16,914	1.8	17,083
RXH Buyer Corporation*	One stop	L + 5.75%	(c)	8.14%	09/2021	1,933	1,915	0.2	1,933
RXH Buyer Corporation	One stop	P + 4.75%	(c)(f)	9.19%	09/2021	92	90	—	92
SLMP, LLC^	One stop	L + 6.00%	(a)	8.24%	05/2023	7,544	7,406	0.8	7,544
SLMP, LLC^	One stop	L + 6.00%	(a)	8.24%	05/2023	298	294	—	298
SLMP, LLC	One stop	N/A		7.50% PIK	05/2027	90	90	—	90

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Golub Capital BDC, Inc. and Subsidiaries
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	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Healthcare, Education and Childcare - (continued)								
SLMP, LLC(5)	One stop	L + 6.00%	N/A(6)	05/2023	$ —	$ (1)	— %	$ —
SLMP, LLC(5)	One stop	L + 6.00%	N/A(6)	05/2023	—	(1)	—	—
Spear Education, LLC^	One stop	L + 6.25% (c)	8.75%	08/2019	4,597	4,586	0.5	4,597
Spear Education, LLC	One stop	L + 6.25% (c)	8.59%	08/2019	74	74	—	74
Spear Education, LLC	One stop	L + 6.25% (c)	8.56%	08/2019	26	26	—	26
Summit Behavioral Healthcare, LLC^	Senior loan	L + 4.75% (c)	7.06%	10/2023	8,777	8,666	0.9	8,777
Summit Behavioral Healthcare, LLC	Senior loan	L + 4.75% (c)	7.07%	10/2023	65	63	—	65
Summit Behavioral Healthcare, LLC	Senior loan	L + 4.75% (c)	7.07%	10/2023	27	24	—	27
WHCG Management, LLC*	Senior loan	L + 5.00% (c)	7.39%	03/2023	2,370	2,348	0.3	2,370
WHCG Management, LLC	Senior loan	L + 5.00% (c)	7.35%	03/2023	100	99	—	100
WHCG Management, LLC(5)	Senior loan	L + 5.00%	N/A(6)	03/2023	—	(2)	—	—
WIRB-Copernicus Group, Inc.*^	Senior loan	L + 4.25% (a)	6.49%	08/2022	10,901	10,834	1.1	10,901
WIRB-Copernicus Group, Inc.(5)	Senior loan	L + 4.25%	N/A(6)	08/2022	—	(1)	—	—
WIRB-Copernicus Group, Inc.(5)	Senior loan	L + 4.25%	N/A(6)	08/2022	—	(2)	—	—
					329,007	324,822	33.4	323,259
Home and Office Furnishings, Housewares, and Durable Consumer								
1A Smart Start LLC*	Senior loan	L + 4.50% (a)	6.74%	02/2022	548	547	0.1	550
CST Buyer Company^	One stop	L + 5.00% (a)	7.24%	03/2023	2,433	2,378	0.2	2,433
CST Buyer Company(5)	One stop	L + 5.00%	N/A(6)	03/2023	—	(1)	—	—
Plano Molding Company, LLC*^	One stop	L + 7.50% (a)	9.67%	05/2021	10,048	9,937	1.0	9,848
					13,029	12,861	1.3	12,831
Hotels, Motels, Inns, and Gaming								
Aimbridge Hospitality, LLC*^	One stop	L + 5.00% (a)	7.24%	06/2022	9,941	9,811	1.0	9,941
Aimbridge Hospitality, LLC*	One stop	L + 5.00% (a)	7.24%	06/2022	4,830	4,764	0.5	4,830
Aimbridge Hospitality, LLC	One stop	L + 5.00% (a)	7.24%	06/2022	805	794	0.1	805
Aimbridge Hospitality, LLC	One stop	L + 5.00% (a)	7.24%	06/2022	16	15	—	16
Aimbridge Hospitality, LLC(5)	One stop	L + 5.00%	N/A(6)	06/2022	—	(1)	—	—
					15,592	15,383	1.6	15,592
Insurance								
Captive Resources Midco, LLC*^	One stop	L + 5.75% (a)	7.99%	12/2021	34,313	33,908	3.5	34,313
Captive Resources Midco, LLC(5)	One stop	L + 5.75%	N/A(6)	12/2021	—	(18)	—	—
Captive Resources Midco, LLC(5)	One stop	L + 5.75%	N/A(6)	12/2021	—	(23)	—	—
Internet Pipeline, Inc.	One stop	L + 4.75% (a)	7.00%	08/2022	4,809	4,715	0.5	4,809
Internet Pipeline, Inc.*	One stop	L + 4.75% (a)	7.00%	08/2022	2,077	2,056	0.2	2,077
Internet Pipeline, Inc.*	One stop	L + 4.75% (a)	7.00%	08/2022	786	778	0.1	786
Internet Pipeline, Inc.(5)	One stop	L + 4.75%	N/A(6)	08/2021	—	(1)	—	—
RSC Acquisition, Inc.	Senior loan	L + 4.25% (c)(d)(f)	6.72%	11/2022	4,380	4,358	0.5	4,369
RSC Acquisition, Inc.	Senior loan	L + 4.25% (d)(e)	6.76%	11/2021	21	21	—	21
RSC Acquisition, Inc.(5)	Senior loan	L + 4.25%	N/A(6)	11/2022	—	(2)	—	(1)
					46,386	45,792	4.8	46,374
Leisure, Amusement, Motion Pictures, Entertainment								
NFD Operating, LLC	One stop	L + 7.00% (a)	9.11%	06/2021	2,302	2,283	0.2	2,302
NFD Operating, LLC	One stop	L + 7.00%	N/A(6)	06/2021	—	—	—	—
PADI Holdco, Inc.(8)(9)	One stop	E + 5.75% (g)	5.75%	04/2023	9,591	9,591	1.0	9,313
PADI Holdco, Inc.*^	One stop	L + 5.75% (c)	8.14%	04/2023	9,677	9,465	1.0	9,677
PADI Holdco, Inc.	One stop	L + 5.75% (c)	8.14%	04/2022	125	123	—	125
Self Esteem Brands, LLC*^	Senior loan	L + 4.75% (a)	6.99%	02/2020	16,120	16,069	1.7	16,120

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Leisure, Amusement, Motion Pictures, Entertainment - (continued)								
Self Esteem Brands, LLC(5)	Senior loan	L + 4.75%	N/A(6)	02/2020	$ —	$ (3)	— %	$ —
Sunshine Sub, LLC	One stop	L + 4.75% (a)	6.99%	05/2024	7,720	7,575	0.8	7,720
Sunshine Sub, LLC(5)	One stop	L + 4.75%	N/A(6)	05/2024	—	(1)	—	—
Sunshine Sub, LLC(5)	One stop	L + 4.75%	N/A(6)	05/2024	—	(3)	—	—
Teaching Company, The	One stop	L + 4.75% (c)	7.09%	07/2023	10,855	10,757	1.1	10,855
Teaching Company, The(5)	One stop	L + 4.75%	N/A(6)	07/2023	—	(1)	—	—
Titan Fitness, LLC*	One stop	L + 6.50% (a)	8.61%	06/2021	12,952	12,846	1.3	12,952
Titan Fitness, LLC*	One stop	L + 6.50% (a)	8.61%	06/2021	1,954	1,949	0.2	1,954
Titan Fitness, LLC*	One stop	L + 6.50% (a)	8.61%	06/2021	1,716	1,712	0.2	1,716
Titan Fitness, LLC^	One stop	L + 6.50% (a)	8.61%	06/2021	927	920	0.1	927
Titan Fitness, LLC(5)	One stop	L + 6.50%	N/A(6)	06/2021	—	(9)	—	—
WBZ Investment LLC	One stop	L + 5.50% (a)	7.64%	09/2020	5,149	5,049	0.5	5,097
WBZ Investment LLC(5)	One stop	L + 5.50%	N/A(6)	09/2024	—	—	—	(1)
WBZ Investment LLC(5)	One stop	L + 5.50%	N/A(6)	09/2024	—	(2)	—	(2)
					79,088	78,320	8.1	78,755
Oil and Gas								
Drilling Info Holdings, Inc.	Senior loan	L + 4.25% (b)	6.54%	07/2025	14,413	14,217	1.5	14,341
Drilling Info Holdings, Inc.(5)	Senior loan	L + 4.25%	N/A(6)	07/2023	—	(2)	—	—
Drilling Info Holdings, Inc.(5)	Senior loan	L + 4.25%	N/A(6)	07/2025	—	(4)	—	(1)
					14,413	14,211	1.5	14,340
Personal and Non Durable Consumer Products (Mfg. Only)								
Georgica Pine Clothiers, LLC	One stop	L + 5.50% (c)	7.89%	11/2021	5,620	5,562	0.6	5,620
Georgica Pine Clothiers, LLC^	One stop	L + 5.50% (c)	7.89%	11/2021	490	487	0.1	490
Georgica Pine Clothiers, LLC*	One stop	L + 5.50% (c)	7.89%	11/2021	344	341	—	344
Georgica Pine Clothiers, LLC	One stop	L + 5.50% (c)(f)	8.42%	11/2021	46	45	—	46
IMPLUS Footwear, LLC	One stop	L + 6.75% (c)	9.14%	04/2021	10,013	9,913	1.0	10,013
IMPLUS Footwear, LLC	One stop	L + 6.75% (c)	9.09%	04/2021	1,763	1,745	0.2	1,763
IMPLUS Footcare, LLC	One stop	L + 6.75% (c)	9.14%	04/2021	57	57	—	57
Massage Envy, LLC*^	One stop	L + 6.75% (c)(f)	9.06%	09/2020	34,835	34,631	3.6	34,835
Massage Envy, LLC^	One stop	L + 6.75% (c)	9.06%	09/2020	99	98	—	99
Massage Envy, LLC	One stop	L + 6.75% (c)	9.09%	09/2020	64	64	—	64
Massage Envy, LLC^	One stop	L + 6.75% (c)(f)	9.07%	09/2020	48	48	—	48
Massage Envy, LLC	One stop	L + 6.75% (c)(f)	9.09%	09/2020	42	41	—	42
Massage Envy, LLC^	One stop	L + 6.75% (c)(f)	9.08%	09/2020	40	40	—	40
Massage Envy, LLC^	One stop	L + 6.75% (c)(f)	9.12%	09/2020	38	38	—	38
Massage Envy, LLC^	One stop	L + 6.75% (c)(f)	9.07%	09/2020	35	34	—	35
Massage Envy, LLC^	One stop	L + 6.75% (c)(f)	9.08%	09/2020	19	19	—	19
Massage Envy, LLC^	One stop	L + 6.75% (c)(f)	9.13%	09/2020	15	15	—	15
Massage Envy, LLC	One stop	L + 6.75% (c)	9.09%	09/2020	10	9	—	10
Massage Envy, LLC(5)	One stop	L + 6.75%	N/A(6)	09/2020	—	(7)	—	—
Orthotics Holdings, Inc.*	One stop	L + 5.50% (a)	7.74%	02/2020	8,204	8,166	0.8	8,040
Orthotics Holdings, Inc.*(8)	One stop	L + 5.50% (a)	7.74%	02/2020	1,345	1,338	0.1	1,318
Orthotics Holdings, Inc.(5)(8)	One stop	L + 5.50%	N/A(6)	02/2020	—	(1)	—	—
Orthotics Holdings, Inc.(5)	One stop	L + 5.50%	N/A(6)	02/2020	—	(6)	—	(4)
Team Technologies Acquisition Company^	Senior loan	L + 5.00% (c)(f)	7.35%	12/2018	4,242	4,241	0.5	4,231
Team Technologies Acquisition Company*	Senior loan	L + 5.50% (c)(f)	7.85%	12/2018	782	781	0.1	792
Team Technologies Acquisition Company(5)	Senior loan	L + 5.00%	N/A(6)	12/2018	—	—	—	(1)
					68,151	67,699	7.0	67,954

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	Investment Type	Spread Above Index[1]	Interest Rate[2]	Maturity Date	Principal ($) / Shares[3]	Amortized Cost	Percentage of Net Assets	Fair Value[4]
Personal, Food and Miscellaneous Services								
Captain D's, LLC*^	Senior loan	L + 4.50% (b)	6.71%	12/2023	$ 3,965	$ 3,913	0.4 %	$ 3,965
Captain D's, LLC	Senior loan	P + 3.50% (a)(f)	7.86%	12/2023	20	19	—	20
Community Veterinary Partners, LLC^	One stop	L + 5.50% (c)	7.89%	10/2021	282	280	—	282
Community Veterinary Partners, LLC*	One stop	L + 5.50% (c)	7.89%	10/2021	99	97	—	99
Community Veterinary Partners, LLC	One stop	L + 5.50% (c)	7.89%	10/2021	75	75	—	75
Community Veterinary Partners, LLC[5]	One stop	L + 5.50%	N/A[6]	10/2021	—	(3)	—	—
Imperial Optical Midco Inc.	One stop	L + 4.75% (b)	7.04%	08/2023	2,725	2,685	0.3	2,684
Imperial Optical Midco Inc.	One stop	L + 4.75% (b)	6.96%	08/2023	44	39	—	39
Imperial Optical Midco Inc.	One stop	L + 4.75%	N/A[6]	08/2023	—	—	—	—
PPV Intermediate Holdings II, LLC	One stop	N/A	7.90% PIK	05/2023	2	2	—	2
PPV Intermediate Holdings II, LLC[5]	One stop	L + 5.00%	N/A[6]	05/2023	—	(1)	—	—
PPV Intermediate Holdings II, LLC[5]	One stop	L + 5.00%	N/A[6]	05/2020	—	(6)	—	—
Ruby Slipper Cafe LLC, The	One stop	L + 7.50% (c)	9.85%	01/2023	1,035	1,026	0.1	1,035
Ruby Slipper Cafe LLC, The	One stop	L + 7.50% (c)	9.82%	01/2023	5	5	—	5
Ruby Slipper Cafe LLC, The	One stop	L + 7.50% (c)	9.84%	01/2023	5	4	—	5
Southern Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.74%	05/2025	3,870	3,812	0.4	3,870
Southern Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.74%	05/2025	231	228	—	231
Southern Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.74%	05/2025	205	203	—	205
Southern Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.74%	05/2025	173	170	—	173
Southern Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.74%	05/2025	100	97	—	100
Southern Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.74%	05/2025	77	76	—	77
Southern Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.74%	05/2025	67	66	—	67
Southern Veterinary Partners, LLC	One stop	L + 5.50% (a)	7.74%	05/2025	50	48	—	50
Southern Veterinary Partners, LLC[5]	One stop	L + 5.50%	N/A[6]	05/2023	—	(2)	—	—
Southern Veterinary Partners, LLC[5]	One stop	L + 5.50%	N/A[6]	05/2025	—	(7)	—	—
Veterinary Specialists of North America, LLC^	One stop	L + 5.50% (a)	7.69%	07/2021	7,331	7,278	0.8	7,331
Veterinary Specialists of North America, LLC^	One stop	L + 5.50% (a)	7.74%	07/2021	764	755	0.1	764
Veterinary Specialists of North America, LLC*	One stop	L + 5.50% (a)	7.74%	07/2021	415	413	0.1	415
Veterinary Specialists of North America, LLC*	One stop	L + 5.50% (a)	7.74%	07/2021	160	160	—	160
Veterinary Specialists of North America, LLC^	One stop	L + 5.50% (a)	7.74%	07/2021	123	122	—	123
Veterinary Specialists of North America, LLC*	One stop	L + 5.50% (a)	7.74%	07/2021	62	62	—	62
Veterinary Specialists of North America, LLC	One stop	L + 5.50% (a)	7.74%	07/2021	12	10	—	12
Veterinary Specialists of North America, LLC[5]	One stop	L + 5.50%	N/A[6]	07/2021	—	(2)	—	—
Wetzel's Pretzels, LLC*	One stop	L + 6.75% (a)	8.99%	09/2021	8,922	8,805	0.9	8,922
Wetzel's Pretzels, LLC	One stop	L + 6.75% (a)	8.86%	09/2021	3	2	—	3
					30,822	30,431	3.1	30,776
Printing and Publishing								
Brandmuscle, Inc.^	Senior loan	L + 5.00% (c)	7.39%	12/2021	618	614	0.1	622
Messenger, LLC	One stop	L + 6.00% (a)(f)	8.23%	08/2023	3,410	3,343	0.3	3,376
Messenger, LLC	One stop	P + 5.00% (f)	10.25%	08/2023	3	3	—	3
					4,031	3,960	0.4	4,001
Retail Stores								
Batteries Plus Holding Corporation	One stop	L + 6.75% (a)	8.99%	07/2022	11,933	11,739	1.2	11,933
Batteries Plus Holding Corporation[5]	One stop	L + 6.75%	N/A[6]	07/2022	—	(1)	—	—
Cycle Gear, Inc.^	One stop	L + 6.50% (c)	8.84%	01/2020	10,321	10,263	1.1	10,321
Cycle Gear, Inc.^	One stop	L + 6.50% (c)	8.84%	01/2020	603	600	0.1	603
Cycle Gear, Inc.[5]	One stop	L + 6.50%	N/A[6]	01/2020	—	(7)	—	—

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Retail Stores - (continued)								
DTLR, Inc.*^	One stop	L + 6.50% (b)	8.68%	08/2022	$ 22,732	$ 22,466	2.3 %	$ 22,732
Elite Sportswear, L.P.	Senior loan	L + 5.75% (c)	8.14%	06/2020	6,872	6,815	0.7	6,872
Elite Sportswear, L.P.	Senior loan	L + 5.75% (c)	8.14%	06/2020	2,763	2,740	0.3	2,763
Elite Sportswear, L.P.	Senior loan	L + 5.75% (c)	8.14%	06/2020	1,422	1,413	0.2	1,422
Elite Sportswear, L.P.*	Senior loan	L + 5.75% (c)	8.14%	06/2020	466	464	0.1	466
Elite Sportswear, L.P.	Senior loan	L + 5.75% (c)	8.14%	06/2020	216	214	—	216
Elite Sportswear, L.P.*	Senior loan	L + 5.75% (c)	8.14%	06/2020	206	205	—	206
Elite Sportswear, L.P.	Senior loan	L + 5.75%	N/A(6)	06/2020	—	—	—	—
Elite Sportswear, L.P.(5)	Senior loan	L + 5.75%	N/A(6)	06/2020	—	(3)	—	—
Feeders Supply Company, LLC	One stop	L + 5.75% (a)	8.01%	04/2021	4,826	4,769	0.5	4,826
Feeders Supply Company, LLC	Subordinated debt	N/A	12.50% cash/7.00% PIK	04/2021	67	67	—	67
Feeders Supply Company, LLC	One stop	L + 5.75%	N/A(6)	04/2021	—	—	—	—
Marshall Retail Group LLC, The^	One stop	L + 6.00% (c)	8.34%	08/2020	11,922	11,874	1.2	11,922
Marshall Retail Group LLC, The(5)	One stop	L + 6.00%	N/A(6)	08/2019	—	(9)	—	—
Mills Fleet Farm Group LLC*^	One stop	L + 5.50% (a)	7.74%	02/2022	1,815	1,743	0.2	1,815
Paper Source, Inc.^	One stop	L + 6.25% (c)	8.64%	09/2019	12,255	12,224	1.3	12,255
Paper Source, Inc.*	One stop	L + 6.25% (c)	8.64%	09/2019	1,628	1,621	0.2	1,628
Paper Source, Inc.	One stop	P + 5.00% (f)	10.25%	09/2019	965	960	0.1	965
Pet Holdings ULC*^(8)(10)	One stop	L + 5.50% (c)	7.84%	07/2022	14,764	14,575	1.5	14,764
Pet Holdings ULC*^(8)(10)	One stop	L + 5.50% (c)	7.84%	07/2022	100	99	—	100
Pet Holdings ULC(5)(8)(10)	One stop	L + 5.50%	N/A(6)	07/2022	—	(2)	—	—
PetPeople Enterprises, LLC^	One stop	L + 5.00% (a)	7.25%	09/2023	3,114	3,082	0.3	3,114
PetPeople Enterprises, LLC	One stop	N/A	8.25% PIK	01/2019	168	168	—	168
PetPeople Enterprises, LLC	One stop	L + 5.00%	N/A(6)	09/2023	—	—	—	—
PetPeople Enterprises, LLC(5)	One stop	L + 5.00%	N/A(6)	09/2023	—	(1)	—	—
					109,158	108,078	11.3	109,158
Telecommunications								
NetMotion Wireless Holdings, Inc.*^	One stop	L + 6.25% (c)	8.64%	10/2021	6,393	6,311	0.7	6,393
NetMotion Wireless Holdings, Inc.(5)	One stop	L + 6.25%	N/A(6)	10/2021	—	(1)	—	—
					6,393	6,310	0.7	6,393
Textiles and Leather								
SHO Holding I Corporation*	Senior loan	L + 5.00% (c)	7.34%	10/2022	2,211	2,181	0.2	2,122
SHO Holding I Corporation	Senior loan	L + 4.00% (a)(c)	6.14%	10/2021	15	15	—	12
					2,226	2,196	0.2	2,134
Utilities								
Arcos, LLC	One stop	L + 6.00% (c)	8.39%	02/2021	3,553	3,519	0.4	3,553
Arcos, LLC	One stop	L + 6.00%	N/A(6)	02/2021	—	—	—	—
					3,553	3,519	0.4	3,553
Total non-controlled/non-affiliate company debt investments					**$ 1,679,746**	**$ 1,660,130**	**171.8 %**	**$ 1,664,317**
Equity investments (11)(12)								
Aerospace and Defense								
NTS Technical Systems	Common stock	N/A	N/A	N/A	2	$ 1,506	0.1 %	$ 616
NTS Technical Systems	Preferred stock	N/A	N/A	N/A	—	256	—	323
NTS Technical Systems	Preferred stock	N/A	N/A	N/A	—	128	—	177
Tresys Technology Holdings, Inc.	Common stock	N/A	N/A	N/A	295	295	—	—

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
September 30, 2018
(In thousands)

	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Aerospace and Defense - (continued)								
Whitcraft LLC	Common stock	N/A	N/A	N/A	4	$ 375	0.1 %	$ 611
						2,560	0.2	1,727
Automobile								
Grease Monkey International, LLC	LLC units	N/A	N/A	N/A	354	354	0.1	512
Polk Acquisition Corp.	LP interest	N/A	N/A	N/A	1	144	—	95
Quick Quack Car Wash Holdings, LLC	LLC units	N/A	N/A	N/A	—	207	—	207
						705	0.1	814
Beverage, Food and Tobacco								
Benihana, Inc.	LLC units	N/A	N/A	N/A	43	699	0.1	856
C. J. Foods, Inc.	Preferred stock	N/A	N/A	N/A	—	75	0.1	505
Cafe Rio Holding, Inc.	Common stock	N/A	N/A	N/A	2	224	—	265
Global ID Corporation	LLC interest	N/A	N/A	N/A	2	242	—	346
Hopdoddy Holdings, LLC	LLC units	N/A	N/A	N/A	27	130	—	122
Hopdoddy Holdings, LLC	LLC units	N/A	N/A	N/A	12	36	—	35
Mendocino Farms, LLC	Common stock	N/A	N/A	N/A	11	50	—	50
Purfoods, LLC	LLC interest	N/A	N/A	N/A	381	381	0.1	527
Rubio's Restaurants, Inc.	Preferred stock	N/A	N/A	N/A	2	945	0.1	1,236
Uinta Brewing Company	LP interest	N/A	N/A	N/A	462	462	—	—
						3,244	0.4	3,942
Buildings and Real Estate								
Brooks Equipment Company, LLC	Common stock	N/A	N/A	N/A	10	1,021	0.3	2,369
Chemicals, Plastics and Rubber								
Flexan, LLC	Preferred stock	N/A	N/A	N/A	—	90	—	71
Flexan, LLC	Common stock	N/A	N/A	N/A	1	—	—	—
Inhance Technologies Holdings LLC	LLC units	N/A	N/A	N/A	—	70	—	70
						160	—	141
Diversified/Conglomerate Manufacturing								
Inventus Power, Inc.	Preferred stock	N/A	N/A	N/A	—	370	—	—
Inventus Power, Inc.	LLC units	N/A	N/A	N/A	—	54	—	48
Inventus Power, Inc.	Common stock	N/A	N/A	N/A	—	—	—	—
Reladyne, Inc.	LP interest	N/A	N/A	N/A	—	249	0.1	498
Sunless Merger Sub, Inc.	LP interest	N/A	N/A	N/A	160	160	—	—
						833	0.1	546
Diversified/Conglomerate Service								
Accela, Inc.	LLC units	N/A	N/A	N/A	296	296	—	325
Agility Recovery Solutions Inc.	Preferred stock	N/A	N/A	N/A	67	341	0.1	424
Apttus Corporation	Preferred stock	N/A	N/A	N/A	18	263	—	354
Apttus Corporation	Warrant	N/A	N/A	N/A	34	194	—	185
Centrify Corporation	LP interest	N/A	N/A	N/A	—	348	—	348
Centrify Corporation	LP interest	N/A	N/A	N/A	123	—	—	—
Cloudbees, Inc.	Preferred stock	N/A	N/A	N/A	33	207	—	207
Cloudbees, Inc.	Warrant	N/A	N/A	N/A	29	39	—	39
Confluence Technologies, Inc.	LLC interest	N/A	N/A	N/A	1	87	—	100
Connexin Software, Inc.	LLC interest	N/A	N/A	N/A	69	69	—	91
Digital Guardian, Inc.	Warrant	N/A	N/A	N/A	57	10	—	10
DISA Holdings Acquisition Subsidiary Corp.	Common stock	N/A	N/A	N/A	—	154	—	248

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
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(In thousands)

	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Diversified/Conglomerate Service - (continued)								
GS Acquisitionco, Inc.	LP interest	N/A	N/A	N/A	1	$ 98	— %	$ 127
HealthcareSource HR, Inc.	LLC interest	N/A	N/A	N/A	—	348	0.1	413
Host Analytics, Inc.	Warrant	N/A	N/A	N/A	368	134	0.1	384
Jobvite, Inc.	Warrant	N/A	N/A	N/A	72	47	—	47
Kareo, Inc.	Warrant	N/A	N/A	N/A	23	160	—	2
Kareo, Inc.	Preferred stock	N/A	N/A	N/A	1	4	—	5
Maverick Bidco Inc.	LLC units	N/A	N/A	N/A	1	369	0.1	437
MMan Acquisition Co.	LP interest	N/A	N/A	N/A	263	263	—	206
Net Health Acquisition Corp.	LP interest	N/A	N/A	N/A	—	346	0.1	388
Nexus Brands Group, Inc.	LP interest	N/A	N/A	N/A	—	136	—	155
Personify, Inc.	LLC units	N/A	N/A	N/A	297	297	—	297
Project Alpha Intermediate Holding, Inc.	Common stock	N/A	N/A	N/A	—	417	0.1	500
Project Alpha Intermediate Holding, Inc.	Common stock	N/A	N/A	N/A	103	4	—	51
Property Brands, Inc.	Preferred stock	N/A	N/A	N/A	28	284	—	307
Valant Medical Solutions, Inc.	Warrant	N/A	N/A	N/A	5	68	—	51
Vendavo, Inc.	Preferred stock	N/A	N/A	N/A	1,017	1,017	0.1	1,332
Verisys Corporation	LLC interest	N/A	N/A	N/A	261	261	—	239
Vitalyst, LLC	Preferred stock	N/A	N/A	N/A	—	61	—	88
Vitalyst, LLC	Common stock	N/A	N/A	N/A	1	7	—	—
Workforce Software, LLC	LLC units	N/A	N/A	N/A	323	323	0.1	371
Xmatters, Inc. and Alarmpoint, Inc.	Preferred stock	N/A	N/A	N/A	242	221	—	211
Xmatters, Inc. and Alarmpoint, Inc.	Warrant	N/A	N/A	N/A	43	34	—	16
Xmatters, Inc. and Alarmpoint, Inc.	Preferred stock	N/A	N/A	N/A	10	10	—	12
						6,917	0.8	7,970
Ecological								
Pace Analytical Services, LLC	Common stock	N/A	N/A	N/A	3	304	—	280
Electronics								
Diligent Corporation(13)	Preferred stock	N/A	N/A	N/A	56	1	—	206
Project Silverback Holdings Corp.	Preferred stock	N/A	N/A	N/A	3	6	—	—
SEI, Inc.	LLC units	N/A	N/A	N/A	340	265	0.1	643
Sloan Company, Inc., The	LLC units	N/A	N/A	N/A	—	152	—	—
Sloan Company, Inc., The	LLC units	N/A	N/A	N/A	2	14	—	—
						438	0.1	849
Grocery								
MyWebGrocer, Inc.	LLC units	N/A	N/A	N/A	1,418	1,446	—	—
MyWebGrocer, Inc.	Preferred stock	N/A	N/A	N/A	71	165	—	41
						1,611	—	41
Healthcare, Education and Childcare								
Active Day, Inc.	LLC interest	N/A	N/A	N/A	1	614	0.1	446
Acuity Eyecare Holdings, LLC	LLC interest	N/A	N/A	N/A	198	198	—	196
ADCS Clinics Intermediate Holdings, LLC	Preferred stock	N/A	N/A	N/A	1	579	0.1	363
ADCS Clinics Intermediate Holdings, LLC	Common stock	N/A	N/A	N/A	—	6	—	—
Advanced Pain Management Holdings, Inc.(7)	Preferred stock	N/A	N/A	N/A	8	829	—	—
Advanced Pain Management Holdings, Inc.(7)	Common stock	N/A	N/A	N/A	67	67	—	—
Advanced Pain Management Holdings, Inc.(7)	Preferred stock	N/A	N/A	N/A	1	64	—	—
BIORECLAMATIONIVT, LLC	LLC units	N/A	N/A	N/A	—	407	0.1	666

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Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
September 30, 2018
(In thousands)

	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Healthcare, Education and Childcare - (continued)								
DCA Investment Holding, LLC	LLC units	N/A	N/A	N/A	8,637	$ 864	0.1 %	$ 1,073
DCA Investment Holding, LLC	LLC units	N/A	N/A	N/A	87	9	—	—
Deca Dental Management LLC	LLC units	N/A	N/A	N/A	357	357	0.1	428
Dental Holdings Corporation	LLC units	N/A	N/A	N/A	883	831	0.1	733
Elite Dental Partners LLC	Common stock	N/A	N/A	N/A	—	360	0.1	360
Encore GC Acquisition, LLC	LLC units	N/A	N/A	N/A	18	182	—	239
Encore GC Acquisition, LLC	LLC units	N/A	N/A	N/A	18	—	—	19
ERG Buyer, LLC	LLC units	N/A	N/A	N/A	—	349	0.1	349
ERG Buyer, LLC	LLC units	N/A	N/A	N/A	4	4	—	4
Eyecare Services Partners Holdings LLC	LLC units	N/A	N/A	N/A	—	133	—	147
Eyecare Services Partners Holdings LLC	LLC units	N/A	N/A	N/A	—	1	—	5
G & H Wire Company, Inc.	LLC interest	N/A	N/A	N/A	148	148	—	122
IntegraMed America, Inc.	LLC interest	N/A	N/A	N/A	—	417	—	172
Katena Holdings, Inc.	LLC units	N/A	N/A	N/A	—	387	—	293
Lombart Brothers, Inc.	Common stock	N/A	N/A	N/A	1	157	—	177
MD Now Holdings, Inc.	LLC units	N/A	N/A	N/A	7	68	—	68
MWD Management, LLC & MWD Services, Inc.	LLC interest	N/A	N/A	N/A	182	182	—	122
Oliver Street Dermatology Holdings, LLC	LLC units	N/A	N/A	N/A	234	234	—	346
Pentec Acquisition Sub, Inc.	Preferred stock	N/A	N/A	N/A	1	116	—	178
Pinnacle Treatment Centers, Inc.	Preferred stock	N/A	N/A	N/A	—	231	—	268
Pinnacle Treatment Centers, Inc.	Common stock	N/A	N/A	N/A	2	2	—	6
Radiology Partners, Inc.	LLC units	N/A	N/A	N/A	43	85	—	191
Radiology Partners, Inc.	LLC units	N/A	N/A	N/A	11	76	—	48
RXH Buyer Corporation	LP interest	N/A	N/A	N/A	7	683	—	290
Sage Dental Management, LLC	LLC units	N/A	N/A	N/A	—	249	—	28
Sage Dental Management, LLC	LLC units	N/A	N/A	N/A	3	3	—	—
SLMP, LLC	LLC interest	N/A	N/A	N/A	289	289	—	308
Spear Education, LLC	LLC units	N/A	N/A	N/A	—	62	—	75
Spear Education, LLC	LLC units	N/A	N/A	N/A	1	1	—	28
SSH Corporation	Common stock	N/A	N/A	N/A	—	40	—	187
Summit Behavioral Healthcare, LLC	LLC interest	N/A	N/A	N/A	1	68	—	73
Summit Behavioral Healthcare, LLC	LLC interest	N/A	N/A	N/A	1	—	—	3
Surgical Information Systems, LLC	Common stock	N/A	N/A	N/A	4	414	0.1	535
U.S. Renal Care, Inc.	LP interest	N/A	N/A	N/A	1	2,665	0.2	1,796
WHCG Management, LLC	LLC interest	N/A	N/A	N/A	—	246	—	135
						12,677	1.1	10,477
Insurance								
Captive Resources Midco, LLC	LLC units	N/A	N/A	N/A	1	—	0.1	393
Internet Pipeline, Inc.	Preferred stock	N/A	N/A	N/A	—	72	—	100
Internet Pipeline, Inc.	Common stock	N/A	N/A	N/A	44	1	—	174
						73	0.1	667
Leisure, Amusement, Motion Pictures, Entertainment								
LMP TR Holdings, LLC	LLC units	N/A	N/A	N/A	712	712	0.1	1,151
PADI Holdco, Inc.	LLC units	N/A	N/A	N/A	—	414	—	454
Titan Fitness, LLC	LLC units	N/A	N/A	N/A	7	712	0.2	1,403
WBZ Investment LLC	LLC interest	N/A	N/A	N/A	31	49	—	49
WBZ Investment LLC	LLC interest	N/A	N/A	N/A	21	33	—	33
WBZ Investment LLC	LLC interest	N/A	N/A	N/A	18	27	—	27

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
September 30, 2018
(In thousands)

	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (4)
Leisure, Amusement, Motion Pictures, Entertainment - (continued)									
WBZ Investment LLC	LLC interest	N/A		N/A	N/A	15	$ 24	— %	$ 24
WBZ Investment LLC	LLC interest	N/A		N/A	N/A	7	10	—	10
WBZ Investment LLC	LLC interest	N/A		N/A	N/A	1	1	—	1
							1,982	0.3	3,152
Personal and Non Durable Consumer Products (Mfg. Only)									
Georgica Pine Clothiers, LLC	LLC units	N/A		N/A	N/A	11	106	—	176
Massage Envy, LLC	LLC interest	N/A		N/A	N/A	749	210	0.2	1,490
Team Technologies Acquisition Company	Common stock	N/A		N/A	N/A	—	114	—	292
							430	0.2	1,958
Personal, Food and Miscellaneous Services									
Captain D's, LLC	LLC interest	N/A		N/A	N/A	70	70	—	64
Community Veterinary Partners, LLC	Common stock	N/A		N/A	N/A	2	244	—	310
PPV Intermediate Holdings II, LLC	LLC interest	N/A		N/A	N/A	13	13	—	13
R.G. Barry Corporation	Preferred stock	N/A		N/A	N/A	—	161	—	176
Ruby Slipper Cafe LLC, The	LLC units	N/A		N/A	N/A	12	123	—	151
Southern Veterinary Partners, LLC	LLC units	N/A		N/A	N/A	—	216	0.1	333
Southern Veterinary Partners, LLC	LLC units	N/A		N/A	N/A	64	2	—	24
Veterinary Specialists of North America, LLC	LLC units	N/A		N/A	N/A	—	106	—	185
Wetzel's Pretzels, LLC	Common stock	N/A		N/A	N/A	—	160	—	221
							1,095	0.1	1,477
Printing and Publishing									
Brandmuscle, Inc.	LLC interest	N/A		N/A	N/A	—	240	—	166
Retail Stores									
Batteries Plus Holding Corporation	LP interest	N/A		N/A	N/A	5	529	0.1	816
Cycle Gear, Inc.	LLC units	N/A		N/A	N/A	19	248	—	463
DTLR, Inc.	LLC interest	N/A		N/A	N/A	4	411	0.1	734
Elite Sportswear, L.P.	LLC interest	N/A		N/A	N/A	—	165	—	36
Feeders Supply Company, LLC	Preferred stock	N/A		N/A	N/A	2	192	—	241
Feeders Supply Company, LLC	Common stock	N/A		N/A	N/A	—	—	—	52
Marshall Retail Group LLC, The	LLC units	N/A		N/A	N/A	15	154	—	95
Paper Source, Inc.	Common stock	N/A		N/A	N/A	8	1,387	0.1	606
Pet Holdings ULC(8)(10)	LP interest	N/A		N/A	N/A	455	386	0.1	537
							3,472	0.4	3,580
Total non-controlled/non-affiliate company equity investments							**$ 37,762**	**4.2 %**	**$ 40,156**
Total non-controlled/non-affiliate company investments						**$ 1,679,746**	**$ 1,697,892**	**176.0 %**	**$ 1,704,473**
Non-controlled affiliate company investments(14)									
Debt investments									
Diversified/Conglomerate Service									
Switchfly, LLC(8)	One stop	P + 2.00%	(c)(f)	7.25%	04/2020	$ 2,295	$ 2,258	0.2 %	$ 2,066
Switchfly, LLC(8)	One stop	P + 2.00%	(f)	7.25%	06/2018	192	192	—	173
Switchfly, LLC(8)	One stop	P + 2.00%	(f)	7.25%	04/2020	17	17	—	15
						2,504	2,467	0.2	2,254

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Consolidated Schedule of Investments - (continued)
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(In thousands)

	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets		Fair Value (4)
Mining, Steel, Iron and Non-Precious Metals										
Benetech, Inc.*(8)	One stop	L + 10.00%	(a)	10.24% cash/2.00% PIK	05/2019	$ 4,257	$ 4,255	0.4	%	$ 4,257
Benetech, Inc.(8)	One stop	P + 8.75%	(a)(f)	11.77% cash/2.00% PIK	05/2019	223	223	—		223
						4,480	4,478	0.4		4,480
Total non-controlled affiliate company debt investments						6,984	6,945	0.6	%	6,734
Equity Investments (11)(12)										
Diversified/Conglomerate Service										
Switchfly LLC(8)	LLC units	N/A		N/A	N/A	408	$ 408	0.1	%	$ 534
							408	0.1		534
Mining, Steel, Iron and Non-Precious Metals										
Benetech, Inc.(8)	LLC interest	N/A		N/A	N/A	56	$ —	—		$ 16
Benetech, Inc.(8)	LLC interest	N/A		N/A	N/A	56	—	—		—
							—	—		16
Total non-controlled affiliate company equity investments							**$ 408**	**0.1**	**%**	**$ 550**
Total non-controlled affiliate company investments						**$ 6,984**	**$ 7,353**	**0.7**	**%**	**$ 7,284**
Controlled affiliate company investments(15)										
Equity investments										
Investment Funds and Vehicles										
Senior Loan Fund LLC(8)(16)	LLC interest	N/A		N/A	N/A	75,407	$ 75,407	7.3	%	$ 71,084
Total controlled affiliate company equity investments							**$ 75,407**	**7.3**	**%**	**$ 71,084**
Total investments						**$ 1,686,730**	**$ 1,780,652**	**184.0**	**%**	**$ 1,782,841**
Cash and cash equivalents, foreign currencies and restricted cash and cash equivalents										
Cash, foreign currencies and restricted cash							$ 35,173	3.6	**%**	$ 35,173
BlackRock Liquidity Funds T-Fund Institutional Shares (CUSIP 09248U718)				2.00% (17)			10,532	1.1		10,532
Total cash and cash equivalents, foreign currencies and restricted cash and cash equivalents							**$ 45,705**	**4.7**	**%**	**$ 45,705**
Total investments and cash and cash equivalents, foreign currencies and restricted cash and cash equivalents							**$ 1,826,357**	**188.7**	**%**	**$ 1,828,546**

* Denotes that all or a portion of the investment collateralizes the MS Credit Facility (as defined in Note 7).

^ Denotes that all or a portion of the investment secures the notes offered in the 2014 Debt Securitization (as defined in Note 7).

# Denotes that all or a portion of the investment collateralizes the Credit Facility (as defined in Note 7).

(1) The majority of the investments bear interest at a rate that may be determined by reference to LIBOR, EURIBOR or Prime and which reset daily, monthly, quarterly, semiannually, or annually. For each, the Company 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.

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Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
September 30, 2018
(In thousands)

(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) For portfolio companies with multiple interest rate contracts, the interest rate shown is a weighted average current interest rate in effect as of September 30, 2018.

(3) The total principal amount is presented for debt investments while the number of shares or units owned is presented for equity investments.

(4) The fair value of the investment was valued using significant unobservable inputs. See Note 6. Fair Value Measurements.

(5) 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.

(6) 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.

(7) Loan was on non-accrual status as of September 30, 2018, meaning that the Company has ceased recognizing interest income on the loan.

(8) The investment is treated as a non-qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, the Company may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company's total assets. As of September 30, 2018, total non-qualifying assets at fair value represented 5.8% of the Company's total assets calculated in accordance with the 1940 Act.

(9) Loan is denominated in foreign currency and is translated into U.S. dollars as of the valuation date or the date of the transaction. See Note 2. Significant Accounting Policies and Recent Accounting Updates - Foreign Currency Transactions.

(10) The headquarters of this portfolio company is located in Canada.

(11) Equity investments are non-income producing securities unless otherwise noted.

(12) Ownership of certain equity investments may occur through a holding company or partnership.

(13) The Company holds an equity investment that entitles it to receive preferential dividends.

14)As defined in the 1940 Act, the Company is deemed to be an "affiliated person" of the portfolio company as the Company owns five percent or more of the portfolio company's voting securities ("non-controlled affiliate"). Transactions related to investments in non-controlled affiliates for the year ended September 30, 2018 were as follows:

Portfolio Company	Fair value as of September 30, 2017	Purchases (cost)[h]	Redemptions (cost)	Transfer in (out)	Discount accretion	Net change in unrealized gain/(loss)	Fair value as of September 30, 2018	Net realized gain/(loss)	Interest and fee income	Dividend income
Benetech, Inc.	$ 3,707	$ 222	$ (551)	$ —	$ 1	$ 1,117	$ 4,496	$ —	$ 638	$ —
Switchfly LLC[i]	—	254	—	2,120	25	389	2,788	—	29	—
Total Non-Controlled Affiliates	$ 3,707	$ 476	$ (551)	$ 2,120	$ 26	$ 1,506	$ 7,284	$ —	$ 667	$ —

(h) Purchases at cost includes amounts related to PIK interest capitalized and added to the principal balance of the respective loans.

(i) During the three months ended September 30, 2018, the Company's ownership increased to over five percent of the portfolio company's voting securities.

15)As defined in the 1940 Act, the Company is deemed to be both an "affiliated person" of and "control" this portfolio company as the Company 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"). Transactions related to investments in controlled affiliates for the year ended September 30, 2018 were as follows:

Portfolio Company	Fair value as of September 30, 2017	Purchases (cost)	Redemptions (cost)	Transfer in (out)	Discount accretion	Net change in unrealized gain/(loss)	Fair value as of September 30, 2018	Net realized gain/(loss)	Interest and fee income	Dividend income
Senior Loan Fund LLC[j]	$ 95,015	$ 12,163	$ (34,213)	$ —	$ —	$ (1,881)	$ 71,084	$ —	$ —	$ 8,099
Total Controlled Affiliates	$ 95,015	$ 12,163	$ (34,213)	$ —	$ —	$ (1,881)	$ 71,084	$ —	$ —	$ 8,099

(j) Together with RGA, the Company co-invests through SLF. SLF is capitalized as transactions are completed and all portfolio and investment decisions in respect to SLF must be approved by the SLF investment committee consisting of two representatives of the Company and RGA (with unanimous approval required from (i) one representative of each of the Company and RGA or (ii) both representatives of each of the Company and RGA). Therefore, although the Company owns more than 25% of the voting securities of SLF, the Company does not have sole control over significant actions of SLF for purposes of the 1940 Act or otherwise.

(16) The Company generally receives quarterly profit distributions from its equity investment in SLF. See Note 4. Investments.

(17) The rate shown is the annualized seven-day yield as of September 30, 2018.

See Notes to Consolidated Financial Statements.

Note 1. Organization

Golub Capital BDC, Inc. ("GBDC" and, collectively with its subsidiaries, the "Company") is an externally managed, closed-end, non-diversified management investment company. GBDC has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (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").

The Company's investment strategy is to invest 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. The Company 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. The Company has entered into the Investment Advisory Agreement (defined below) with GC Advisors LLC (the "Investment Adviser"), under which the Investment Adviser manages the day-to-day operations of, and provides investment advisory services to, the Company. Under an administration agreement (the "Administration Agreement") the Company is provided with certain services by an administrator (the "Administrator"), which is currently Golub Capital LLC.

On September 16, 2019, the Company completed its acquisition of Golub Capital Investment Corporation ("GCIC"), a Maryland corporation, pursuant to that certain Agreement and Plan of Merger (as amended, the "Merger Agreement"), dated as of November 27, 2018, by and among the Company, GCIC, Fifth Ave Subsidiary Inc., a Maryland corporation and wholly owned subsidiary of the Company ("Merger Sub"), the Investment Adviser, and, for certain limited purposes, the Administrator. Pursuant to the Merger Agreement, Merger Sub was first merged with and into GCIC, with GCIC as the surviving company (the "Initial Merger"), and, immediately following the Initial Merger, GCIC was then merged with and into the Company, with the Company as the surviving company (the Initial Merger and the subsequent merger, collectively, the "Merger"). Upon consummation of the Merger, the Company entered into the Third Amended and Restated Investment Advisory Agreement dated as of September 16, 2019 with the Investment Adviser (the "Investment Advisory Agreement"). The Investment Advisory Agreement replaced the Second Amended and Restated Investment Advisory Agreement by and between the Company and the Investment Adviser dated as of August 4, 2014 (the "Prior Investment Advisory Agreement"). Refer to Note 3 for more information on the Investment Advisory Agreement and the Prior Investment Advisory Agreement and refer to Note 14 for more information regarding the Merger.

Note 2. Significant Accounting Policies and Recent Accounting Updates

Basis of presentation: The Company is an investment company as defined in the accounting and reporting guidance under Accounting Standards Codification ("ASC") Topic 946 — *Financial Services — Investment Companies* ("ASC Topic 946").

The accompanying consolidated financial statements of the Company and related financial information have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for financial information and pursuant to the requirements for reporting on Form 10-K and Regulation S-X. In the opinion of management, the consolidated financial statements reflect all adjustments and reclassifications consisting solely of normal accruals that are necessary for the fair presentation of financial results as of and for the periods presented. All intercompany balances and transactions have been eliminated. Certain prior period amounts have been reclassified to conform to the current period presentation.

Fair value of financial instruments: The Company applies fair value to all of its financial instruments in accordance with ASC Topic 820 — *Fair Value Measurement* ("ASC Topic 820"). ASC Topic 820 defines fair value, establishes a framework used to measure fair value and requires disclosures for fair value measurements. In accordance with ASC Topic 820, the Company has categorized its financial instruments carried at fair value, based on the priority of the valuation technique, into a three-level fair value hierarchy. Fair value is a market-based measure considered from the perspective of the market participant who holds the financial instrument rather than an entity-specific measure. Therefore, when market assumptions are not readily available, the Company's own assumptions are set to reflect those that management believes market participants would use in pricing the financial instrument at the measurement date.

The availability of observable inputs can vary depending on the financial instrument and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new, whether the product is traded on an active exchange or in the secondary market and the current market conditions. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for financial instruments classified as Level 3.

Any changes to the valuation methodology are reviewed by management and the Company's board of directors (the "Board") to confirm that the changes are appropriate. As markets change, new products develop and the pricing for products becomes more or less transparent, the Company will continue to refine its valuation methodologies. See further description of fair value methodology in Note 6. Fair Value Measurements.

Use of estimates: The preparation of the consolidated financial statements in conformity with GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Consolidation: As provided under Regulation S-X and ASC Topic 946, the Company will generally not consolidate its investment in a company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to the Company. Accordingly, the Company consolidated the results of the Company's wholly-owned subsidiaries Golub Capital BDC 2010-1 Holdings LLC ("Holdings"), Golub Capital BDC 2010-1 LLC ("2010 Issuer"), Golub Capital BDC CLO 2014 LLC ("2014 Issuer"), Golub Capital BDC CLO III Depositor LLC ("2018 CLO Depositor"), Golub Capital BDC CLO III LLC ("2018 Issuer"), Golub Capital BDC Funding LLC ("Funding"), Golub Capital BDC Funding II LLC ("Funding II"), Golub Capital BDC Holdings, LLC ("BDC Holdings"), GC SBIC IV, L.P. ("SBIC IV"), GC SBIC V, L.P. ("SBIC V"), GC SBIC VI, L.P. ("SBIC VI"), GCIC Holdings LLC ("GCIC Holdings"), GCIC Funding LLC ("GCIC Funding"), GCIC CLO II Depositor LLC ("GCIC 2018 CLO Depositor"), GCIC CLO II LLC ("GCIC 2018 Issuer") and GCIC Funding II LLC ("GCIC Funding II"). The Company does not consolidate its non-controlling interests in SLF or GCIC SLF (collectively, the "Senior Loan Funds" or "SLFs"). See further description of the Company's investments in the SLFs in Note 4. Investments.

Assets related to transactions that do not meet ASC Topic 860 requirements for accounting sale treatment are reflected in the Company's Consolidated Statements of Financial Condition as investments. Those assets are owned by special purpose entities, including BDC Holdings, 2010 Issuer, 2014 Issuer, 2018 Issuer, Funding, Funding II, GCIC Funding, GCIC Holdings, GCIC 2018 Issuer and GCIC Funding II that are consolidated in the Company's consolidated financial statements. The creditors of the special purpose entities have received security interests in such assets and such assets are not intended to be available to the creditors of GBDC (or any affiliate of GBDC).

Cash, cash equivalents and foreign currencies: Cash, cash equivalents and foreign currencies are highly liquid investments with an original maturity of three months or less at the date of acquisition. The Company deposits its cash in financial institutions and, at times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits.

Restricted cash and cash equivalents and restricted foreign currencies: Restricted cash and cash equivalents and restricted foreign currencies include amounts that are collected and are held by trustees who have been appointed as custodians of the assets securing certain of the Company's financing transactions. Restricted cash and cash equivalents and restricted foreign currencies are held by the trustees for payment of interest expense and principal on the outstanding borrowings or reinvestment into new assets. In addition, restricted cash, cash equivalents and restricted foreign currencies include amounts held within the Company's small business investment company ("SBIC") subsidiaries. The amounts held within the SBICs are generally restricted to the originations of new loans by the SBICs and the payment of U.S. Small Business Administration ("SBA") debentures and related interest expense.

Foreign currency translation: The Company’s books and records are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

(1) cash and cash equivalents, restricted cash and cash equivalents, fair value of investments, interest receivable, and other assets and liabilities—at the spot exchange rate on the last business day of the period; and

(2) purchases and sales of investments, income and expenses—at the exchange rates prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, the Company does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in fair values of investments held. Such fluctuations are included with the net realized and unrealized gain or loss from investments. Fluctuations arising from the translation of assets other than investments and liabilities are included with the net change in unrealized appreciation (depreciation) on translation of assets and liabilities in foreign currencies on the Consolidated Statements of Operations.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with investing in U.S. companies. These risks include, but are not limited to, currency fluctuations and revaluations and future adverse political, social and economic developments, which could cause investments in foreign markets to be less liquid and prices more volatile than those of comparable U.S. companies or U.S. government securities.

Forward currency contracts: A forward currency contract is an obligation between two parties to purchase or sell a specific currency for an agreed-upon price at a future date. The Company utilized forward currency contracts to economically hedge the currency exposure associated with certain foreign-denominated investments. The use of forward currency contracts does not eliminate fluctuations in the price of the underlying securities the Company owns or intends to acquire, but establishes a rate of exchange in advance. Fluctuations in the value of these contracts are measured by the difference in the exchange rates on the contract date and reporting date and are recorded as unrealized appreciation (depreciation) until the contracts are closed. When the contracts are closed, realized gains (losses) are recorded. Realized gains (losses) and unrealized appreciation (depreciation) on the contracts are included in the Consolidated Statements of Operations. Unrealized appreciation (depreciation) on forward currency contracts is recorded on the Consolidated Statements of Financial Condition by counterparty on a net basis, not taking into account collateral posted which is recorded separately, if applicable.

The primary risks associated with forward currency contracts include failure of the counterparty to meet the terms of the contract and the value of the foreign currency changing unfavorably. These risks may be in excess of the amounts reflected in the Consolidated Statements of Financial Condition.

Refer to Note 5 for more information regarding the forward currency contracts.

Revenue recognition:

Investments and related investment income: Interest income is accrued based upon the outstanding principal amount and contractual interest terms of debt investments.

Loan origination fees, original issue discount and market discount or premium are capitalized, and the Company accretes or amortizes such amounts over the life of the loan as interest income. For the years ended September 30, 2019, 2018, and 2017, interest income included $8,572, $9,660, and $9,498, respectively, of accretion of discounts. For the years ended September 30, 2019, 2018, and 2017, interest income included ($1,381), $0, and $0, respectively, of purchase premium amortization. For the years ended September 30, 2019, 2018, and 2017, the Company received loan origination fees of $10,833, $8,327, and $8,593, respectively.

For investments with contractual PIK interest, which represents contractual interest accrued and added to the principal balance that generally becomes due at maturity, the Company will not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not collectible. For the years ended September 30, 2019, 2018, and 2017, the Company recorded PIK income of $1,095, $941, and $2,401, respectively, and received PIK payments in cash of $41, $2, and $481, respectively.

In addition, the Company 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. The Company records these fees as fee income when earned. All other income is recorded into income when earned. For the years ended September 30, 2019, 2018, and 2017, fee income included $681, $2,082, and $1,441, respectively, of prepayment premiums, which fees are non-recurring.

For the years ended September 30, 2019, 2018, and 2017, the Company received interest and fee income in cash, which excludes capitalized loan origination fees, in the amounts of $152,359, $132,456, and $120,429, respectively.

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. Each distribution received from limited liability company (“LLC”) and limited partnership (“LP”) investments is evaluated to determine if the distribution should be recorded as dividend income or a return of capital. Generally, the Company 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.

For the years ended September 30, 2019, 2018, and 2017, excluding the Company's investments in LLC equity interests in the SLFs, the Company recorded dividend income of $349, $624, and $629, respectively, and return of capital distributions of $124, $373, and $999, respectively. For the years ended September 30, 2019, 2018, and 2017, the Company recorded dividend income of $1,219, $8,099, and $4,929, respectively, and return of capital distributions of $2,275, $34,213, and $25,112, respectively, from the Company's investments in LLC equity interests in the SLFs.

Investment transactions are accounted for 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 amortized cost basis of investment, without regard to unrealized gains or losses previously recognized. The Company reports 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.

Non-accrual loans: A loan may be left on accrual status during the period the Company is pursuing repayment of the loan. Management reviews all loans that become 90 days or more past due on principal and interest, or when there is reasonable doubt that principal or interest will be collected, for possible placement on non-accrual status. When a loan is placed on non-accrual status, unpaid interest credited to income is reversed. 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. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management’s judgment, payments are likely to remain current. The total fair value of non-accrual loans was $13,663 and $5,625 as of September 30, 2019 and 2018, respectively.

Partial loan sales: The Company 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 which do not meet the definition of a participating interest remain on the Company’s Consolidated Statements of Financial Condition 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. See Note 6. Fair Value Measurements for additional information.

Purchase accounting: The Merger was accounted for under the asset acquisition method of accounting in accordance with ASC 805 — *Business Combinations — Related Issues (*"ASC Topic 805"), also referred to as "purchase accounting." 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 Topic 805, 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.

The cost of the group of assets acquired in an asset acquisition is allocated to the individual assets acquired or liabilities assumed based on the 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 exceeded the relative fair values of the net identifiable assets of GCIC acquired other than "non-qualifying" assets, any such premium paid by the Company was further allocated to the cost of the GCIC assets acquired by the Company pro-rata to their relative fair value, other than "non-qualifying" assets. As GCIC did not have any "qualifying" assets at the time of acquisition, the premium was allocated to "non-qualifying" assets, which are GCIC's investments in loans and equity securities, including its investment in GCIC SLF. Immediately following the acquisition of GCIC, the Company recorded its assets at their respective fair values and, as a result, the purchase premium allocated to the cost basis of the GCIC assets acquired was immediately recognized as unrealized depreciation on the Company's Consolidated Statement of Operations. The purchase premium allocated to investments in loan securities will amortize over the life of the loans through interest income, with a corresponding reversal of the unrealized depreciation on the loans acquired from GCIC through their ultimate disposition. For the year ended September 30, 2019, the Company recognized $1,381 of amortization of purchase premium. The purchase premium allocated to investments in equity securities will not amortize over the life of the equity securities through interest income and, assuming no subsequent change to the fair value of the equity securities acquired from GCIC and disposition of such equity securities at fair value, the Company will recognize a realized loss with a corresponding reversal of the unrealized depreciation upon disposition of the equity securities acquired from GCIC.

Refer to Note 14 for more information related to purchase accounting and the acquisition of GCIC.

Income taxes: The Company has elected to be treated as a RIC under Subchapter M of the Code and operates in a manner so as to qualify for the tax treatment applicable to RICs. In order to qualify and be subject to tax as a RIC, among other things, the Company is required to meet certain source of income and asset diversification requirements and timely distribute dividends for U.S. federal income tax purposes to its stockholders 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. The Company has made, and intends to continue to make, the requisite distributions to its stockholders, which will generally relieve the Company from U.S. federal income taxes with respect to all income distributed to its stockholders.

Depending on the level of taxable income earned in a tax year, the Company may choose to retain taxable income in excess of current year dividend distributions and would distribute such taxable income in the next tax year. The Company may then be required to incur a 4% excise tax on such income. To the extent that the Company determines that its estimated current year annual taxable income, determined on a calendar year basis, could exceed estimated current calendar year dividend distributions, the Company accrues excise tax, if any, on estimated excess taxable income as taxable income is earned. For the years ended September 30, 2019, 2018, and 2017, $0, $0, and $17, respectively, was incurred for U.S. federal excise tax.

The Company accounts for income taxes in conformity with ASC Topic 740 — *Income Taxes* ("ASC Topic 740"). ASC Topic 740 provides guidelines for how uncertain tax positions should be recognized, measured, presented and disclosed in financial statements. ASC Topic 740 requires the evaluation of tax positions taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" to be sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense or tax benefit in the current year. It is the Company's policy to recognize accrued interest and penalties related to uncertain tax benefits in income tax expense. There were no material unrecognized tax benefits or unrecognized tax liabilities related to uncertain income tax positions through September 30, 2019. The Company's tax returns for the 2016 through 2018 tax years remain subject to examination by U.S. federal and most state tax authorities.

Dividends and distributions: Dividends and distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid out as a dividend or distribution is determined by the Board each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, are distributed at least annually, although the Company may decide to retain such capital gains for investment.

The Company has adopted a dividend reinvestment plan (“DRIP”) that provides for reinvestment of any distributions the Company declares in cash on behalf of its stockholders, unless a stockholder elects to receive cash. As a result, if the Board authorizes and the Company declares a cash distribution, then stockholders who participate in the DRIP will have their cash distribution reinvested in additional shares of the Company’s common stock, rather than receiving the cash distribution. The Company may use newly issued shares under the guidelines of the DRIP (if the Company’s shares are trading at a premium to net asset value), or the Company may purchase shares in the open market in connection with the obligations under the plan. In particular, if the Company’s shares are trading at a significant discount to net asset value (“NAV”) and the Company is otherwise permitted under applicable law to purchase such shares, the Company intends to purchase shares in the open market in connection with any obligations under the DRIP.

In the event the market price per share of the Company’s common stock on the date of a distribution exceeds the most recently computed NAV per share of the common stock, the Company will issue shares of common stock to participants in the DRIP at the greater of the most recently computed NAV per share of common stock or 95% of the current market price per share of common stock (or such lesser discount to the current market price per share that still exceeds the most recently computed NAV per share of common stock).

Share repurchase plan: The Company has a share repurchase program (the “Program”) which allows the Company to repurchase the Company’s outstanding common stock on the open market at prices below the Company’s NAV as reported in its most recently published consolidated financial statements. The Board most recently reapproved the Program in August 2019 and 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. Effective as of August 6, 2019, the Company may repurchase up to $150,000 of the Company's common stock pursuant to the Program. Prior to such date, the Program permitted up to $75,000 of repurchases. The Company did not make any repurchases of its common stock during each of the years ended September 30, 2019, 2018, and 2017.

Deferred debt issuance costs: Deferred debt issuance costs represent fees and other direct incremental costs incurred in connection with the Company’s borrowings. As of September 30, 2019 and 2018, the Company had deferred debt issuance costs of $4,939 and $2,934, respectively. These amounts are amortized and included in interest expense in the Consolidated Statements of Operations over the estimated average life of the borrowings. Amortization expense for deferred debt issuance costs for the years ended September 30, 2019, 2018, and 2017, was $2,096, $3,315, and $3,289, respectively.

Note 3. Related Party Transactions

Investment Advisory Agreement: Under the Investment Advisory Agreement, the Investment Adviser manages the day-to-day operations of, and provides investment advisory services to, GBDC. The Board approved the Investment Advisory Agreement on July 11, 2019. The Board noted that the terms of the Investment Advisory Agreement did not change the calculation of the Capital Gain Incentive Fee, or the management or incentive fee rates and that the changes, as compared to the Prior Investment Advisory Agreement, consisted of revisions to (i) exclude the impact of purchase accounting resulting from a merger, including the Merger, from the calculation of income subject to the income incentive fee payable and the calculation of the cumulative incentive fee cap under the Investment Advisory Agreement and (ii) convert the cumulative incentive fee cap into a per share calculation. At a meeting of the Company's stockholders held on September 4, 2019, the Company's stockholders voted to the approve the Investment Advisory Agreement, which was entered into and effective as of September 16, 2019, the closing of the Merger, and will continue for an initial two-year term. The Investment Adviser is a registered investment adviser with the SEC. The Investment Adviser receives fees for providing services, consisting of two components, a base management fee and an Incentive Fee (as defined below).

The base management fee is calculated at an annual rate equal to 1.375% of average adjusted gross assets at the end of the two most recently completed calendar quarters (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) and is payable quarterly in arrears. Additionally, the Investment Adviser voluntarily excludes any assets funded with secured borrowing proceeds from the base management fee calculation. The base management fee is adjusted, based on the actual number of days elapsed relative to the total number of days in such calendar quarter, for any share issuances or repurchases during such calendar quarter. For purposes of the Investment Advisory Agreement, cash equivalents means U.S. government securities and commercial paper instruments maturing within 270 days of purchase (which is different than the GAAP definition, which defines cash equivalents as U.S. government securities and commercial paper instruments maturing within 90 days of purchase). To the extent that the Investment Adviser or any of its affiliates provides investment advisory, collateral management or other similar services to a subsidiary of the Company, the base management fee will be reduced by an amount equal to the product of (1) the total fees paid to the Investment Adviser 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 the Company.

The Company has structured the calculation of the Incentive Fee to include a fee limitation such that an Incentive Fee for any quarter can only be paid to the Investment Adviser if, after such payment, the cumulative Incentive Fees paid to the Investment Adviser, calculated on a per share basis, since April 13, 2010, the effective date of the Company's election to become a BDC, would be less than or equal to 20.0% of the Company's Cumulative Pre-Incentive Fee Net Income (as defined below).

The Company accomplishes this limitation by subjecting each quarterly Incentive Fee payable under the Income and Capital Gain Incentive Fee Calculation (as defined below) to a cap (the "Incentive Fee Cap"). The Investment Advisory Agreement, as compared to the Prior Investment Advisory Agreement, converts the cumulative incentive fee cap from an aggregate basis calculation to a per share calculation. Under the Prior Investment Advisory Agreement, the Incentive Fee would not be paid at any time if, after such payment, the cumulative incentive fees paid to date would be greater than 20.0% of the Company's Cumulative Pre-Incentive Fee Net Income since April 13, 2010. Under the Investment Advisory Agreement, the Incentive Fee Cap in any quarter 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 Incentive Fee Cap is zero or a negative value in any quarter, no Incentive Fee would be payable in that quarter. If, for any relevant period, the Incentive Fee Cap calculation results in the Company paying less than the amount of the Incentive Fee calculated above, then the difference between the Incentive Fee and the Incentive Fee Cap will not be paid by GBDC and will not be received by the Investment Adviser as an Incentive Fee either at the end of such relevant period or at the end of any future period. "Cumulative Pre-Incentive Fee Net Income Per Share" equals the sum of "Pre-Incentive Fee Net Income Per Share" (as defined below) for each quarterly period since April 13, 2010. "Pre-Incentive Fee Net Income Per Share" equals the sum of (i) Pre-Incentive Fee Net Investment Income (as defined below) and (ii) Adjusted Capital Returns for the applicable period, divided by (b) the weighted average number of shares of GBDC common stock outstanding during such period. "Adjusted Capital Returns" for any 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 period; provided that the calculation of realized aggregate capital gains, realized aggregate capital losses, aggregate unrealized capital depreciation and aggregate unrealized capital appreciation shall not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation resulting solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger. "Cumulative Incentive Fees Paid Per Share" is equal to the sum of Incentive Fees Paid Per Share since April 13, 2010. "Incentive Fees Paid Per Share" for any period is equal to the Incentive Fees accrued and/or payable to the Company for such period, divided by the weighted average number of shares of common stock of GBDC during such period.

"Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company 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 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 the Company has not yet received in cash.

Incentive Fees are calculated and payable quarterly in arrears (or, upon termination of the Investment Advisory Agreement, as of the termination date).

The income and capital gains incentive fee calculation (the "Income and Capital Gain Incentive Fee Calculation") has two parts, the income component (the "Income Incentive Fee") and the capital gains component (the "Capital Gain Incentive Fee" and, together with the Income Incentive Fee, the "Incentive Fee"). The Income Incentive Fee is calculated quarterly in arrears based on the Company's Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter.

For the years ended September 30, 2019, 2018, and 2017, the Income Incentive Fee incurred was $14,482, $11,652, and $4,741, respectively.

The Investment Advisory Agreement, as compared to the Prior Investment Advisory Agreement, excludes the impact of purchase accounting resulting from a merger, including the Merger, from the calculation of income subject to the Income Incentive Fee and the calculation of the Incentive Fee Cap. As a result, under the Investment Advisory Agreement, 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 discount to interest income solely from the purchase accounting for any premium or discount paid for the acquisition of assets in a merger, such as the premium to net asset value paid for the shares of GCIC common stock in the Merger. Because of the structure of the Income Incentive Fee, it is possible that an Incentive Fee may be calculated under this formula with respect to a period in which the Company has incurred a loss. For example, if the Company receives Pre-Incentive Fee Net Investment Income in excess of the hurdle rate (as defined below) for a calendar quarter, the Income Incentive Fee will result in a positive value and an Incentive Fee will be paid even if the Company has incurred a loss in such period due to realized and/or unrealized capital losses unless the payment of such Incentive Fee would cause the Company to pay Incentive Fees on a cumulative basis that exceed the Incentive Fee Cap.

Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of the Company'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, the Company may be able to invest funds in debt instruments that provide for a higher return, which would increase Pre-Incentive Fee Net Investment Income and make it easier for the Investment Adviser to surpass the fixed hurdle rate and receive an Incentive Fee based on such net investment income.

The Company's Pre-Incentive Fee Net Investment Income used to calculate this part of the Incentive Fee is also included in the amount of its total assets (excluding cash and cash equivalents but including assets purchased with borrowed funds and securitization-related assets, unrealized depreciation or appreciation on derivative instruments and cash collateral on deposit with custodian) used to calculate the 1.375% base management fee annual rate.

The Company calculates the Income Incentive Fee 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% of the Company'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. This portion of the Company's Pre-Incentive Fee Net Investment Income (which exceeds the hurdle rate but is less than 2.5%) is referred to as the "catch-up" provision. The catch-up is meant to provide the Investment Adviser with 20.0% of the Pre-Incentive Fee Net Investment Income as if a hurdle rate did not apply if the Company's Pre-Incentive Fee Net Investment Income exceeds 2.5% in any calendar quarter; and

- 20.0% of the amount of the Company’s Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.5% in any calendar quarter.

The Capital Gain Incentive Fee equals (a) 20.0% of the Company’s Capital Gain Incentive Fee Base (as defined below), if any, calculated in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), which commenced with the calendar year ending December 31, 2010, less (b) the aggregate amount of any previously paid Capital Gain Incentive Fees. The Capital Gain Incentive Fee is calculated in the same manner under the Investment Advisory Agreement as under the Prior Investment Advisory Agreement. The Company’s “Capital Gain Incentive Fee Base” equals (1) the sum of (i) realized capital gains, if any, on a cumulative positive basis from the date the Company elected to become a BDC 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 debt issuance 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 the Company’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 the Company’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 the Company’s portfolio as of the applicable Capital Gain Incentive Fee calculation date and (b) the accreted or amortized cost basis of such investment.

In accordance with GAAP, the Company also is required to include the aggregate unrealized capital appreciation on investments in the calculation and accrue a capital gain incentive fee on a quarterly basis 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 either the Prior Investment Advisory Agreement or Investment Advisory Agreement, as applicable. If the Capital Gain Incentive Fee Base, adjusted as required by GAAP to include unrealized capital appreciation, is positive at the end of a period, then GAAP requires the Company to accrue a capital gain incentive fee equal to 20% of such amount, less the aggregate amount of the actual Capital Gain Incentive Fees paid and 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 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. For the year ended September 30, 2019, the Company had a reversal of the accrual of the capital gain incentive fee of $5,580, and for the years ended September 30, 2018 and 2017, the Company accrued a capital gain incentive fee of $1,458 and $2,819, respectively, in accordance with GAAP. Changes in the accrual for the capital gain incentive fee are included in incentive fee in the Consolidated Statements of Operations. As of September 30, 2019 and 2018, included in management and incentive fees payable on the Consolidated Statements of Financial Condition were $0 and $7,158, respectively, for cumulative accruals for capital gain incentive fees under GAAP, including the amounts payable pursuant to either the Prior Investment Advisory Agreement or the Investment Advisory Agreement, as applicable, described above.

As of September 30, 2019 and 2018 the Capital Gain Incentive Fee payable as calculated under the Investment Advisory Agreement or the Prior Investment Advisory Agreement, as applicable (as described above), was $0 and $2,303, respectively. Any payment due under the terms of the Investment Advisory Agreement or the Prior Investment Advisory Agreement, as applicable, is calculated in arrears at the end of each calendar year. The Company paid $1,578 and $1,196 of Capital Gain Incentive Fee calculated in accordance with the Prior Investment Advisory Agreement as of December 31, 2018 and December 31, 2017, respectively. The Company did not pay any capital gain incentive fee for any period ended prior to December 31, 2017.

Administration Agreement: Under the Administration Agreement, the Administrator furnishes the Company with office facilities and equipment, provides the Company with clerical, bookkeeping and record keeping services at such facilities and provides the Company with other administrative services as the Administrator, subject to review by the Board, determines necessary to conduct the Company’s day-to-day operations. The Company reimburses the

Administrator the allocable portion of overhead and other expenses incurred by it in performing its obligations under the Administration Agreement, including rent, fees and expenses associated with performing compliance functions and the Company's allocable portion of the cost of its chief financial officer and chief compliance officer and their respective staffs. The Board reviews such expenses to determine that these expenses, including any allocation of expenses among the Company and other entities for which the Administrator provides similar services, are reasonable and comparable to administrative services charged by unaffiliated third party asset managers. Under the Administration Agreement, the Administrator also provides, on the Company’s behalf, managerial assistance to those portfolio companies to which the Company is required to provide such assistance and will be paid an additional amount based on the cost of the services provided, which amount shall not exceed the amount the Company receives from such portfolio companies.

Included in accounts payable and other liabilities is $639 and $616 as of September 30, 2019 and 2018, respectively, for accrued allocated shared services under the Administration Agreement. As of September 30, 2019, also included in accounts payable and other liabilities, is $763 of accrued allocated shared service fees payable to the Administrator that was assumed from GCIC in the Merger.

Other related party transactions: The Administrator pays for certain unaffiliated third-party expenses incurred by the Company. Such expenses include postage, printing, office supplies, rating agency fees and professional fees. These expenses are not marked-up and represent the same amount the Company would have paid had the Company paid the expenses directly. These expenses are subsequently reimbursed in cash.

Total expenses reimbursed to the Administrator during the years ended September 30, 2019, 2018, and 2017, were $2,812, $2,412, and $2,255, respectively.

As of September 30, 2019 and 2018, included in accounts payable and other liabilities were $922 and $364, respectively, for expenses paid on behalf of the Company by the Administrator. As of September 30, 2019, also included in accounts payable and other liabilities was $763 of expenses paid on behalf of GCIC by the Administrator which were assumed in the Merger.

As of September 30, 2019, included in accounts payable and other liabilities were $3,394 for an income incentive fee, $1,377 for a capital gain incentive fee, $4,464 for base management fees and $10,071 for a subordinated liquidation fee, each of which were payable by GCIC pursuant to its investment advisory agreement with the Investment Adviser and which were assumed in the Merger. The investment advisory agreement between the Investment Adviser and GCIC was terminated in connection with the closing of the Merger.

On June 22, 2016, the Company entered into an unsecured revolving credit facility with the Investment Adviser (as amended, the "Adviser Revolver"), with a maximum credit limit of $20,000 and expiration date of June 22, 2019. On June 21, 2019, the Company entered into an amendment to the Adviser Revolver to, among other things, (a) extend the maturity date from June 22, 2019 to June 21, 2022 and (b) increase the borrowing capacity from $20,000 to $40,000. Refer to Note 7. Borrowings for discussion of the Adviser Revolver.

Effective September 16, 2019, the Company assumed, as a result of the Merger, an unsecured revolving credit facility with the Investment Adviser ("Adviser Revolver II") that had a credit limit of $40,000.

During the years ended September 30, 2019, 2018, and 2017, the Company sold $0, $6,191, and $119,982, respectively, of investments and unfunded commitments to SLF at fair value and recognized $0, $20, and $776, respectively, of net realized gains. Effective September 16, 2019, the Company acquired its investment in GCIC SLF as a result of the Merger. During the year ended September 30, 2019, the Company did not sell investments or unfunded commitments to GCIC SLF.

During the year ended September 30, 2019, 2018, and 2017, SLF incurred an administrative service fee of $268, $404, and $477, respectively. During the year ended September 30, 2019, GCIC SLF incurred an administrative service fee of $6.

On September 16, 2019, the Company completed its acquisition of GCIC. Refer to Note 14 for more information regarding the Merger.

(In thousands, except shares and per share data)

Note 4. Investments

Investments as of September 30, 2019 and 2018 consisted of the following:

	As of September 30, 2019			As of September 30, 2018		
	Principal	Amortized Cost	Fair Value	Principal	Amortized Cost	Fair Value
Senior secured	$ 601,788	$ 605,606	$ 589,340	$ 233,064	$ 230,846	$ 231,169
One stop	3,514,266	3,559,030	3,474,116	1,443,980	1,426,640	1,430,196
Second lien	19,473	19,745	19,473	9,435	9,338	9,435
Subordinated debt	369	375	369	251	251	251
LLC equity interests in the SLFs[(1)]	N/A	127,487	123,644	N/A	75,407	71,084
Equity	N/A	79,527	85,990	N/A	38,170	40,706
Total	$ 4,135,896	$ 4,391,770	$ 4,292,932	$ 1,686,730	$ 1,780,652	$ 1,782,841

(1) SLF’s and GCIC SLF's proceeds from the LLC equity interests invested in SLF and GCIC SLF, respectively, were utilized to invest in senior secured loans.

The following tables show the portfolio composition by geographic region at amortized cost and fair value as a percentage of total investments in portfolio companies. The geographic composition is determined by the location of the corporate headquarters of the portfolio company, which may not be indicative of the primary source of the portfolio company’s business.

	As of September 30, 2019		As of September 30, 2018	
Amortized Cost:				
United States				
Mid-Atlantic	$ 919,868	21.0%	$ 354,662	19.9%
Midwest	985,471	22.4	370,239	20.8
West	748,104	17.0	306,052	17.2
Southeast	944,794	21.5	422,844	23.7
Southwest	453,239	10.3	186,468	10.5
Northeast	217,138	4.9	125,329	7.0
Canada	99,823	2.3	15,058	0.9
United Kingdom	21,080	0.5	—	—
Australia	2,253	0.1	—	—
Total	$ 4,391,770	100.0%	$ 1,780,652	100.0%
Fair Value:				
United States				
Mid-Atlantic	$ 896,202	20.9%	$ 347,560	19.5%
Midwest	959,894	22.4	371,141	20.8
West	732,599	17.1	306,074	17.2
Southeast	929,922	21.6	428,235	24.0
Southwest	442,744	10.3	189,379	10.6
Northeast	211,920	4.9	125,051	7.0
Canada	97,392	2.3	15,401	0.9
United Kingdom	20,082	0.5	—	—
Australia	2,177	—	—	—
Total	$ 4,292,932	100.0%	$ 1,782,841	100.0%

Golub Capital BDC, Inc. and Subsidiaries

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(In thousands, except shares and per share data)

The industry compositions of the portfolio at amortized cost and fair value as of September 30, 2019 and 2018 were as follows:

	As of September 30, 2019		As of September 30, 2018	
Amortized Cost:				
Aerospace and Defense	$ 92,797	2.1%	$ 51,288	2.9%
Automobile	70,401	1.6	18,934	1.1
Beverage, Food and Tobacco	257,594	5.9	99,594	5.6
Broadcasting and Entertainment	2,136	—	1,444	0.1
Buildings and Real Estate	134,083	3.0	63,109	3.5
Chemicals, Plastics and Rubber	19,184	0.4	10,277	0.6
Diversified/Conglomerate Manufacturing	127,441	2.9	96,892	5.4
Diversified/Conglomerate Service	1,470,501	33.5	460,166	25.8
Ecological	44,573	1.0	18,852	1.1
Electronics	257,587	5.9	130,457	7.3
Finance	19,532	0.4	—	—
Grocery	444	0.0*	16,203	0.9
Healthcare, Education and Childcare	772,226	17.6	337,499	19.0
Home and Office Furnishings, Housewares, and Durable Consumer	21,551	0.5	12,861	0.7
Hotels, Motels, Inns, and Gaming	8,463	0.2	15,383	0.9
Insurance	105,238	2.4	45,865	2.6
Investment Funds and Vehicles	127,487	2.9	75,407	4.2
Leisure, Amusement, Motion Pictures, Entertainment	186,894	4.3	80,302	4.5
Mining, Steel, Iron and Non-Precious Metals	4,794	0.1	4,478	0.3
Oil and Gas	36,237	0.8	14,211	0.8
Personal and Non Durable Consumer Products (Mfg. Only)	73,146	1.7	68,129	3.8
Personal, Food and Miscellaneous Services	214,582	4.9	31,526	1.8
Printing and Publishing	10,787	0.2	4,200	0.2
Retail Stores	302,054	6.9	111,550	6.3
Telecommunications	11,832	0.3	6,310	0.3
Textiles and Leather	4,080	0.1	2,196	0.1
Utilities	16,126	0.4	3,519	0.2
Total	$ 4,391,770	100.0%	$ 1,780,652	100.0%

* Represents an amount less than 0.1%.

Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(In thousands, except shares and per share data)

	As of September 30, 2019		As of September 30, 2018	
Fair Value:				
Aerospace and Defense	$ 91,651	2.1%	$ 47,891	2.7%
Automobile	69,820	1.6	19,158	1.1
Beverage, Food and Tobacco	252,588	5.9	99,608	5.6
Broadcasting and Entertainment	2,108	0.1	1,447	0.1
Buildings and Real Estate	133,053	3.1	65,255	3.7
Chemicals, Plastics and Rubber	18,922	0.4	10,356	0.6
Diversified/Conglomerate Manufacturing	124,040	2.9	96,663	5.4
Diversified/Conglomerate Service	1,442,750	33.6	466,037	26.1
Ecological	43,857	1.0	19,148	1.1
Electronics	249,678	5.8	130,472	7.3
Finance	18,883	0.4	—	—
Grocery	411	0.0*	14,629	0.8
Healthcare, Education and Childcare	746,484	17.4	333,736	18.7
Home and Office Furnishings, Housewares, and Durable Consumer	20,894	0.5	12,831	0.7
Hotels, Motels, Inns, and Gaming	8,419	0.2	15,592	0.9
Insurance	104,086	2.4	47,041	2.6
Investment Funds and Vehicles	123,644	2.9	71,084	4.0
Leisure, Amusement, Motion Pictures, Entertainment	183,836	4.3	81,907	4.6
Mining, Steel, Iron and Non-Precious Metals	3,747	0.1	4,496	0.3
Oil and Gas	35,612	0.8	14,340	0.8
Personal and Non Durable Consumer Products (Mfg. Only)	73,444	1.7	69,912	3.9
Personal, Food and Miscellaneous Services	208,728	4.9	32,253	1.8
Printing and Publishing	10,427	0.2	4,167	0.2
Retail Stores	294,463	6.9	112,738	6.3
Telecommunications	11,627	0.3	6,393	0.4
Textiles and Leather	3,927	0.1	2,134	0.1
Utilities	15,833	0.4	3,553	0.2
Total	$ 4,292,932	100.0%	$ 1,782,841	100.0%

* Represents an amount less than 0.1%.

Senior Loan Fund LLC:

The Company co-invests with RGA in senior secured loans through SLF, an unconsolidated Delaware LLC. SLF is capitalized as transactions are completed and all portfolio and investment decisions in respect of SLF must be approved by the SLF investment committee consisting of two representatives of each of the Company and RGA (with unanimous approval required from (i) one representative of each of the Company and RGA or (ii) both representatives of each of the Company and RGA). SLF may cease making new investments upon notification of either member but operations will continue until all investments have been sold or paid-off in the normal course of business. Investments held by SLF are measured at fair value using the same valuation methodologies as described in Note 6.

As of September 30, 2019 and 2018, SLF was capitalized by LLC equity interest subscriptions from its members. As of September 30, 2019 and 2018, the Company and RGA owned 87.5% and 12.5%, respectively, of the LLC equity interests of SLF. SLF's profits and losses are allocated to the Company and RGA in accordance with their respective ownership interests.

SLF has entered into a senior secured revolving credit facility (as amended, the "SLF Credit Facility") with Wells Fargo Bank, N.A., through its wholly-owned subsidiary Senior Loan Fund II LLC ("SLF II"), which as of September 30, 2019 allowed SLF II to borrow up to $75,581 at any one time outstanding, subject to leverage and borrowing base restrictions. The reinvestment period of the SLF Credit Facility ended August 29, 2018, and after such date, the maximum commitment is equal to advances outstanding. The stated maturity date is August 30, 2022. As of September 30, 2019 and September 30, 2018, SLF II had outstanding debt under the SLF Credit Facility of

(In thousands, except shares and per share data)

$75,581 and $104,622, respectively. As of September 30, 2019, the SLF Credit Facility bears interest at one-month LIBOR plus 2.05% per annum.

As of September 30, 2019 and 2018, SLF had the following commitments from its members (in the aggregate):

	As of September 30, 2019		As of September 30, 2018	
	Committed	Funded[(1)]	Committed	Funded[(1)]
LLC equity commitments	$ 200,000	$ 85,580	$ 200,000	$ 86,180
Total	$ 200,000	$ 85,580	$ 200,000	$ 86,180

[(1)] Funded LLC equity commitments are presented net of return of capital distributions subject to recall.

As of September 30, 2019 and 2018, SLF had total assets at fair value of $161,018 and $186,326, respectively. As of September 30, 2019, SLF had six portfolio company investments in two portfolio companies on non-accrual status with a fair value of $4,987. As of September 30, 2018, SLF had one portfolio company investment in one portfolio company on non-accrual status with a fair value of $3,856. The portfolio companies in SLF are in industries and geographies similar to those in which the Company may invest directly. Additionally, as of September 30, 2019 and 2018, SLF had commitments to fund various undrawn revolvers and delayed draw investments to its portfolio companies totaling $3,377 and $5,920, respectively.

Below is a summary of SLF's senior secured loan portfolio, followed by a listing of the individual investments in SLF's portfolio as of September 30, 2019 and 2018:

	As of September 30, 2019	As of September 30, 2018
Senior secured loans[(1)]	$ 154,254	$ 183,668
Weighted average current interest rate on senior secured loans[(2)]	7.4%	7.5%
Number of borrowers in SLF	27	32
Largest portfolio company investment[(1)]	$ 12,654	$ 13,716
Total of five largest portfolio company investments[(1)]	$ 54,268	$ 57,330

[(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.

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SLF Investment Portfolio as of September 30, 2019

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]		Principal ($) / Shares[2]	Fair Value[3]
1A Smart Start LLC[4]	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	6.5	%	$ 2,961	$ 2,961
Advanced Pain Management Holdings, Inc.[4][5]	Healthcare, Education and Childcare	Senior loan	12/2019	7.1		6,172	3,703
Advanced Pain Management Holdings, Inc.[4][5]	Healthcare, Education and Childcare	Senior loan	12/2019	7.1		422	253
Advanced Pain Management Holdings, Inc.[4][5][7]	Healthcare, Education and Childcare	Senior loan	12/2019	7.1		193	(8)
Advanced Pain Management Holdings, Inc.[4][5]	Healthcare, Education and Childcare	Senior loan	12/2019	10.6		2,139	4
Boot Barn, Inc.[4]	Retail Stores	Senior loan	06/2023	6.6		6,022	6,022
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	6.9		4,418	4,415
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	N/A[6]		—	—
Captain D's, LLC[4]	Personal, Food and Miscellaneous Services	Senior loan	12/2023	6.5		2,433	2,433
Captain D's, LLC[4]	Personal, Food and Miscellaneous Services	Senior loan	12/2023	7.5		17	17
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	7.4		8,415	8,415
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	7.4		4,239	4,239
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5		2,392	2,392
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5		1,203	1,203
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5		58	58
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5		40	40
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	N/A[6]		—	—
DISA Holdings Acquisition Subsidiary Corp.[4]	Diversified/Conglomerate Service	Senior loan	06/2022	7.1		4,773	4,773
DISA Holdings Acquisition Subsidiary Corp.[4]	Diversified/Conglomerate Service	Senior loan	06/2022	6.0		53	53
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.9		5,905	5,905
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.9		1,640	1,640
Flexan, LLC[4]	Chemicals, Plastics and Rubber	Senior loan	02/2020	9.5		431	431
Gamma Technologies, LLC[4]	Electronics	Senior loan	06/2024	7.3		10,084	10,084
III US Holdings, LLC	Diversified/Conglomerate Service	Senior loan	09/2022	8.1		4,288	4,288
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	03/2024	6.6		2,276	2,276
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	03/2024	6.6		118	118
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	03/2024	6.6		63	63
Joerns Healthcare, LLC[4]	Healthcare, Education and Childcare	Senior loan	08/2024	8.2		1,286	1,286
Joerns Healthcare, LLC[4]	Healthcare, Education and Childcare	Senior loan	08/2024	8.2		1,338	1,338
Mediaocean LLC	Diversified/Conglomerate Service	Senior loan	08/2020	N/A[6]		—	—
Paradigm DKD Group, LLC[4][5]	Buildings and Real Estate	Senior loan	05/2022	8.4		1,480	1,094
Paradigm DKD Group, LLC[4][5][7]	Buildings and Real Estate	Senior loan	05/2022	8.4		(16)	(59)
Pasternack Enterprises, Inc. and Fairview Microwave, Inc[4]	Diversified/Conglomerate Manufacturing	Senior loan	07/2025	6.0		5,264	5,264
Polk Acquisition Corp.[4]	Automobile	Senior loan	06/2022	7.3		4,465	4,376
Polk Acquisition Corp.[4]	Automobile	Senior loan	06/2022	7.3		60	58
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	7.3		52	51

Golub Capital BDC, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
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SLF Investment Portfolio as of September 30, 2019 - (continued)

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]	Principal ($) / Shares[2]	Fair Value[3]
Pyramid Healthcare, Inc.[4]	Healthcare, Education and Childcare	Senior loan	08/2020	8.8 %	$ 10,047	$ 10,047
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2020	9.2	257	257
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2020	8.8	147	147
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2020	8.8	99	99
RSC Acquisition, Inc.[4]	Insurance	Senior loan	11/2022	6.4	3,785	3,785
RSC Acquisition, Inc.[4]	Insurance	Senior loan	11/2021	N/A[6]	—	—
Rubio's Restaurants, Inc[4]	Beverage, Food and Tobacco	Senior loan	10/2019	9.1	4,890	4,890
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	12/2020	7.35% cash/1.00% PIK	4,341	3,907
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	12/2020	8.4	70	62
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	12/2020	8.4	63	57
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	12/2020	8.4	45	40
SEI, Inc.[4]	Electronics	Senior loan	07/2023	6.8	11,004	11,004
SEI, Inc.	Electronics	Senior loan	07/2023	N/A[6]	—	—
Self Esteem Brands, LLC[4]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2022	6.3	9,561	9,561
Self Esteem Brands, LLC[4]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2022	8.3	415	415
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	7.9	4,190	3,771
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	7.9	3,285	2,956
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	7.9	567	511
Teasdale Quality Foods, Inc.[4]	Grocery	Senior loan	10/2020	7.9	424	382
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	7.9	210	189
Upstream Intermediate, LLC	Healthcare, Education and Childcare	Senior loan	01/2024	6.0	2,796	2,796
WHCG Management, LLC[4]	Healthcare, Education and Childcare	Senior loan	03/2023	8.1	7,820	7,820
WIRB-Copernicus Group, Inc.[4]	Healthcare, Education and Childcare	Senior loan	08/2022	6.4	5,554	5,554
Total senior loan investments					$ 154,254	$ 147,436
Paradigm DKD Group, LLC[4][8][9]	Buildings and Real Estate	LLC units	N/A	N/A	170	$ 62
Paradigm DKD Group, LLC[4][8][9]	Buildings and Real Estate	LLC units	N/A	N/A	963	—
Paradigm DKD Group, LLC[4][8][9]	Buildings and Real Estate	LLC units	N/A	N/A	34	—
Joerns Healthcare, LLC[4][8][9]	Healthcare, Education and Childcare	Common Stock	N/A	N/A	309	3,017
W3 Co. [8][9]	Oil and Gas	LLC units	N/A	N/A	3	1,526
W3 Co. [8][9]	Oil and Gas	Preferred stock	N/A	N/A	—	218
Total equity investments						$ 4,823
Total investments					$ 154,254	$ 152,259

(1) Represents the weighted average annual current interest rate as of September 30, 2019. All interest rates are payable in cash, except where PIK is shown.

Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(In thousands, except shares and per share data)

(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 Board's valuation process described elsewhere herein.

(4) The Company also holds a portion of the first lien senior secured loan in this portfolio company.

(5) Loan was on non-accrual status as of September 30, 2019. As such, no interest is being earned on this investment.

(6) The entire commitment was unfunded as of September 30, 2019. As such, no interest is being earned on this investment. The investment may be subject to an unused facility fee.

(7) The negative fair value is the result of the capitalized discount on the loan or the unfunded commitment being valued below par.

(8) Equity investment received as a result of the portfolio company's debt restructuring.

(9) Non-income producing.

Golub Capital BDC, Inc. and Subsidiaries

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(In thousands, except shares and per share data)

SLF Investment Portfolio as of September 30, 2018

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]	Principal ($) / Shares[2]	Fair Value[3]
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
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
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

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(In thousands, except shares and per share data)

SLF Investment Portfolio as of September 30, 2018 - (continued)

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]	Principal ($) / Shares[2]	Fair Value[3]
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. All interest rates are payable in cash, except where PIK is shown.

(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 Board's valuation process described elsewhere herein.

(4) The Company also holds a portion of the first lien senior secured loan in this portfolio company.

(5) Loan was on non-accrual status as of September 30, 2018. As such, no interest is being earned on this investment.

(6) Equity investment received as a result of the portfolio company's debt restructuring.

(7) Non-income producing.

As of September 30, 2019, the Company has committed to fund $175,000 of LLC equity interest subscriptions to SLF. As of September 30, 2019 and 2018, $74,883 and $75,407, respectively, of the Company’s LLC equity interest subscriptions to SLF had been called and contributed, net of return of capital distributions subject to recall. For the years ended September 30, 2019, 2018, and 2017, the Company received $0, $8,099, and $4,929, respectively, in dividend income from the LLC equity interests in SLF.

(In thousands, except shares and per share data)

See below for certain summarized financial information for SLF as of September 30, 2019 and 2018 and for the years ended September 30, 2019, 2018 and 2017:

	As of September 30, 2019	As of September 30, 2018
Selected Balance Sheet Information:		
Investments, at fair value	$ 152,259	$ 179,180
Cash and other assets	8,759	7,146
Total assets	$ 161,018	$ 186,326
Senior credit facility	$ 75,581	$ 104,622
Unamortized debt issuance costs	—	(18)
Other liabilities	424	484
Total liabilities	76,005	105,088
Members’ equity	85,013	81,238
Total liabilities and members' equity	$ 161,018	$ 186,326

	Years ended September 30,		
	2019	2018	2017
Selected Statement of Operations Information:			
Interest income	$ 13,402	$ 18,285	$ 21,455
Fee income	9	202	5
Total investment income	13,411	18,487	21,460
Interest and other debt financing expense	4,132	6,687	10,236
Administrative service fee	268	404	477
Other expenses	95	93	131
Total expenses	4,495	7,184	10,844
Net investment income	8,916	11,303	10,616
Net realized gain (loss) on investments	(2,343)	—	(7,379)
Net change in unrealized appreciation (depreciation) on investments	(2,199)	(4,197)	4,647
Net increase (decrease) in members' equity	$ 4,374	$ 7,106	$ 7,884

GCIC Senior Loan Fund LLC:

Following the acquisition of GCIC SLF in the Merger, the Company co-invests with Aurora, a wholly-owned subsidiary of RGA Reinsurance Company, in senior secured loans through GCIC SLF, an unconsolidated Delaware LLC. The Company acquired the investment in GCIC SLF through its acquisition of GCIC on September 16, 2019. 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 the Company and Aurora (with unanimous approval required from (i) one representative of each of the Company and Aurora or (ii) both representatives of each of the Company 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. Investments held by GCIC SLF are measured at fair value by GCIC SLF using the same valuation methodologies as described in Note 6.

As of September 30, 2019, GCIC SLF was capitalized by LLC equity interest subscriptions from its members. As of September 30, 2019, the Company and Aurora owned 87.5% and 12.5%, respectively, of the LLC equity interests of GCIC SLF. GCIC SLF’s profits and losses are allocated to its members in accordance with their respective ownership interests.

Golub Capital BDC, Inc. and Subsidiaries

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As of September 30, 2019, GCIC SLF had the following commitments from its members (in the aggregate):

	As of September 30, 2019	
	Committed	**Funded[(1)]**
LLC equity commitments	$ 125,000	$ 55,264
Total	$ 125,000	$ 55,264

(1) Funded LLC equity commitments are presented net of return of capital distributions subject to recall.

GCIC SLF entered into a senior secured revolving credit facility (as amended, the "GCIC SLF Credit Facility") with Wells Fargo Bank, N.A. through its wholly-owned subsidiary GCIC Senior Loan Fund II LLC ("GCIC SLF II"), which as of September 30, 2019 allowed GCIC SLF II to borrow up to $59,559 at any one time outstanding, subject to leverage and borrowing base restrictions, and which bears interest at one-month LIBOR plus 2.05%.

As of September 30, 2019, GCIC SLF had total assets at fair value of $116,195. As of September 30, 2019, 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 the Company may invest directly. Additionally, as of September 30, 2019, GCIC SLF had commitments to fund various undrawn revolvers and delayed draw investments to its portfolio companies totaling $7,011.

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, 2019:

	As of September 30, 2019
Senior secured loans [(1)]	$ 112,864
Weighted average current interest rate on senior secured loans [(2)]	7.2%
Number of borrowers in GCIC SLF	28
Largest portfolio company investment [(1)]	$ 8,464
Total of five largest portfolio company investments [(1)]	$ 34,273

(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.

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GCIC SLF Investment Portfolio as of September 30, 2019

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate(1)	Principal ($)	Fair Value(2)
1A Smart Start LLC(3)	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	6.5 %	$ 1,910	$ 1,910
Boot Barn, Inc.(3)	Retail Stores	Senior loan	06/2023	6.6	3,159	3,159
Brandmuscle, Inc.(3)	Printing and Publishing	Senior loan	12/2021	N/A(4)	—	—
Brandmuscle, Inc.(3)	Printing and Publishing	Senior loan	12/2021	6.9	3,800	3,797
Captain D's, LLC(3)	Personal, Food and Miscellaneous Services	Senior loan	12/2023	7.5	33	33
Captain D's, LLC(3)	Personal, Food and Miscellaneous Services	Senior loan	12/2023	6.5	5,792	5,792
CLP Healthcare Services, Inc.(3)	Healthcare, Education and Childcare	Senior loan	12/2020	7.4	2,007	2,007
CLP Healthcare Services, Inc.(3)	Healthcare, Education and Childcare	Senior loan	12/2020	7.4	1,011	1,011
Community Veterinary Partners, LLC(3)	Personal, Food and Miscellaneous Services	Senior loan	10/2021	N/A(4)	—	—
Community Veterinary Partners, LLC(3)	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	2,053	2,053
Community Veterinary Partners, LLC(3)	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	1,032	1,032
Community Veterinary Partners, LLC(3)	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	40	40
Community Veterinary Partners, LLC(3)	Personal, Food and Miscellaneous Services	Senior loan	10/2021	7.5	58	58
Elite Sportswear, L.P.(3)	Retail Stores	Senior loan	12/2021	8.5	121	99
Elite Sportswear, L.P.(3)	Retail Stores	Senior loan	12/2021	8.4	1,128	1,061
Elite Sportswear, L.P.(3)	Retail Stores	Senior loan	12/2021	8.4	581	546
Elite Sportswear, L.P.(3)	Retail Stores	Senior loan	12/2021	8.4	88	83
Elite Sportswear, L.P.(3)	Retail Stores	Senior loan	12/2021	8.4	2,806	2,638
Elite Sportswear, L.P.(3)	Retail Stores	Senior loan	12/2021	8.5	7	6
Elite Sportswear, L.P.(3)	Retail Stores	Senior loan	12/2021	8.4	84	79
Elite Sportswear, L.P.(3)	Retail Stores	Senior loan	12/2021	8.4	198	186
Flexan, LLC(3)	Chemicals, Plastics and Rubber	Senior loan	02/2020	9.5	192	192
Flexan, LLC(3)	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.9	2,635	2,635
Flexan, LLC(3)	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.9	732	732
G & H Wire Company, Inc(3)	Healthcare, Education and Childcare	Senior loan	09/2023	7.8	5,284	5,284
Gamma Technologies, LLC(3)	Electronics	Senior loan	06/2024	7.3	4,334	4,334
III US Holdings, LLC(3)	Diversified/Conglomerate Service	Senior loan	09/2022	8.1	4,253	4,253
Jensen Hughes, Inc.(3)	Buildings and Real Estate	Senior loan	03/2024	6.6	1,958	1,958
Jensen Hughes, Inc.(3)	Buildings and Real Estate	Senior loan	03/2024	6.6	102	102
Jensen Hughes, Inc.(3)	Buildings and Real Estate	Senior loan	03/2024	6.6	54	54
Mediaocean LLC(3)	Diversified/Conglomerate Service	Senior loan	08/2020	N/A(4)	—	—
Mills Fleet Farm Group LLC(3)	Retail Stores	Senior loan	10/2024	8.3	5,955	5,657
NBC Intermediate, LLC(3)	Beverage, Food and Tobacco	Senior loan	09/2023	N/A(4)	—	—
NBC Intermediate, LLC(3)	Beverage, Food and Tobacco	Senior loan	09/2023	6.5	2,565	2,565
Pasternack Enterprises, Inc. and Fairview Microwave, Inc(3)	Diversified/Conglomerate Manufacturing	Senior loan	07/2025	6.0	4,913	4,913
Polk Acquisition Corp.(3)	Automobile	Senior loan	06/2022	7.3	8,125	7,962
Polk Acquisition Corp.(3)	Automobile	Senior loan	06/2022	7.3	60	58
Polk Acquisition Corp.(3)	Automobile	Senior loan	06/2022	7.3	52	51
Pyramid Healthcare, Inc.(3)	Healthcare, Education and Childcare	Senior loan	08/2020	9.2	68	68
Pyramid Healthcare, Inc.(3)	Healthcare, Education and Childcare	Senior loan	08/2020	8.8	2,426	2,426
Pyramid Healthcare, Inc.(3)	Healthcare, Education and Childcare	Senior loan	08/2020	8.8	147	147
Pyramid Healthcare, Inc.(3)	Healthcare, Education and Childcare	Senior loan	08/2020	8.8	367	367
Reladyne, Inc.(3)	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3	5,909	5,909
Reladyne, Inc.(3)	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3	621	621
Reladyne, Inc.(3)	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3	1,152	1,152

Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(In thousands, except shares and per share data)

GCIC SLF Investment Portfolio as of September 30, 2019 - (continued)

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]		Principal ($)		Fair Value[2]
Reladyne, Inc.[3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3	%	$ 537	$	537
Reladyne, Inc.[3]	Diversified/Conglomerate Manufacturing	Senior loan	07/2022	7.3		245		245
RSC Acquisition, Inc.[3]	Insurance	Senior loan	11/2021	N/A[4]		—		—
RSC Acquisition, Inc.[3]	Insurance	Senior loan	11/2022	6.4		3,255		3,255
Rubio's Restaurants, Inc[3]	Beverage, Food and Tobacco	Senior loan	10/2019	9.1		1,641		1,641
SEI, Inc.[3]	Electronics	Senior loan	07/2023	6.8		4,154		4,154
SEI, Inc.[3]	Electronics	Senior loan	07/2023	N/A[4]		—		—
Self Esteem Brands, LLC[3]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2022	6.3		5,445		5,445
Self Esteem Brands, LLC[3]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2022	8.3		498		498
Summit Behavioral Healthcare, LLC[3]	Healthcare, Education and Childcare	Senior loan	10/2023	6.9		100		94
Summit Behavioral Healthcare, LLC[3]	Healthcare, Education and Childcare	Senior loan	10/2023	6.9		5,895		5,600
Summit Behavioral Healthcare, LLC[3]	Healthcare, Education and Childcare	Senior loan	10/2023	6.9		290		276
Teasdale Quality Foods, Inc.[3]	Grocery	Senior loan	10/2020	7.9		1,009		908
Teasdale Quality Foods, Inc.[3]	Grocery	Senior loan	10/2020	7.9		137		123
Teasdale Quality Foods, Inc.[3]	Grocery	Senior loan	10/2020	7.9		51		46
Teasdale Quality Foods, Inc.[3]	Grocery	Senior loan	10/2020	7.9		791		712
Upstream Intermediate, LLC[3]	Healthcare, Education and Childcare	Senior loan	01/2024	6.0		3,532		3,532
WHCG Management, LLC[3]	Healthcare, Education and Childcare	Senior loan	03/2023	8.1		2,158		2,158
WHCG Management, LLC[3]	Healthcare, Education and Childcare	Senior loan	03/2023	N/A[4]		—		—
WIRB-Copernicus Group, Inc.[3]	Healthcare, Education and Childcare	Senior loan	08/2022	6.4		5,314		5,314
Total investments						$ 112,864	$	111,568

(1) Represents the weighted average annual current interest rate as of September 30, 2019. 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 Board's valuation process described elsewhere herein.

(3) The Company also holds a portion of the first lien senior secured loan in this portfolio company.

(4) The entire commitment was unfunded as of September 30, 2019. As such, no interest is being earned on this investment. The investment may be subject to an unused facility fee.

(In thousands, except shares and per share data)

As of September 30, 2019, the Company has committed to fund $109,375 of LLC equity interest subscriptions to GCIC SLF. As of September 30, 2019, $48,356 of the Company's LLC equity interest subscriptions to GCIC SLF had been called and contributed, net of return of capital distributions subject to recall. For the year ended September 30, 2019, the Company earned $1,219 in dividend income from the LLC equity interest in GCIC SLF.

See below for certain summarized financial information for GCIC SLF as of September 30, 2019 and for the period ended September 30, 2019:

	As of September 30, 2019	
Selected Balance Sheet Information:		
Investments, at fair value	$	111,568
Cash and other assets		4,627
Total assets	$	116,195
Senior credit facility	$	59,559
Other liabilities		341
Total liabilities		59,900
Members’ equity		56,295
Total liabilities and members' equity	$	116,195

	For the period September 16, 2019 to September 30, 2019	
Selected Statement of Operations Information:		
Interest income	$	360
Total investment income		360
Interest and other debt financing expenses		141
Administrative service fee		6
Other expenses		4
Total expenses		151
Net investment income		209
Net change in unrealized appreciation (depreciation) on investments		(18)
Net increase in members' equity	$	191

Note 5. Forward Currency Contracts

The Company enters into forward currency contracts from time to time to help mitigate the impact that an adverse change in foreign exchange rates would have on the value of the Company's investments denominated in foreign currencies.

(In thousands, except shares and per share data)

As of September 30, 2018, the Company had no forward currency contracts outstanding. The outstanding forward currency contracts as of September 30, 2019 were as follows:

Counterparty	Currency to be sold			Currency to be purchased			Settlement date	Unrealized appreciation ($)	Unrealized depreciation ($)
Macquarie Bank Limited	£	8,925	GBP	$	11,219	USD	3/2/2023	$ —	$ (114)
Macquarie Bank Limited	£	3,780	GBP	$	4,804	USD	3/27/2023	—	(1)
								$ —	$ (115)

In order to better define its contractual rights and to secure rights that will help the Company mitigate its counterparty risk, the Company has entered into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") with its derivative counterparty, Macquarie Bank Limited ("Macquarie"). The ISDA Master Agreement is a bilateral agreement between the Company and Macquarie that governs over the counter ("OTC") derivatives, including forward currency contracts, and contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. The provisions of the ISDA Master Agreement permit a single net payment in the event of a default (close-out netting) or similar event, including the bankruptcy or insolvency of the counterparty.

For financial reporting purposes, cash collateral that has been pledged to cover obligations of the Company and cash collateral received from Macquarie, if any, is included in the Consolidated Statements of Financial Condition as cash collateral held at broker for forward currency contracts or cash collateral received from broker for forward currency contracts. The Company minimizes counterparty credit risk by only entering into agreements with counterparties that it believes to be of good standing and by monitoring the financial stability of those counterparties.

The following table is intended to provide additional information about the effect of the forward currency contracts on the financial statements of the Company including: the fair value of derivatives by risk category, the location of those fair values on the Consolidated Statement of Financial Condition, and the Company's gross and net amount of assets and liabilities available for offset under netting arrangements as well as any related collateral received or pledged by the Company as of September 30, 2019.

Counterparty	Risk exposure category	Unrealized appreciation on forward currency contracts	Unrealized depreciation on forward currency contracts	Net amounts presented in the Consolidated Statement of Financial Condition	Collateral (Received) Pledged [1]	Net Amount [2]
Macquarie Bank Limited	Foreign exchange	$ —	$ (115)	$ (115)	$ 115	$ —

(1) In some instances, the actual collateral pledged may be more than the amount shown due to over collateralization.

(2) Represents the net amount due from/(to) counterparties in the event of default.

The impact of derivative transactions for the year ended September 30, 2019 on the Consolidated Statement of Operations, including realized and unrealized gains (losses) is summarized in the table below:

Realized gain (loss) on forward currency contracts recognized in income

Risk exposure category	Year ended September 30, 2019
Foreign exchange	$ —

Change in unrealized appreciation (depreciation) on forward currency contracts recognized in income

Risk exposure category	Year ended September 30, 2019
Foreign exchange	$ 133

(In thousands, except shares and per share data)

The following table is a summary of the average outstanding volume for forward currency contracts for the year ended September 30, 2019:

Average notional outstanding [(1)]	**Year ended September 30, 2019**
Forward currency contracts	$ 13,140

(1) Based on ending daily U.S. Dollar notional exposure outstanding for the period from September 16, 2019 to September 30, 2019. The Company did not hold any forward currency contracts prior to September 16, 2019.

Note 6. Fair Value Measurements

The Company 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. The Company'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. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The Company 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 years ended September 30, 2019, 2018 and 2017. The following section describes the valuation techniques used by the Company 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.

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 Board, based on input of management, the audit committee and independent valuation firms that have been engaged at the direction of the 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 the Company's valuations of debt and equity investments without readily available market quotations subject to review by an independent valuation firm. All investments as of September 30, 2019 and 2018, with the exception of money market funds included in cash, cash equivalents and restricted cash and cash equivalents (Level 1 investments), forward currency contracts (Level 2 investments) and investments measured at fair value using the NAV, were valued using Level 3 inputs.

When determining fair value of Level 3 debt and equity investments, the Company 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 net income before net interest expense, income tax expense, depreciation and amortization ("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, the Company 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, the Company uses a market interest rate yield analysis to determine fair value.

In addition, for certain debt investments, the Company 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 the Company and others may be willing to pay. Ask prices represent the lowest price that the Company and others may be willing to accept. The Company generally uses 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 ready 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 the Company were required to liquidate a portfolio investment in a forced or liquidation sale, the Company may realize significantly less than the value at which such investment had previously been recorded. The Company'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.

Secured Borrowings

The Company has elected the fair value option under ASC Topic 825 - *Financial Instruments*, relating to accounting for debt obligations at their fair value for its secured borrowings which arose due to partial loan sales which did not meet the criteria for sale treatment under ASC Topic 860. The Company reports changes in the fair value of its secured borrowings as a component of the net change in unrealized (appreciation) depreciation on secured borrowings in the Consolidated Statements of Operations. The net gain or loss reflects the difference between the fair value and the principal amount due on maturity.

As of September 30, 2019 and 2018, there were no secured borrowings outstanding. Previous secured borrowings were valued using Level 3 inputs under the fair value hierarchy, and the Company's approach to determining fair value of Level 3 secured borrowings is consistent with its approach to determining fair value of the Level 3 investments that are associated with these secured borrowings as previously described.

Golub Capital BDC, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(In thousands, except shares and per share data)

The following tables present fair value measurements of the Company's investments and indicate the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value as of September 30, 2019 and 2018:

As of September 30, 2019	**Fair Value Measurements Using**			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets, at fair value:				
Debt investments[1]	$ —	$ —	$ 4,083,298	$ 4,083,298
Equity investments[1]	—	—	85,990	85,990
Money market funds[1][2]	9,963	—	—	9,963
Investments measured at NAV[3][4]	—	—	—	123,644
Total assets, at fair value:	$ 9,963	$ —	$ 4,169,288	$ 4,302,895
Liabilities at fair value:				
Forward currency contracts	$ —	$ (115)	$ —	$ (115)
Total liabilities, at fair value:	$ —	$ (115)	$ —	$ (115)

As of September 30, 2018	**Fair Value Measurements Using**			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets, at fair value:				
Debt investments[1]	$ —	$ —	$ 1,671,051	$ 1,671,051
Equity investments[1]	—	—	40,706	40,706
Money market funds[1][2]	10,532	—	—	10,532
Investment measured at NAV[3][4]	—	—	—	71,084
Total assets, at fair value:	10,532	—	1,711,757	1,793,373

(1) Refer to the Consolidated Schedules of Investments for further details.

(2) Included in cash and cash equivalents, restricted cash and cash equivalents, foreign currencies and restricted foreign currencies on the Consolidated Statements of Financial Condition.

(3) Certain investments that are measured at fair value using the NAV have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidated Statements of Financial Condition.

(4) Represents the Company's investments in LLC equity interests in the SLFs. The fair value of these investments have been determined using the NAV of the Company's ownership interest in members' capital.

The net change in unrealized appreciation (depreciation) for the years ended September 30, 2019, 2018, and 2017, reported within the net change in unrealized appreciation (depreciation) on investments in the Company's Consolidated Statements of Operations attributable to the Company's Level 3 assets held at the end of each year was ($102,079), $3,600, and $4,846, respectively.

The following tables present the changes in investments measured at fair value using Level 3 inputs for the years ended September 30, 2019 and 2018:

Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(In thousands, except shares and per share data)

	Year ended September 30, 2019		
	Debt Investments	Equity Investments	Total Investments
Fair value, beginning of period	$ 1,671,051	$ 40,706	$ 1,711,757
Net change in unrealized appreciation (depreciation) on investments	(105,434)	3,927	(101,507)
Realized gain (loss) on investments	(2,646)	(1,970)	(4,616)
Funding of (proceeds from) revolving loans, net	2,578	—	2,578
Fundings of investments	584,580	11,271	595,851
PIK interest	2,951	—	2,951
Proceeds from principal payments and sales of portfolio investments	(357,729)	(6,953)	(364,682)
Accretion of discounts and amortization of premiums	7,191	—	7,191
Transfers in [(1)]	2,280,756	39,009	2,319,765
Fair value, end of period	$ 4,083,298	$ 85,990	$ 4,169,288

	Year ended September 30, 2018		
	Debt Investments	Equity Investments	Total Investments
Fair value, beginning of period	$ 1,538,606	$ 51,394	$ 1,590,000
Net change in unrealized appreciation (depreciation) on investments	1,533	(11,239)	(9,706)
Realized gain (loss) on investments	(4,516)	21,970	17,454
Funding of (proceeds from) revolving loans, net	(7,235)	—	(7,235)
Fundings of investments	628,608	5,824	634,432
PIK interest	1,622	—	1,622
Proceeds from principal payments and sales of portfolio investments	(497,208)	(27,243)	(524,451)
Accretion of discounts and amortization of premiums	9,641	—	9,641
Fair value, end of period	$ 1,671,051	$ 40,706	$ 1,711,757

[(1)] Transfers in represents debt and equity investments acquired by the Company from GCIC in the Merger.

Golub Capital BDC, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(In thousands, except shares and per share data)

The following tables present quantitative information about the significant unobservable inputs of the Company's Level 3 investments as of September 30, 2019 and 2018.

Quantitative information about Level 3 Fair Value Measurements

		Fair value as of September 30, 2019	Valuation Techniques	Unobservable Input	Range (Weighted Average) [1]
Assets:					
Senior secured loans[2][3]	$	573,582	Market rate approach	Market interest rate	4.3% - 11.3% (6.7%)
			Market comparable companies	EBITDA multiples	7.0x - 24.0x (12.9x)
		9,901	Market comparable	Broker/dealer bids or quotes	N/A
One stop loans[2][4][5]	$	3,466,310	Market rate approach	Market interest rate	5.3% - 30.8% (8.2%)
			Market comparable companies	EBITDA multiples	5.0x - 28.5x (14.3x)
				Revenue multiples	2.0x - 11.0x (5.9x)
Subordinated debt and second lien loans[2][6]	$	19,842	Market rate approach	Market interest rate	7.5% - 19.5% (11.1%)
			Market comparable companies	EBITDA multiples	8.5x - 17.5x (13.3x)
				Revenue multiples	3.0x - 3.0x (3.0x)
Equity[7][8]	$	85,990	Market comparable companies	EBITDA multiples	5.0x - 28.5x (14.1x)
				Revenue multiples	2.0x - 6.5x (4.0x)

(1) Unobservable inputs were weighted by the relative fair value of the instruments.

(2) The fair value of this asset class was determined using the market rate and market comparable approaches, as applicable, as the investments in this asset class were determined not to be credit impaired using the market comparable companies approach. The unobservable inputs for both valuation techniques have been presented, but the fair value as of September 30, 2019 was determined using the market rate and market comparable approaches, as applicable.

(3) Excludes $5,857 of non-accrual loans at fair value, which the Company valued using the market comparable companies approach.

(4) Excludes $7,806 of non-accrual loans at fair value, which the Company valued using the market comparable companies approach.

(5) The Company valued $3,051,629 and $414,681 of one stop loans using EBITDA and revenue multiples, respectively. All one stop loans were also valued using the market rate approach.

(6) The Company valued $19,834 and $8 of subordinated debt and second lien loans using EBITDA and revenue multiples, respectively. All subordinated debt and second lien loans were also valued using the market rate approach.

(7) Excludes $123,644 of LLC equity interests in the SLFs at fair value, which the Company valued using the NAV.

(8) The Company valued $74,958 and $11,032 of equity investments using EBITDA and revenue multiples, respectively.

(In thousands, except shares and per share data)

Quantitative information about Level 3 Fair Value Measurements

	Fair value as of September 30, 2018		Valuation Techniques	Unobservable Input	Range (Weighted Average)[1]
Assets:					
Senior secured loans[2][3]	$	225,960	Market rate approach	Market interest rate	4.3% - 9.9% (7.2%)
			Market comparable companies	EBITDA multiples	5.0x - 15.0x (11.1x)
		3,926	Market comparable	Broker/dealer bids or quotes	N/A
One stop loans[2][4][5]	$	1,422,601	Market rate approach	Market interest rate	2.0% - 13.8% (8.8%)
			Market comparable companies	EBITDA multiples	4.5x - 35.0x (13.6x)
				Revenue multiples	1.3x - 10.2x (4.1x)
		3,253	Market comparable	Broker/dealer bids or quotes	N/A
Subordinated debt and second lien loans[2][6]	$	9,686	Market rate approach	Market interest rate	8.0% - 19.5% (10.4%)
			Market comparable companies	EBITDA multiples	10.5x - 11.0x (10.5x)
				Revenue multiples	5.1x
Equity[7][8]	$	40,706	Market comparable companies	EBITDA multiples	4.5x - 28.5x (12.2x)
				Revenue multiples	1.3x - 10.2x (4.0x)

(1) Unobservable inputs were weighted by the relative fair value of the instruments.

(2) The fair value of this asset class was determined using the market rate and market comparable approaches, as applicable, as the investments in this asset class were determined not to be credit impaired using the market comparable companies approach. The unobservable inputs for both valuation techniques have been presented, but the fair value as of September 30, 2018 was determined using the market rate and market comparable approaches, as applicable.

(3) Excludes $1,283 of non-accrual loans at fair value, which the Company valued using the market comparable companies approach.

(4) Excludes $4,342 of non-accrual loans at fair value, which the Company valued using the market comparable companies approach.

(5) The Company valued $1,253,179 and $169,422 of one stop loans using EBITDA and revenue multiples, respectively. All one stop loans were also valued using the market rate approach.

(6) The Company valued $9,502 and $184 of subordinated debt and second lien loans using EBITDA and revenue multiples, respectively. All subordinated debt and second lien loans were also valued using the market rate approach.

(7) Excludes $71,084 of LLC equity interests in SLF at fair value, which the Company valued using the NAV.

(8) The Company valued $36,714 and $3,992 of equity investments using EBITDA and revenue multiples, respectively.

The above tables are not intended to be all-inclusive but rather to provide information on significant unobservable inputs and valuation techniques used by the Company.

The significant unobservable inputs used in the fair value measurement of the Company’s debt and equity investments are EBITDA multiples, revenue multiples and market interest rates. The Company uses EBITDA multiples and, to a lesser extent, revenue multiples on its debt and equity investments to determine any credit gains or losses. Increases or decreases in either of these inputs in isolation would have resulted in a significantly lower or higher fair value measurement. The Company uses market interest rates for loans to determine if the effective yield on a loan is commensurate with the market yields for that type of loan. If a loan’s effective yield was significantly less than the market yield for a similar loan with a similar credit profile, then the resulting fair value of the loan may have been lower.

Other Financial Assets and Liabilities

ASC Topic 820 requires disclosure of the fair value of financial instruments for which it is practical to estimate such value. As a result, with the exception of the line item titled “debt” which is reported at cost, all assets and liabilities approximate fair value on the Consolidated Statements of Financial Condition due to their short maturity. Fair value of the Company’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.

(In thousands, except shares and per share data)

The following are the carrying values and fair values of the Company’s debt as of September 30, 2019 and 2018.

	As of September 30, 2019		As of September 30, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Debt	$ 2,124,392	$ 2,125,683	$ 845,683	$ 837,578

Note 7. Borrowings

In accordance with the 1940 Act, with certain limited exceptions, prior to February 6, 2019, the Company was allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, was at least 200% after such borrowing. The Small Business Credit Availability Act (“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. On February 5, 2019, the Company’s stockholders voted to approve the asset coverage requirement decrease to 150% from 200% in accordance with Section 61(a)(2) of the 1940 Act. Effective February 6, 2019, the reduced asset coverage requirement permits the 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. The Company currently intends to target a GAAP debt-to-equity ratio of about 1.0x. On September 13, 2011, the Company received exemptive relief from the SEC allowing it to modify the asset coverage requirement to exclude the SBA debentures from the asset coverage calculation. As such, the Company’s ratio of total consolidated assets to outstanding indebtedness may be less than the applicable asset coverage requirement under the 1940 Act. This provides the Company with increased investment flexibility but also increases its risks related to leverage. As of September 30, 2019, the Company’s asset coverage for borrowed amounts was 220.3% (excluding the SBA debentures).

Debt Securitizations: On July 16, 2010, the Company completed a $300,000 term debt securitization, which was subsequently increased to $350,000 (as amended, “2010 Debt Securitization”). Term debt securitizations are also known as collateralized loan obligations (“CLOs”) and are a form of secured financing incurred by the Company, which is consolidated by the Company and subject to the Company's overall asset coverage requirements. The notes (“2010 Notes”) offered in the 2010 Debt Securitization were issued by the 2010 Issuer, a subsidiary of Holdings. Through October 19, 2016, the 2010 Debt Securitization consisted of $203,000 of Aaa/AAA Class A 2010 Notes that bore interest at a rate of three-month LIBOR plus 1.74%, $12,000 of Class B 2010 Notes that bore interest at a rate of three-month LIBOR plus 2.40% and $135,000 of Subordinated 2010 Notes that do not bear interest. On October 20, 2016, the Company and the 2010 Issuer further amended the 2010 Debt Securitization to, among other things, (a) refinance the issued Class A 2010 Notes by redeeming in full the Class A 2010 Notes and issuing new Class A-Refi 2010 Notes in an aggregate principal amount of $205,000 that bore interest at a rate of three-month LIBOR plus 1.90%, (b) refinance the Class B 2010 Notes by redeeming in full the Class B 2010 Notes and issuing new Class B-Refi 2010 Notes in an aggregate principal amount of $10,000 that bore interest at a rate of three-month LIBOR plus 2.40%, and (c) extend the reinvestment period applicable to the 2010 Issuer to July 20, 2018. Following the refinancing, Holdings retained the Class B-Refi 2010 Notes. Through July 20, 2018, all principal collections received on the underlying collateral could have been used by the 2010 Issuer to purchase new collateral under the direction of the Investment Adviser in its capacity as collateral manager of the 2010 Issuer and in accordance with the Company’s investment strategy, allowing the Company to maintain the leverage in the 2010 Debt Securitization. The 2010 Notes were scheduled to mature on July 20, 2023.

On July 20, 2018, in connection with a new revolving credit facility, the 2010 Issuer redeemed the outstanding 2010 Notes pursuant to the terms of the indenture governing such 2010 Notes. Following such redemption, the agreements governing the 2010 Debt Securitization were terminated.

(In thousands, except shares and per share data)

The interest charged under the 2010 Debt Securitization was based on three-month LIBOR. For years ended September 30, 2019, 2018 and 2017, the components of interest expense, cash paid for interest, average interest rates and average outstanding balances for the 2010 Debt Securitization were as follows:

	For the years ended September 30,		
	2019	2018	2017
Stated interest expense	$ —	$ 6,127	$ 6,156
Amortization of debt issuance costs	—	189	256
Total interest and other debt financing expenses	$ —	$ 6,316	$ 6,412
Cash paid for interest expense	$ —	$ 7,460	$ 5,901
Annualized average stated interest rate	N/A	3.7%	3.0%
Average outstanding balance	$ —	$ 164,000	$ 205,520

On June 5, 2014, the Company completed a $402,569 term debt securitization (“2014 Debt Securitization”). The notes (“2014 Notes”) offered in the 2014 Debt Securitization were issued by the 2014 Issuer and are secured by a diversified portfolio of senior secured and second lien loans held by the 2014 Issuer. The 2014 Debt Securitization initially consisted of $191,000 of Aaa/AAA Class A-1 2014 Notes, $20,000 of Aaa/AAA Class A-2 2014 Notes and $35,000 of Aa2/AA Class B 2014 Notes. In partial consideration for the loans transferred to the 2014 Issuer as part of the 2014 Debt Securitization, the Company received and retained $37,500 of Class C 2014 Notes and $119,069 of LLC equity interests in the 2014 Issuer. On March 23, 2018, the Company and the 2014 Issuer amended the 2014 Debt Securitization to, among other things, (a) refinance the issued Class A-1 2014 Notes by redeeming in full the $191,000 of Class A-1 2014 Notes and issuing new Class A-1-R 2014 Notes in an aggregate principal amount of $191,000 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 $20,000 of Class A-2 2014 Notes and issuing new Class A-2-R 2014 Notes in an aggregate principal amount of $20,000 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 $35,000 of Class B 2014 Notes and issuing new Class B-R 2014 Notes in an aggregate principal amount of $35,000 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 $37,500 of Class C 2014 Notes and issuing new Class C-R 2014 Notes in an aggregate principal amount of $37,500 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. The Class C-R 2014 Notes were retained by the Company, and the Company 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, 2019 and 2018 Consolidated Statements of Financial Condition as debt of the Company and the Class C-R 2014 Notes and LLC equity interests were eliminated in consolidation.

Through April 28, 2018, all principal collections received on the underlying collateral could have been used by the 2014 Issuer to purchase new collateral under the direction of the Investment Adviser in its capacity as collateral manager of the 2014 Issuer and in accordance with the Company’s investment strategy, allowing the Company to maintain the initial leverage in the 2014 Debt Securitization. For the years ended September 30, 2019, 2018, and 2017, the Company had repayments on the 2014 Notes of $71,150, $48,517, and $0, respectively. The 2014 Notes are scheduled to mature on April 25, 2026.

As of September 30, 2019 and 2018, there were 68 and 83 portfolio companies with a total fair value of $275,727 and $346,130, respectively, securing the 2014 Notes. 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.

(In thousands, except shares and per share data)

The interest charged under the 2014 Debt Securitization is based on three-month LIBOR. The three-month LIBOR in effect as of September 30, 2019 based on the last interest rate reset was 2.3%. For years ended September 30, 2019, 2018 and 2017, the components of interest expense, cash paid for interest, average interest rates and average outstanding balances for the 2014 Debt Securitization were as follows:

	For the years ended September 30,		
	2019	2018	2017
Stated interest expense	$ 6,073	$ 8,063	$ 7,311
Amortization of debt issuance costs	110	1,085	639
Total interest and other debt financing expenses	$ 6,183	$ 9,148	$ 7,950
Cash paid for interest expense	$ 6,530	$ 8,289	$ 7,032
Annualized average stated interest rate	3.6%	3.4%	3.0%
Average outstanding balance	$ 166,981	$ 236,961	$ 246,000

As of September 30, 2019, the classes, amounts, ratings and interest rates (expressed as a spread to three-month LIBOR) of the Class A-1-R, A-2-R and B-R 2014 Notes are as follows:

Description	Class A-1-R 2014 Notes	Class A-2-R 2014 Notes	Class B-R 2014 Notes
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Floating Rate
Amount Outstanding	$82,676	$8,658	$35,000
Moody’s Rating	"Aaa"	"Aaa"	"Aa1"
S&P Rating	"AAA"	"AAA"	"AA+"
Interest Rate	LIBOR + 0.95%	LIBOR + 0.95%	LIBOR + 1.40%

On November 16, 2018, the Company completed a $602.4 million term debt securitization (the “2018 Debt Securitization”). The notes offered in the 2018 Debt Securitization (the “2018 Notes”) were issued by the 2018 Issuer, a subsidiary of 2018 CLO Depositor, 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. The Company indirectly retained all of the Class C-2, Class D and Subordinated 2018 Notes. Through January 20, 2023, all principal collections received on the underlying collateral may be used by the 2018 Issuer to purchase new collateral under the direction of the Investment Adviser, in its capacity as collateral manager of the 2018 Issuer and in accordance with the Company’s investment strategy, allowing the Company to maintain the initial leverage in the 2018 Debt Securitization. The 2018 Notes are scheduled to mature on January 20, 2031. The Class A, Class B and Class C-1 2018 Notes are included in the September 30, 2019 Consolidated Statements of Financial Condition as debt of the Company. As of September 30, 2019 the Class C-2, Class D and Subordinated 2018 Notes were eliminated in consolidation.

As of September 30, 2019, there were 101 portfolio companies with a total fair value of $592,462 securing the 2018 Notes. 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.

Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(In thousands, except shares and per share data)

The interest charged under the 2018 Debt Securitization is based on three-month LIBOR. The three-month LIBOR in effect as of September 30, 2019 based on the last interest rate reset was 2.3%. For years ended September 30, 2019, 2018 and 2017, the components of interest expense, cash paid for interest, average interest rates and average outstanding balances for the 2018 Debt Securitization were as follows:

	For the years ended September 30,		
	2019	2018	2017
Stated interest expense	$ 15,145	$ —	$ —
Amortization of debt issuance costs	367	—	—
Total interest and other debt financing expenses	$ 15,512	$ —	$ —
Cash paid for interest expense	$ 11,992	$ —	$ —
Annualized average stated interest rate	4.2%	N/A	N/A
Average outstanding balance	$ 356,756	$ —	$ —

As of September 30, 2019, the classes, amounts, ratings and interest rates (expressed as a spread to three-month LIBOR) of the Class A, B and C-1 2018 Notes are as follows:

Description	Class A 2018 Notes	Class B 2018 Notes	Class C-1 2018 Notes
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Floating Rate
Amount Outstanding	$327,000	$61,200	$20,000
Fitch Rating	"AAA"	"NR"	"NR"
S&P Rating	"AAA"	"AA"	"A"
Interest Rate	LIBOR + 1.48%	LIBOR + 2.10%	LIBOR + 2.80%

Effective September 16, 2019, the Company assumed, as a result of the Merger, a $908,195 term debt securitization (the “GCIC 2018 Debt Securitization”). The GCIC 2018 Debt Securitization was originally completed on December 13, 2018. The notes offered in the GCIC 2018 Debt Securitization (the “GCIC 2018 Notes”) were issued by the GCIC 2018 Issuer, a subsidiary of GCIC 2018 CLO Depositor, and are secured by a diversified portfolio of senior secured and second lien loans. The GCIC 2018 Debt Securitization consists of $490,000 of AAA/AAA Class A-1 GCIC 2018 Notes, $38,500 of AAA Class A-2 GCIC 2018 Notes, and $18,000 of AA Class B-1 GCIC 2018 Notes. In partial consideration for the loans transferred to the GCIC 2018 Issuer as part of the GCIC 2018 Debt Securitization, the GCIC 2018 CLO Depositor received and retained $27,000 of Class B-2 GCIC 2018 Notes, $95,000 of Class C GCIC 2018 Notes and $60,000 of Class D GCIC 2018 Notes and $179,695 of Subordinated GCIC 2018 Notes. The Class A-1, Class A-2 and Class B-1 GCIC 2018 Notes are included in the September 30, 2019 Consolidated Statement of Financial Condition as debt of the Company. As of September 30, 2019, the Class B-2, Class C and Class D GCIC 2018 Notes and the Subordinated GCIC 2018 Notes were eliminated in consolidation.

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 the Investment Adviser in its capacity as collateral manager of the GCIC 2018 Issuer and in accordance with the Company’s investment strategy, allowing the Company to maintain the initial leverage in the GCIC 2018 Debt Securitization. The 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.

Two loan sale agreements govern the GCIC 2018 Debt Securitization. One of the loan sale agreements provided for the sale of assets upon the closing of the GCIC 2018 Debt Securitization to satisfy risk retention requirements. Under the terms of the other loan sale agreement governing the GCIC 2018 Debt Securitization, the Company agreed to directly or indirectly through the GCIC 2018 CLO Depositor sell or contribute certain senior secured and second lien loans (or participation interests therein) to the GCIC 2018 Issuer.

As of September 30, 2019, there were 115 portfolio companies with a total fair value of $893,003 securing the GCIC 2018 Notes. 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 thousands, except shares and per share data)

The interest charged under the GCIC 2018 Debt Securitization is based on three-month LIBOR. The three-month LIBOR in effect as of September 30, 2019 based on the last interest rate reset was 2.3%. For the years ended September 30, 2019, 2018 and 2017, the components of interest expense, cash paid for interest, annualized average interest rates and average outstanding balances for the GCIC 2018 Debt Securitization were as follows:

	For the years ended September 30,		
	2019	2018	2017
Stated interest expense	$ 896	$ —	$ —
Amortization of debt issuance costs	—	—	—
Total interest and other debt financing expenses	$ 896	$ —	$ —
Cash paid for interest expense	$ —	$ —	$ —
Annualized average stated interest rate	4.0%	N/A	N/A
Average outstanding balance	$ 22,459	$ —	$ —

As of September 30, 2019, the classes, amounts, ratings and interest rates (expressed as a spread to three-month LIBOR, as applicable) of the Class A-1 GCIC 2018 Notes, Class A-2 GCIC 2018 Notes, and Class B-1 GCIC 2018 Notes were as follows:

Description	Class A-1 GCIC 2018 Notes	Class A-2 GCIC 2018 Notes	Class B-1 GCIC 2018 Notes
Type	Senior Secured Floating Rate	Senior Secured Fixed Rate	Senior Secured Floating Rate
Amount Outstanding	$490,000	$38,500	$18,000
Fitch’s Rating	"AAA"	"NR"	"NR"
S&P Rating	"AAA"	"AAA"	"AA"
Interest Rate	LIBOR + 1.48%	4.67%	LIBOR + 2.25%

The Investment Adviser served as collateral manager to the 2010 Issuer and serves as collateral manager to the 2014 Issuer, 2018 Issuer and GCIC 2018 Issuer under separate collateral management agreements and receives a fee for providing these services. The total fees payable by the Company under the Investment Advisory Agreement and Prior Investment Advisory Agreement, as applicable, are reduced by an amount equal to the total aggregate fees paid to the Investment Adviser by the 2010 Issuer, the 2014 Issuer, the 2018 Issuer and the GCIC 2018 Issuer for rendering such collateral management services.

As part of each of the 2010 Debt Securitization, the 2014 Debt Securitization, the 2018 Debt Securitization and the GCIC 2018 Debt Securitization, GBDC entered into, or assumed in the Merger, master loan sale agreements under which GBDC agreed to directly or indirectly sell or contribute certain senior secured and second lien loans (or participation interests therein) to the 2010 Issuer, the 2014 Issuer, the 2018 Issuer and the GCIC 2018 Issuer, as applicable, and to purchase or otherwise acquire the Subordinated 2010 Notes, the LLC equity interests in the 2014 Issuer, the Subordinated 2018 Notes and the GCIC Subordinated 2018 Notes, as applicable. As of September 30, 2019, the 2014 Notes, the 2018 Notes and GCIC 2018 Notes (other than the Subordinated 2018 Notes and the GCIC Subordinated 2018 Notes) were the secured obligations of the 2014 Issuer, 2018 Issuer, and GCIC 2018 Issuer, respectively, and indentures governing each of the 2014 Notes, the 2018 Notes, and GCIC 2018 Notes include customary covenants and events of default.

SBA Debentures: On August 24, 2010, SBIC IV received approval for a license from the SBA to operate as an SBIC. On December 5, 2012, SBIC V received a license from the SBA to operate as an SBIC. On January 10, 2017, SBIC VI received a license from the SBA to operate as an SBIC. SBICs 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.

(In thousands, except shares and per share data)

The licenses allow the SBICs to obtain leverage by issuing SBA-guaranteed debentures, subject to issuance of a capital commitment by the SBA and customary procedures. These debentures are non-recourse to GBDC, have interest payable semiannually 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.

Under present SBIC regulations, the maximum amount of SBA-guaranteed debentures that may be issued by multiple licensees under common management is $350,000 and the maximum amount that a single SBIC licensee may issue is $175,000. As of September 30, 2019, SBIC IV, SBIC V and SBIC VI had $90,000, $165,000 and $32,000, respectively, of outstanding SBA-guaranteed debentures that mature between September 2021 and September 2029. 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. The original amount of debentures committed to SBIC IV and SBIC V by the SBA were $150,000 and $175,000, respectively. Through September 30, 2019, SBIC IV and SBIC V have repaid $60,000 and $10,000 of outstanding debentures, respectively, and these commitments have effectively been terminated. As of September 30, 2019, SBIC VI had $18,000 of undrawn debenture commitments which were available to be drawn, subject to SBA regulatory requirements. The reinvestment period for SBIC IV expired on September 30, 2018. As of September 30, 2018, SBIC V and SBIC VI had $0 and $37,500 of undrawn debenture commitments, respectively, of which $0 and $9,500, respectively, was available to be drawn, subject to SBA regulatory requirements.

The interest rate on the outstanding debentures as of September 30, 2019 is fixed at an average annualized interest rate of 3.3%. For years ended September 30, 2019, 2018 and 2017, the components of interest expense, cash paid for interest, annualized average interest rates and average outstanding balances for the SBA debentures were as follows:

	For the years ended September 30,		
	2019	2018	2017
Stated interest expense	$ 9,674	$ 9,239	$ 9,782
Amortization of debt issuance costs	893	1,072	1,357
Total interest and other debt financing expenses	$ 10,567	$ 10,311	$ 11,139
Cash paid for interest expense	$ 9,737	$ 9,196	$ 9,777
Annualized average stated interest rate	3.4%	3.4%	3.5%
Average outstanding balance	$ 287,651	$ 273,970	$ 282,675

Revolving Credit Facilities: On July 21, 2011, Funding entered into a senior secured revolving credit facility (as amended, the “Credit Facility”) with Wells Fargo Bank, N.A., as administrative agent and lender. On February 4, 2019, the Credit Facility was repaid in full and subsequently terminated. Prior to termination, the Credit Facility allowed Funding to borrow up to $170,000 at any one time outstanding, subject to leverage and borrowing base restrictions.

Through a series of amendments, most recently on September 21, 2018, the Company and Funding amended the Credit Facility to, among other things, extend the expiration of the reinvestment period to September 20, 2019, extend the stated maturity date to September 21, 2023, and permit borrowings in foreign currencies. On December 14, 2017, the Company and Funding amended the Credit Facility to, among other things, decrease the size of the Credit Facility from $225,000 to $170,000 and decrease the interest the Credit Facility bears from one-month LIBOR plus 2.25% to one-month LIBOR plus 2.15%. In addition to the stated interest rate on the Credit Facility, the Company was required to pay a non-usage fee at a rate between 0.50% and 1.75% per annum depending on the size of the unused portion of the Credit Facility. The Credit Facility was collateralized by all of the assets held by Funding, and GBDC had pledged its interests in Funding as collateral to Wells Fargo Bank, N.A., as the collateral agent, under an ancillary agreement to secure the obligations of GBDC as the transferor and servicer under the Credit Facility. Both GBDC and Funding made customary representations and warranties and were required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities. Borrowing under the Credit Facility was subject to the 200% asset coverage requirements contained in the 1940 Act.

(In thousands, except shares and per share data)

The Company transferred certain loans and debt securities it originated or acquired from time to time to Funding through a purchase and sale agreement and caused Funding to originate or acquire loans, consistent with the Company's investment objectives.

As of September 30, 2019 and 2018, the Company had outstanding debt under the Credit Facility of $0 and $136,000, respectively. For the years ended September 30, 2019 and 2018, the Company had borrowings on the Credit Facility of $274,522 and $491,500, respectively, and repayments on the Credit Facility of $410,547 and $218,750, respectively.

For years ended September 30, 2019, 2018 and 2017, the components of interest expense, cash paid for interest and facility fees, annualized average interest rates and average outstanding balances for the Credit Facility were as follows:

	For the years ended September 30,		
	2019	2018	2017
Stated interest expense	$ 1,455	$ 4,014	$ 4,445
Facility fees	189	566	539
Amortization of debt issuance costs	156	668	1,037
Total interest and other debt financing expenses	$ 1,800	$ 5,248	$ 6,021
Cash paid for interest expense and facility fees	$ 2,033	$ 4,450	$ 4,952
Annualized average stated interest rate	4.5%	3.9%	3.2%
Average outstanding balance	$ 31,997	$ 102,985	$ 138,786

On July 20, 2018, the 2010 Issuer entered into a credit facility (as amended, the "MS Credit Facility") with Morgan Stanley Bank, N.A., as lender, Morgan Stanley Senior Funding, Inc. ("Morgan Stanley"), as administrative agent, and U.S. Bank National Association, as collateral agent for the administrative agent and the lenders. On November 1, 2018, the 2010 Issuer amended the MS Credit Facility to, among other things, increase the size of the MS Credit Facility from $300,000 to $450,000. The other material terms of the MS Credit Facility were unchanged. On November 16, 2018, a portion of the proceeds from 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.

The period from the closing date until January 18, 2019 was referred to as the revolving period and during such revolving period, the 2010 Issuer could request drawdowns under the MS Credit Facility. The MS Credit Facility bore interest at a rate equal to one-month LIBOR plus 1.90% during the revolving period and was scheduled to mature on 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, the Investment Adviser had agreed to perform certain duties with respect to the purchase and management of the assets securing the MS Credit Facility. The Investment Adviser 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 shall not be reimbursed. The 2010 Issuer made customary representations and warranties and was 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, 2019 and 2018, the Company had outstanding debt under the MS Credit Facility of $0 and $234,700, respectively. For the years ended September 30, 2019 and 2018, the Company had borrowings on the MS Credit Facility of $147,100 and $248,450, respectively, and repayments on the MS Credit Facility of $381,800 and $13,750, respectively.

(In thousands, except shares and per share data)

For years ended September 30, 2019, 2018 and 2017, the components of interest expense, cash paid for interest and facility fees, average interest rates and average outstanding balances for the MS Credit Facility were as follows:

	For the years ended September 30,		
	2019	2018	2017
Stated interest expense	$ 1,453	$ 1,721	$ —
Amortization of debt issuance costs	190	301	—
Total interest and other debt financing expenses	$ 1,643	$ 2,022	$ —
Cash paid for interest expense and facility fees	$ 3,174	$ —	$ —
Annualized average stated interest rate	4.3%	4.1%	—%
Average outstanding balance	$ 34,194	$ 42,239	N/A

On February 1, 2019, Funding II entered into a credit facility as amended, (the "MS Credit Facility II") with Morgan Stanley, as the administrative agent, each of the lenders from time to time party thereto, each of the securitization subsidiaries from time to time party thereto, and Wells Fargo Bank, N.A., as collateral agent, account bank and collateral custodian. On September 6, 2019, the Company entered into an amendment to the MS Credit Facility II to increase borrowing capacity to $300,000. As of September 30, 2019, the MS Credit Facility II allows Funding II to borrow up to $300,000 at any one time outstanding, subject to leverage and borrowing base restrictions. On October 11, 2019, the Company entered into an amendment to increase the borrowing capacity under the MS Credit Facility II from $300,000 to $500,000.

The period from February 1, 2019 until February 1, 2021 is referred to as the revolving period and during such revolving period, Funding II may request drawdowns under the MS Credit Facility II. During the revolving period, borrowings under the MS Credit Facility II bear interest at the applicable base rate plus 2.05%. Following expiration of the revolving period, the interest rate on borrowings under the MS Credit Facility II will reset to the applicable base rate plus 2.55% for the remaining term of the MS Credit Facility II. The revolving period will continue through February 1, 2021 unless there is an earlier termination or event of default. The base rate under the MS Credit Facility II is (i) the one-month LIBOR with respect to any advances denominated in U.S. dollars or U.K. pound sterling, (ii) the one-month EURIBOR with respect to any advances denominated in euros, and (iii) the one-month Canadian Dollar Offered Rate with respect to any advances denominated in Canadian dollars. The scheduled maturity date of the MS Credit Facility II is February 1, 2024.

The MS Credit Facility II is secured by all of the assets held by Funding II. Both the Company and Funding II have made customary representations and warranties and are required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities. The borrowings under the MS Credit Facility II will be subject to the leverage restrictions contained in the 1940 Act.

As of September 30, 2019 and 2018, the Company had outstanding debt under the MS Credit Facility II of $259,946 and $0, respectively. For the years ended September 30, 2019 and 2018, the Company had borrowings on the MS Credit Facility II of $465,834 and $0, respectively, and repayments on the MS Credit Facility II of $205,478 and $0, respectively.

(In thousands, except shares and per share data)

For the years ended September 30, 2019, 2018 and 2017, the components of interest expense, cash paid for interest and facility fees, average interest rates and average outstanding balances for the MS Credit Facility II were as follows:

	For the years ended September 30,		
	2019	2018	2017
Stated interest expense	$ 5,275	$ —	$ —
Facility fees	104	—	—
Amortization of debt issuance costs	380	—	—
Total interest and other debt financing expenses	$ 5,759	$ —	$ —
Cash paid for interest expense and facility fees	$ 3,421	$ —	$ —
Annualized average stated interest rate	4.3%	N/A	N/A
Average outstanding balance	$ 122,860	$ —	$ —

Effective September 16, 2019, the Company assumed, as a result of the Merger, a senior secured revolving credit facility (as amended, the “WF Credit Facility”) with GCIC Funding as the borrower and with Wells Fargo Bank, N.A. as the swingline lender, collateral agent, account bank, collateral custodian and administrative agent which, as of September 30, 2019, allowed GCIC Funding to borrow up to $300,000 at any one time outstanding, subject to leverage and borrowing base restrictions. The WF Credit Facility bears interest at one-month LIBOR plus 2.00%. The reinvestment period of the WF Credit Facility expires on March 20, 2021 and the WF Credit Facility matures on March 21, 2024. The Company is required to pay a non-usage fee rate between 0.50% and 1.75% per annum depending on the size of the unused portion of the WF Credit Facility.

The WF Credit Facility is collateralized by all of the assets held by GCIC Funding, and GBDC has pledged its interests in GCIC Funding as collateral to Wells Fargo Bank, N.A., as the collateral agent, to secure the obligations of GBDC as the transferor and servicer under the WF Credit Facility. Both GBDC and GCIC 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 WF Credit Facility is subject to the asset coverage requirements contained in the 1940 Act.

The Company may transfer certain loans and debt securities it originated or acquired from time to time to GCIC Funding through a purchase and sale agreement and caused GCIC Funding to originate or acquire loans, consistent with the Company’s investment objectives.

As of September 30, 2019, the Company had outstanding debt under the WF Credit Facility of $253,847. As a result of the Merger, the Company assumed $255,861 of debt under the WF Credit Facility. For the years ended September 30, 2019 and 2018, the Company had borrowings on the WF Credit Facility of $0, and $0, respectively, and repayments on the WF Credit Facility of $1,924 and $0, respectively.

For the years ended September 30, 2019, 2018 and 2017, the components of interest expense, cash paid for interest and facility fees, annualized average interest rates and average outstanding balances for the WF Credit Facility were as follows:

	For the years ended September 30,		
	2019	2018	2017
Stated interest expense	$ 421	$ —	$ —
Facility fees	12	—	—
Amortization of debt issuance costs	—	—	—
Total interest and other debt financing expenses	$ 433	$ —	$ —
Cash paid for interest expense[(1)]	$ 2,471	$ —	$ —
Annualized average stated interest rate	4.0%	N/A	N/A
Average outstanding balance	$ 10,436	$ —	$ —

(In thousands, except shares and per share data)

(1) Includes interest payable assumed as a result of the merger.

Effective September 16, 2019, the Company assumed as a result of the Merger a senior secured revolving credit facility (as amended, the "DB Credit Facility") with GCIC Funding II as the borrower and with Deutsche Bank AG, New York branch, as facility agent, the other agents parties thereto, each of the entities from time to time party thereto as securitization subsidiaries and Wells Fargo Bank, National Association, as collateral agent and as collateral custodian, which as of September 30, 2019 allowed GCIC Funding II to borrow up to $250,000 at any one time outstanding, subject to leverage and borrowing base restrictions.

As of September 30, 2019, the DB Credit Facility bears interest at the applicable base rate plus 1.90% per annum. The base rate under the DB Credit Facility is (i) the three-month Canadian Dollar Offered Rate with respect to any advances denominated in Canadian dollars, (ii) the three-month EURIBOR Interbank Offered Rate with respect to any advances denominated in Euros, (iii) the three-month Bank Bill Swap Rate with respect to any advances denominated in Australian dollars and (iv) the three-month LIBOR with respect to any other advances. A non-usage fee of 0.25% per annum is payable on the undrawn amount under the DB Credit Facility, and an additional fee based on unfunded commitments of the lenders may be payable if borrowings under the DB Credit Facility do not exceed a minimum utilization percentage threshold. In addition, a syndication/agent fee is payable to the facility agent each quarter and is calculated based on the aggregate commitments outstanding each day during the preceding collection period at a rate of 1/360 of 0.25% of the aggregate commitments on each day. The reinvestment period of the DB Credit Facility expires on December 31, 2021 and the DB Credit Facility matures on December 31, 2024.

The DB Credit Facility is secured by all of the assets held by GCIC Funding II. GCIC Funding II has made customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities. The borrowings of the Company, including under the DB Credit Facility, are subject to the leverage restrictions contained in the 1940 Act.

The Company may transfer certain loans and debt securities it has originated or acquired from time to time to GCIC Funding II through a purchase and sale agreement and may cause GCIC Funding II to originate or acquire loans in the future, consistent with the Company's investment objectives.

As of September 30, 2019, the Company had outstanding debt under the DB Credit Facility of $248,042. As a result of the Merger, the Company assumed $248,042 of debt under the DB Credit Facility. For the years ended September 30, 2019 and 2018, the Company had borrowings on the DB Credit Facility II of $117 and $0, respectively, and repayments on the DB Credit Facility II of $0 and $0, respectively.

For the years ended September 30, 2019, 2018 and 2017, the components of interest expense, cash paid for interest and facility fees, annualized average interest rates and average outstanding balances for the DB Credit Facility were as follows:

	For the years ended September 30,		
	2019	2018	2017
Stated interest expense	$ 433	$ —	$ —
Facility fees	1		
Amortization of debt issuance costs	—	—	—
Total interest and other debt financing expenses	$ 434	$ —	$ —
Cash paid for interest expense	$ —	$ —	$ —
Annualized average stated interest rate	4.2%	N/A	N/A
Average outstanding balance	$ 10,198	$ —	$ —

Revolver: On June 22, 2016, the Company entered into the Adviser Revolver with the Investment Adviser with a maximum credit limit of $20,000 and expiration date of June 22, 2019. On June 21, 2019, the Company and the Investment Adviser amended the Adviser Revolver to and among other things, (a) increase the maximum credit limit to $40,000, and (b) change the expiration date to June 21, 2022. The Adviser Revolver bears an interest rate equal to the short-term Applicable Federal Rate, which was 1.8% as of September 30, 2019.

(In thousands, except shares and per share data)

As of September 30, 2019 and September 30, 2018, the Company had $0 and $0 of outstanding debt under the Adviser Revolver, respectively. For years ended September 30, 2019, 2018 and 2017, the Company had $16,500, $0, and $0 borrowings and $16,500, $0, and $0 repayments, respectively, on the Adviser Revolver. For the years ended September 30, 2019, 2018 and 2017, the Company incurred interest expense of $9, $0, and $0, respectively, and no cash was paid for interest on the Adviser Revolver.

Effective September 16, 2019, the Company assumed, as a result of the Merger, the Adviser Revolver II with a maximum credit line of $40,000. As of September 30, 2019, the Company had $0 of outstanding debt under the Adviser Revolver II. The Adviser Revolver II bore interest at a rate equal to the short-term Applicable Federal Rate, which was 1.8% as of September 30, 2019. For the year ended September 30, 2019, the Company had no borrowings and repayments and did not incur any interest expense and no cash was paid for interest on the Advisor Revolver II. On October 28, 2019, the Adviser Revolver II was terminated.

Other Short-Term Borrowings: Borrowings with original maturities of less than one year are classified as short-term. The Company's short-term borrowings are the result of investments that were sold under repurchase agreements. Investments sold under repurchase agreements are accounted for as collateralized borrowings as the sale of the investment does not qualify for sale accounting under ASC Topic 860 and remains as an investment on the Consolidated Statements of Financial Condition.

As of September 30, 2019 and 2018, the Company had no short-term borrowings. For the years ended September 30, 2019, 2018, and 2017, the annualized effective interest rate on short-term borrowings was 4.8%, 4.8% and 0.0%, respectively, and interest expense was $295, $129 and $0, respectively. The net change in unrealized appreciation (depreciation) for the years ended September 30, 2019, 2018, and 2017, reported within the net change in unrealized appreciation (depreciation) on translation of assets and liabilities in foreign currencies was $0, $0, and $0, respectively.

For the years ended September 30, 2019, 2018, and 2017, the average total debt outstanding (including the debt under the 2010 Debt Securitization, the 2014 Debt Securitization, the 2018 Debt Securitization, the GCIC 2018 Debt Securitization, SBA Debentures, Credit Facility, MS Credit Facility, MS Credit Facility II, WF Credit Facility, DB Credit Facility, Adviser Revolver, Adviser Revolver II and Other Short-Term Borrowings) was $1,050,155, $822,823 and $872,980, respectively.

For the years ended September 30, 2019, 2018, and 2017, the effective annualized average interest rate, which includes amortization of debt financing costs and non-usage facility fees, on the Company's total debt was 4.2%, 4.0% and 3.6%, respectively.

A summary of the Company's maturity requirements for borrowings as of September 30, 2019 is as follows:

	Payments Due by Period				
	Total	Less Than 1 Year	1 – 3 Years	3 – 5 Years	More Than 5 Years
2014 Debt Securitization	$ 126,334	$ —	$ —	$ —	$ 126,334
2018 Debt Securitization	408,200	—	—	—	408,200
2018 GCIC Debt Securitization [(1)]	541,023	—	—	—	541,023
SBA Debentures	287,000	—	78,500	60,250	148,250
WF Credit Facility	253,847	—	—	253,847	—
MS Credit Facility II	259,946	—	—	259,946	—
DB Credit Facility	248,042	—	—	248,042	—
Total borrowings	$ 2,124,392	$ —	$ 78,500	$ 822,085	$ 1,223,807

(In thousands, except shares and per share data)

[(1)] Includes $5,477 of discount recognized on the assumption of the 2018 GCIC Debt Securitization in the Merger.

Note 8. Federal Income Tax Matters

The Company has elected to be treated and intends to be subject to tax as a RIC under Subchapter M of the Code. As a result, the Company must distribute substantially all of its net taxable income each tax year as dividends to its stockholders. Accordingly, no provision for federal income tax has been made in the financial statements.

Dividends from net investment income and distributions from net realized capital gains are determined in accordance with U.S. federal tax regulations, which may differ from amounts determined in accordance with GAAP and those differences could be material. These book-to-tax differences are either temporary or permanent in nature. Reclassifications due to permanent book-tax differences, including distributions representing a return of capital, have no impact on net assets.

The following differences were reclassified for tax purposes for the years ended September 30, 2019, 2018 and 2017:

	Years ended September 30,		
	2019	2018	2017
Increase/(decrease) in Paid in Capital in Excess of Par	$ 3,932	$ (5)	$ 38
Increase/(decrease) in Capital Distributions in Excess of and Undistributed Net Investment Income	(17,366)	10,325	(1,120)
Increase/(decrease) in Net Realized Gain (Loss) on Investments	13,434	(10,320)	1,082

Taxable income generally differs from net increase (decrease) in net assets resulting from operations for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses and generally excludes unrealized appreciation (depreciation) on investments as investment gains and losses are not included in taxable income until they are realized. Capital losses in excess of capital gains earned in a tax year may generally be carried forward and used to offset capital gains, subject to certain limitations. Capital losses incurred by the Company in tax years beginning after September 30, 2011 are not subject to expiration and retain their character as either short-term or long-term capital losses. As of September 30, 2019, the Company estimates that it will not have any capital loss carry forward available for use in subsequent tax years. The following table reconciles net increase (decrease) in net assets resulting from operations to taxable income for the years ended September 30, 2019, 2018 and 2017:

	Years ended September 30,		
	2019	2018	2017
Net increase (decrease) in net assets resulting from operations	$ (18,579)	$ 81,970	$ 82,288
Net change in unrealized (appreciation) depreciation on investment transactions	100,209	11,587	(3,337)
Net change in unrealized (appreciation) depreciation on secured borrowings	—	—	(3)
Other income not currently taxable	(10,626)	(11,004)	(7,509)
Expenses not currently deductible	1,385	324	2,911
Other income for tax but not book	7,422	9,730	9,346
Other deductions/losses for tax not book	(113)	(2)	(36)
Other realized gain/loss differences	16,506	(6,249)	(5,575)
Taxable income before deductions for distributions	$ 96,204	$ 86,356	$ 78,085

The tax character of distributions paid during the years ended September 30, 2019, 2018 and 2017 was as follows:

	Years ended September 30,		
	2019	2018	2017
Ordinary Income	$ 77,065	$ 78,349	$ 85,304
Long-Term Capital Gains	7,560	2,959	1,139

(In thousands, except shares and per share data)

The tax basis components of distributable earnings/(accumulated losses) and reconciliation to accumulated earnings/(deficit) on a book basis for the years ended September 30, 2019, 2018 and 2017 were as follows:

	As of September 30,		
	2019	**2018**	**2017**
Undistributed ordinary income – tax basis	$ 10,013	$ 1,844	$ 4,374
Undistributed realized gains – tax basis	10,970	10,539	2,958
Net unrealized appreciation (depreciation) on investments	(107,839)	14,468	18,532
Other temporary differences	(1,033)	(7,604)	(7,285)
Total accumulated earnings (deficit) – book basis	$ (87,889)	$ 19,247	$ 18,579

For the tax year ended September 30, 2019, the Company estimates taxable income in excess of the distributions made from such taxable income during the tax year, and therefore, the Company has elected to carry forward the excess for distribution to stockholders in 2020. The amount carried forward to 2020 is estimated to be approximately $20,983, although this amount will not be finalized until the 2019 tax returns are filed in 2020.

As of September 30, 2019, the Federal tax cost of investments was $4,404,254 resulting in estimated gross unrealized gains and losses of $34,602 and $145,924, respectively.

Note 9. Commitments and Contingencies

Commitments: The Company had outstanding commitments to fund investments totaling $261,642 and $57,650 under various undrawn revolvers and other credit facilities as of September 30, 2019 and 2018, respectively. As described in Note 4, the Company had commitments of up to $100,117 and $99,593 to SLF as of September 30, 2019 and 2018, respectively, and commitments of up to $61,019 as of September 30, 2019 to GCIC SLF, that may be contributed primarily for the purpose of funding new investments approved by the investment committees of the SLF and GCIC SLF, as applicable.

Indemnifications: In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties that provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as these involve future claims that may be made against the Company but that have not occurred. The Company expects the risk of any future obligations under these indemnifications to be remote.

Off-balance sheet risk: Off-balance sheet risk refers to an unrecorded potential liability that may result in a future obligation or loss, even though it does not appear on the Consolidated Statements of Financial Condition. The Company has entered and, in the future, may again enter into derivative instruments that contain elements of off-balance sheet market and credit risk. Refer to Note 5 for outstanding forward currency contracts as of September 30, 2019. There were no commitments outstanding for derivative contracts as of September 30, 2018. Derivative instruments can be affected by market conditions, such as interest rate volatility, which could impact the fair value of the derivative instruments. If market conditions move against the Company, it may not achieve the anticipated benefits of the derivative instruments and may realize a loss. The Company minimizes market risk through monitoring its investments and borrowings.

Concentration of credit and counterparty risk: Credit risk arises primarily from the potential inability of counterparties to perform in accordance with the terms of the contract. The Company has engaged and, in the future, may engage again in derivative transactions with counterparties. In the event that the counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparties or issuers of the instruments. The Company's maximum loss that it could incur related to counterparty risk on its derivative instruments is the value of the collateral for that respective derivative instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

Legal proceedings: In the normal course of business, the Company may be subject to legal and regulatory proceedings that are generally incidental to its ongoing operations. While there can be no assurance of the ultimate disposition of any such proceedings, the Company does not believe any disposition will have a material adverse effect on the Company's consolidated financial statements.

(In thousands, except shares and per share data)

Note 10. Financial Highlights

The financial highlights for the Company are as follows:

	Years ended September 30,				
Per share data:[1]	**2019**	**2018**	**2017**	**2016**	**2015**
Net asset value at beginning of period	$ 16.10	$ 16.08	$ 15.96	$ 15.80	$ 15.55
Net increase in net assets as a result of issuance of DRIP shares[2]	0.01	0.01	0.01	0.06	—
Net increase in net assets as a result of issuance of shares[3]	3.17	—	—	—	—
Net increase in net assets as a result of public offering	—	—	0.19	0.05	0.09
Distributions declared:					
From net investment income	(1.27)	(1.31)	(1.51)	(1.04)	(1.18)
From capital gains	(0.13)	(0.05)	(0.02)	(0.24)	(0.10)
From return of capital	—	—	—	—	—
Net investment income	1.36	1.27	1.23	1.25	1.20
Net realized gain (loss) on investments and foreign currency transactions	(0.07)	0.29	0.16	0.12	0.19
Net change in unrealized appreciation (depreciation) on investments and foreign currency translation	(2.41)	(0.19)	0.06	(0.04)	0.05
Net asset value at end of period	$ 16.76	$ 16.10	$ 16.08	$ 15.96	$ 15.80
Per share market value at end of period	$ 18.84	$ 18.75	$ 18.82	$ 18.57	$ 15.98
Total return based on market value[4]	8.80%	7.65%	10.23%	25.36%	8.21%
Number of common shares outstanding	132,658,200	60,165,454	59,577,293	55,059,067	51,300,193

Golub Capital BDC, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(In thousands, except shares and per share data)

Listed below are supplemental data and ratios to the financial highlights:	**Years ended September 30, 2019**	**2018**	**2017**	**2016**	**2015**
Ratio of net investment income to average net assets	8.41 %	7.88%	7.67%	7.88%	7.66%
Ratio of total expenses to average net assets[4]	8.42 %	7.89%	7.52%	7.58%	7.92%
Ratio of incentive fees to average net assets	0.87 %	1.36%	0.83%	0.88%	1.33%
Ratio of expenses (without incentive fees) to average net assets	7.55 %	6.53%	6.69%	6.70%	6.59%
Total return based on average net asset value[5]	(1.81)%	8.50%	9.08%	8.39%	9.19%
Net assets at end of period	$ 2,222,854	$ 968,854	$ 957,946	$ 878,825	$ 810,870
Average debt outstanding	$ 1,050,155	$ 822,823	$ 872,980	$ 826,366	$ 752,657
Average debt outstanding per share	$ 7.92	$ 13.68	$ 14.65	$ 15.01	$ 14.67
Portfolio turnover	17.47 %	31.91%	34.06%	33.73%	47.69%
Asset coverage ratio[6]	220.31 %	269.51%	285.23%	248.78%	237.28%
Asset coverage ratio per unit[7]	$ 2,203	$ 2,695	$ 2,852	$ 2,488	$ 2,373
Average market value per unit:[8]					
2010 Debt Securitization	N/A	N/A	N/A	N/A	N/A
2014 Debt Securitization	N/A	N/A	N/A	N/A	N/A
2018 Debt Securitization	N/A	N/A	N/A	N/A	N/A
2018 GCIC Debt Securitization	N/A	N/A	N/A	N/A	N/A
SBA Debentures	N/A	N/A	N/A	N/A	N/A
GCIC Credit Facility	N/A	N/A	N/A	N/A	N/A
MS Credit Facility	N/A	N/A	N/A	N/A	N/A
MS Credit Facility II	N/A	N/A	N/A	N/A	N/A
Revolver	N/A	N/A	N/A	N/A	N/A
WF Credit Facility	N/A	N/A	N/A	N/A	N/A
DB Credit Facility	N/A	N/A	N/A	N/A	N/A
Adviser Revolver	N/A	N/A	N/A	N/A	N/A
Adviser Revolver II	N/A	N/A	N/A	N/A	N/A

(1) Based on actual number of shares outstanding at the end of the corresponding period or the weighted average shares outstanding for the period, unless otherwise noted, as appropriate.

(2) Net increase in net assets as a result of issuance of shares related to DRIP.

(3) Net increase in net assets as a result of issuance of shares pursuant to the Merger.

(4) Total return based on market value assumes distributions are reinvested in accordance with the DRIP. Total return does not include sales load.

(5) Total return based on average net asset value is calculated as (a) the net increase/(decrease) in net assets resulting from operations divided by (b) the daily average of total net assets. Total return does not include sales load.

(6) Effective February 6, 2019, in accordance with Section 61(a)(2) of the 1940 Act, with certain limited exceptions, the Company is allowed to borrow amounts such that its asset coverage, as defined in the 1940 ACT, is at least 150% after such borrowing (excluding the Company's SBA debentures pursuant to exemptive relief received by the Company from the SEC). Prior to February 6, 2019, in accordance with the 1940 Act, with certain limited exceptions, the Company was allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, was at least 200% after such borrowing (excluding the Company's SBA debentures pursuant to exemptive relief received by the Company from the SEC).

(7) Asset coverage ratio per unit is the ratio of the carrying value of our total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage ratio per unit is expressed in terms of dollar amounts per $1,000 of indebtedness. These amounts exclude the SBA debentures pursuant to exemptive relief the Company received from the SEC on September 13, 2011.

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

(In thousands, except shares and per share data)

Note 11. Earnings Per Share

The following information sets forth the computation of the net increase (decrease) in net assets per share resulting from operations for the years ended September 30, 2019, 2018 and 2017:

	Years ended September 30,		
	2019	2018	2017
Earnings available to stockholders	$ (18,579)	$ 81,970	$ 82,288
Basic and diluted weighted average shares outstanding	63,430,034	59,803,208	56,913,064
Basic and diluted earnings (deficit) per share	$ (0.29)	$ 1.37	$ 1.45

Note 12. Common Stock Issuances and Merger Shares Issuance

On March 21, 2017, GBDC priced a public offering of 1,750,000 shares of its common stock at a public offering price of $19.03 per share. On April 6, 2017, GBDC sold an additional 262,500 shares of its common stock at a public offering price of $19.03 per share pursuant to the underwriters' partial exercise of the option to purchase additional shares granted in connection with the public offering in March 2017.

On June 6, 2017, GBDC priced a public offering of 1,750,000 shares of its common stock at a public offering price of $19.30 per share. On July 5, 2017, GBDC sold an additional 220,221 shares of its common stock at a public offering price of $19.30 per share pursuant to the underwriters' partial exercise of the option to purchase additional shares granted in connection with the public offering in June 2017.

On September 16, 2019, the Merger closed and GBDC issued an aggregate of 71,779,964 shares of GBDC common stock to GCIC shareholders based on an exchange ratio of 0.865 shares of GBDC common stock to GCIC stockholders for each share of GCIC common stock, with cash payments in lieu of fractional shares. The Company issued 71,779,964 shares of GBDC common stock at Merger closing which were valued based on the market price of GBDC common stock at closing of $18.74.

See Note 13 for shares of common stock issued in accordance with the Company's DRIP.

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Note 13. Dividends and Distributions

The Company’s dividends and distributions are recorded on the ex-dividend date. The following table summarizes the Company’s dividend declarations and distributions during the years ended September 30, 2019, 2018 and 2017:

Date Declared	Record Date	Payment Date	Amount Per Share	Cash Distribution	DRIP Shares Issued	DRIP Shares Value
Year ended September 30, 2019						
11/27/2018	12/12/2018	12/28/2018	$ 0.44 (1)	$ 22,339	256,785	$ 4,134
02/05/2019	03/07/2019	03/28/2019	$ 0.32	$ 16,507	165,164	$ 2,828
05/07/2019	06/07/2019	06/28/2019	$ 0.32	$ 17,215	128,505	$ 2,173
08/06/2019	08/19/2019	09/27/2019	$ 0.32	$ 16,517	162,328	$ 2,912
Year ended September 30, 2018						
11/17/2017	12/12/2017	12/28/2017	$ 0.40 (2)	$ 20,959	163,955	$ 2,872
02/06/2018	03/08/2018	03/30/2018	$ 0.32	$ 16,978	126,283	$ 2,139
05/04/2018	06/08/2018	06/28/2018	$ 0.32	$ 16,754	138,993	$ 2,404
08/07/2018	09/07/2018	09/28/2018	$ 0.32	$ 16,371	158,930	$ 2,830
Year ended September 30, 2017						
11/14/2016	12/12/2016	12/29/2016	$ 0.57 (3)	$ 28,239	177,970	$ 3,145
02/07/2017	03/07/2017	03/30/2017	$ 0.32	$ 15,509	116,386	$ 2,167
05/04/2017	06/06/2017	06/29/2017	$ 0.32	$ 16,186	119,251	$ 2,171
08/02/2017	09/06/2017	09/29/2017	$ 0.32	$ 16,847	121,898	$ 2,179

(1) Includes a special distribution of $0.12 per share.

(2) Includes a special distribution of $0.08 per share.

(3) Includes a special distribution of $0.25 per share.

Note 14. Acquisition of GCIC

On September 16, 2019, the Company completed its previously announced acquisition of GCIC. In accordance with the terms of the Merger Agreement, at the effective time of the Merger, each outstanding share of GCIC common stock was converted into the right to receive 0.865 shares of common stock, par value $0.001 per share of the Company (with GCIC stockholders receiving cash in lieu of fractional shares of the Company’s common stock). As a result of the Merger, the Company issued an aggregate of 71,779,964 shares of its common stock to former GCIC stockholders.

The Merger was accounted for in accordance with the asset acquisition method of accounting as detailed in ASC Topic 805. The fair value of the merger consideration paid and transaction costs incurred to complete the Merger by the Company was allocated to the assets acquired and liabilities assumed, based on their relative fair values as of the date of acquisition and did not give rise to goodwill. The excess of merger consideration paid over the fair value of net assets acquired is considered the purchase premium. Immediately following the acquisition of GCIC, the Company recorded its assets at their respective fair values and, as a result, the purchase premium allocated to the cost basis of the GCIC assets acquired was immediately recognized as unrealized depreciation on the Company's Consolidated Statement of Operations. The purchase premium allocated to investments in loan securities will amortize over the life of the loans through interest income with a corresponding reversal of the unrealized depreciation on the GCIC loans acquired through their ultimate disposition. The purchase premium allocated to investments in equity securities, including GCIC SLF, will not amortize over the life of the equity securities through interest income and, assuming no subsequent change to the fair value of the GCIC equity securities acquired and disposition of such equity securities at fair value, the Company will recognize a realized loss or a reduction in realized gains with a corresponding reversal of the unrealized depreciation upon disposition of the GCIC equity securities acquired.

(In thousands, except shares and per share data)

The Merger was considered a tax-free reorganization and the Company has elected to carry forward the historical cost basis of the GCIC investments for tax purposes.

The following table summarizes the allocation of the purchase price to the assets acquired and liabilities assumed as a result of the Merger:

Common stock issued by the Company [(1)]	$	1,345,159
Transaction costs		2,950
Total purchase price	$	1,348,109
Assets acquired:		
Investments, at fair value (amortized cost of $2,372,370)	$	2,268,301
Cash and cash equivalents [(2)]		27,153
Interest receivable		23,896
Other assets		758
Total assets acquired		2,320,108
Liabilities assumed:		
Debt		1,043,200
Other liabilities [(3)]		32,869
Total liabilities assumed		1,076,069
Net assets acquired		1,244,039
Total purchase premium	$	104,070

(1) Based on the most recent market price at closing of $18.74 and the 71,779,964 shares of common stock issued by the Company in conjunction with the Merger. Includes $2 of cash paid for fractional shares to GCIC stockholders.

(2) Includes $21,606 of restricted cash and cash equivalents, $759 of foreign restricted cash and cash equivalents and $4 of foreign cash and cash equivalents.

(3) Includes $4,464 of management fees, $4,771 of incentive fees, and $10,071 of subordinated liquidation fees accrued by GCIC through the closing date of the Merger pursuant to an investment advisory agreement between GCIC and Investment Adviser, which was terminated upon the closing of the Merger. The payable for these fees was assumed by the Company and paid by the Company to the Investment Adviser in October 2019.

Note 15. Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through November 25, 2019, the date the financial statements were available to be issued. There are no subsequent events to disclose except for the following:

On October 11, 2019, the Company entered into an amendment to the MS Credit Facility II to, among other things, increase the borrowing capacity from $300,000 to $500,000 until the earlier of (i) the closing date of a debt securitization transaction mutually agreed to by the Company and Morgan Stanley or (ii) March 31, 2020, after which the borrowing capacity under the MS Credit Facility II shall be $200,000. The other material terms of the MS Credit Facility II were unchanged.

On October 28, 2019, the Company entered into an amendment to the Adviser Revolver to, among other things, increase the borrowing capacity under the Adviser Revolver from $40,000 to $100,000. In connection with the amendment to the Adviser Revolver on October 28, 2019, the Company terminated the Adviser Revolver II.

On November 22, 2019, the Board declared a quarterly distribution of $0.33 per share and a special distribution of $0.13 per share, each of which is payable on December 30, 2019 to holders of record as of December 12, 2019.

Golub Capital BDC, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(In thousands, except shares and per share data)

Note 16. Selected Quarterly Financial Data (Unaudited)

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Total investment income	$ 48,977	$ 42,105	$ 41,805	$ 39,411
Net investment income	26,793	19,406	20,056	19,817
Net gain (loss) on investment transactions	(100,799)	(206)	(2,268)	(1,378)
Net increase (decrease) in net assets resulting from operations	(74,006)	19,200	17,788	18,439
Earnings per share	(1.02)	0.32	0.29	0.31
Net asset value per common share at period end	$ 16.76	$ 15.95	$ 15.95	$ 15.97

	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Total investment income	$ 40,428	$ 38,396	$ 36,897	$ 36,450
Net investment income	20,266	18,716	18,528	18,511
Net gain (loss) on investment transactions	(4,363)	3,004	4,504	2,804
Net increase in net assets resulting from operations	15,903	21,720	23,032	21,315
Earnings per share	0.26	0.36	0.39	0.36
Net asset value per common share at period end	$ 16.10	$ 16.15	$ 16.11	$ 16.04

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Total investment income	$ 34,950	$ 35,408	$ 33,557	$ 33,849
Net investment income[(1)]	18,238	17,808	16,547	16,953
Net gain (loss) on investment transactions	4,215	2,303	4,193	2,031
Net increase in net assets resulting from operations	22,453	20,111	20,740	18,984
Earnings per share	0.38	0.35	0.38	0.34
Net asset value per common share at period end	$ 16.08	$ 16.01	$ 15.88	$ 15.74

(1) Net investment income for the three months ended March 31, 2017 and December 31, 2016 is shown after a net expense of $7 and $10, respectively, for U.S. federal excise tax.

(In thousands, except shares and per share data)

Note 17. Summarized Financial Information for SLF and GCIC SLF (Unaudited)

Provided in the table below are the Statements of Financial Condition for SLF as of September 30, 2019 and 2018:

Senior Loan Fund LLC
Statements of Financial Condition

	September 30, 2019	September 30, 2018
Assets		
Investments, at fair value	$ 152,259	$ 179,180
Cash and cash equivalents	4,653	4,719
Restricted cash and cash equivalents	3,620	1,910
Interest receivable and other assets	486	517
Total Assets	$ 161,018	$ 186,326
Liabilities		
Senior credit facility	$ 75,581	$ 104,622
Less unamortized debt issuance costs	—	18
Senior credit facility less unamortized debt issuance costs	75,581	104,604
Interest payable	182	213
Accounts payable and accrued expenses	242	271
Total Liabilities	76,005	105,088
Members' equity	85,013	81,238
Total Liabilities and members' equity	$ 161,018	$ 186,326

(In thousands, except shares and per share data)

Note 17. Summarized Financial Information for SLF and GCIC SLF (Unaudited) - (continued)

Provided in the table below are the Statements of Operations for SLF for the years ended September 30, 2019, 2018 and 2017:

Senior Loan Fund LLC
Statements of Operations

	Years ended September 30,		
	2019	**2018**	**2017**
Investment income			
Interest income	$ 13,402	$ 18,285	$ 21,455
Fee income	9	202	5
Total investment income	13,411	18,487	21,460
Expenses			
Interest and other debt financing expenses	4,132	6,687	10,236
Administrative service fee	268	404	477
Professional fees	94	92	128
General and administrative expenses	1	1	3
Total expenses	4,495	7,184	10,844
Net investment income	8,916	11,303	10,616
Net gain (loss) on investments			
Net realized gain (loss):			
Non-controlled/non-affiliate company investments	(2,343)	—	(7,379)
Net realized gain (loss)	(2,343)	—	(7,379)
Net unrealized appreciation (depreciation):			
Net change in unrealized appreciation (depreciation) on investments	(2,199)	(4,197)	4,647
Net change in unrealized appreciation (depreciation)	(2,199)	(4,197)	4,647
Net gain (loss) on investments	(4,542)	(4,197)	(2,732)
Net increase (decrease) in members' equity	$ 4,374	$ 7,106	$ 7,884

(In thousands, except shares and per share data)

Note 17. Summarized Financial Information for SLF and GCIC SLF (Unaudited) - (continued)

Provided in the table below is the Statement of Financial Condition for GCIC SLF as of September 30, 2019:

GCIC Senior Loan Fund LLC
Statement of Financial Condition

		September 30, 2019
Assets		
Investments, at fair value	$	111,568
Cash and cash equivalents		2,020
Restricted cash and cash equivalents		2,185
Interest receivable		422
Total Assets	$	116,195
Liabilities		
Senior credit facility	$	59,559
Interest payable		142
Accounts payable and accrued expenses		199
Total Liabilities		59,900
Members' equity		56,295
Total Liabilities and members' equity	$	116,195

(In thousands, except shares and per share data)

Note 17. Summarized Financial Information for SLF and GCIC SLF (Unaudited) - (continued)

Provided in the table below is the Statement of Operations for GCIC SLF for the period from September 16, 2019 to September 30, 2019:

GCIC Senior Loan Fund LLC
Statement of Operations

	For the period from September 16, 2019 to September 30, 2019
Investment income	
Interest income	$ 360
Total investment income	360
Expenses	
Interest and other debt financing expenses	141
Administrative service fee	6
Professional fees	4
Total expenses	151
Net investment income	209
Net gain (loss) on investments	
Net unrealized appreciation (depreciation):	
Net change in unrealized appreciation (depreciation) on investments	(18)
Net change in unrealized appreciation (depreciation)	(18)
Net gain (loss) on investments	(18)
Net increase (decrease) in members' equity	$ 191

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of September 30, 2019 (the end of the period covered by this report), management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act). Based on that evaluation, our management, including the chief executive officer and chief financial officer, concluded that, at the end of such period, our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within the Company to disclose material information otherwise required to be set forth in the Company's periodic reports.

(b) Management's Report on Internal Control Over Financial Reporting

Management's Report on Internal Control Over Financial Reporting and Ernst & Young LLP's Report of Independent Registered Public Accounting Firm are included in "Item 8. Consolidated Financial Statements and Supplementary Data" of this annual report on Form 10-K.

(c) Changes in Internal Controls Over Financial Reporting

Management has not identified any change in our internal control over financial reporting that occurred during the fourth fiscal quarter of 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting, except with respect to the Merger, which was completed on September 16, 2019, which had a material impact on our financial position and resulted in incremental internal controls over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2020 Annual Meeting of Stockholders, to be filed with the SEC within 120 days following the end of our fiscal year.

Item 11. Executive Compensation

The information required by Item 11 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2020 Annual Meeting of Stockholders, to be filed with the SEC within 120 days following the end of our fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2020 Annual Meeting of Stockholders, to be filed with the SEC within 120 days following the end of our fiscal year.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2020 Annual Meeting of Stockholders, to be filed with the SEC within 120 days following the end of our fiscal year.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 is hereby incorporated by reference from our definitive Proxy Statement relating to our 2020 Annual Meeting of Stockholders, to be filed with the SEC within 120 days following the end of our fiscal year.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this annual report on Form 10-K:

(1) Financial Statements — Refer to Item 8 starting on page 104

(2) Financial Statement Schedules — None

(3) Exhibits

2.1	Agreement and Plan of Merger by and among Golub Capital BDC, Inc., Golub Capital Investment Corporation, Fifth Ave Subsidiary Inc., GC Advisors, LLC, and solely for purposes of Section 1.9, Golub Capital LLC, dated as of November 27, 2018 (Incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on November 28, 2018).
2.2	Amendment No. 1 to Agreement and Plan of Merger by and among Golub Capital BDC, Inc., Golub Capital Investment Corporation, Fifth Ave Subsidiary Inc., GC Advisors, LLC, and solely for purposes of Section 1.9, Golub Capital LLC, dated as of December 21, 2018 (Incorporated by reference to Exhibit (4)(b) to the Registrant's Registration Statement on Form N-14 (File No. 333-228998), filed on December 21, 2018).
2.3	Amendment No. 2 to Agreement and Plan of Merger by and among Golub Capital BDC, Inc., Golub Capital Investment Corporation, Fifth Ave Subsidiary Inc., GC Advisors, LLC, and solely for purposes of Section 1.9, Golub Capital LLC, dated as of July 11, 2019 (Incorporated by reference to Exhibit (4)(c) to Amendment No. 1 to the Registrant's Registration Statement on Form N-14 (File No. 333-228998), filed on July 11, 2019).
3.1	Form of Certificate of Incorporation (Incorporated by reference to Exhibit (a)(2) to the Registrant's Pre-effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-163279), filed on March 25, 2010).
3.2	Form of Bylaws (Incorporated by reference to Exhibit (b)(2) to the Registrant's Pre-effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-163279), filed on March 25, 2010).
4.1	Form of Stock Certificate (Incorporated by reference to Exhibit (d) to the Registrant's Pre-effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-163279), filed on March 25, 2010).
4.2	Form of Subscription Certificate (Incorporated by reference to Exhibit (d)(2) to the Registrant's Registration Statement on Form N-2 (File No. 333-174756), filed on June 7, 2011).
4.3	Form of Indenture (Incorporated by reference to Exhibit (d)(3) to the Registrant's Registration Statement on Form N-2 (File No. 333-174756), filed on June 7, 2011).
4.4	Form of Subscription Agent Agreement (Incorporated by reference to Exhibit (d)(4) to the Registrant's Registration Statement on Form N-2 (File No. 333-174756), filed on June 7, 2011).
4.5	Form of Warrant Agreement (Incorporated by reference to Exhibit (d)(5) to the Registrant's Registration Statement on Form N-2 (File No. 333-174756), filed on June 7, 2011).
4.6	Form of Certificate of Designation for Preferred Stock (Incorporated by reference to Exhibit (d)(6) to the Registrant's Pre-effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-174756), filed on August 25, 2011).

4.7	Form T-1 Statement of Eligibility of U.S. Bank National Association, as Trustee, with respect to the Form of Indenture (Incorporated by reference to Exhibit (d)(7) to the Registrant's Pre-effective Amendment No. 1 to the Registration Statement on Form N-2 (File No. 333-174756), filed on August 25, 2011).
10.1	Third Amended and Restated Investment Advisory Agreement, dated as of September 16, 2019, by and between Golub Capital BDC, Inc. and GC Advisors, LLC.(Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on September 16, 2019).
10.2	Form of Custody Agreement (Incorporated by reference to Exhibit (j) to the Registrant's Pre-effective Amendment No. 5 to the Registration Statement on Form N-2 (File No. 333-163279), filed on April 12, 2010).
10.3	Form of Administration Agreement between Registrant and GC Service Company LLC (Incorporated by reference to Exhibit (k)(2) to the Registrant's Pre-effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-163279), filed on March 24, 2010).
10.4	Form of Trademark License Agreement between the Registrant and Golub Capital LLC (Incorporated by reference to Exhibit (k)(3) to the Registrant's Pre-effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-163279), filed on March 24, 2010).
10.5	Amended and Restated Dividend Reinvestment Plan (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 814-00794), filed on May 5, 2011).
10.6	Senior Loan Fund LLC Limited Liability Company Agreement dated May 31, 2013, by and between the Registrant and United Insurance Company of America (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on June 7, 2013).
10.7	Purchase Agreement, dated June 5, 2014, by and among the Registrant, Golub Capital BDC CLO 2014 LLC and Wells Fargo Securities, LLC (Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on June 6, 2014).
10.8	Loan Sale Agreement, dated June 5, 2014, by and between the Registrant and Golub Capital BDC CLO 2014 LLC (Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on June 6, 2014).
10.9	Indenture, dated June 5, 2014, by and between Golub Capital BDC CLO 2014 LLC and Wells Fargo Bank, National Association (Incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on June 6, 2014).
10.10	Collateral Management Agreement, dated June 5, 2014, by and between Golub Capital BDC CLO 2014 LLC and GC Advisors LLC (Incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on June 6, 2014).
10.11	First Amendment to Senior Loan Fund LLC Limited Liability Company Agreement, dated July 31, 2014, by and between the Registrant and RGA Insurance Company (Incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K (File No. 814-00794), filed on November 18, 2014).
10.12	Supplemental Indenture No. 1, dated March 23, 2018, by and between Golub Capital BDC 2014 LLC and Wells Fargo Bank, National Association, as trustee. (Incorporated by reference to Exhibit (k)(28) to the Registrant's Post-effective Amendment No. 4 to the Registration Statement on Form N-2 (File No. 333-215285), filed on April 27, 2018)
10.13	Purchase Agreement, dated as of November 1, 2018, by and among Golub Capital BDC CLO III LLC, Golub Capital BDC CLO III Depositor LLC and Morgan Stanley & Co. LLC. (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on November 2, 2018).
10.14	Indenture, dated as of November 16, 2018, by and between Golub Capital BDC CLO III LLC and US Bank National Association (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on November 21, 2018).

10.15	Collateral Management Agreement, dated as of November 16, 2018, by and between Golub Capital BDC CLO III LLC and GC Advisors LLC (Incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on November 21, 2018).
10.16	Master Loan Sale Agreement, dated as of November 16, 2018, by and among Golub Capital BDC, Inc., as the seller, GC Advisors LLC, as the closing date seller, Golub Capital BDC CLO III LLC, as the buyer, and Golub Capital BDC 2010-1 LLC, as the warehouse borrower (Incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on November 21, 2018).
10.17	Master Loan Sale Agreement, dated as of November 16, 2018, by and among Golub Capital BDC, Inc., as the seller, Golub Capital BDC CLO III Depositor LLC, as the intermediate seller, and Golub Capital BDC CLO III LLC, as the buyer (Incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on November 21, 2018).
10.18	Loan and Servicing Agreement, dated as of February 1, 2019, among Golub Capital BDC Funding II LLC, as the borrower; Golub Capital BDC, Inc., as the originator and as the servicer; Morgan Stanley Senior Funding, Inc., as the administrative agent; each of the lenders from time to time party thereto; each of the securitization subsidiaries from time to time party thereto; and Wells Fargo Bank, N.A., as the collateral agent, account bank and collateral custodian (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on February 7, 2019).
10.19	Purchase and Sale Agreement, dated as of February 1, 2019, by and between Golub Capital BDC Funding II LLC, as the purchaser, and Golub Capital BDC, Inc., as the transferor (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on February 7, 2019).
10.20	Amended and Restated Revolving Loan Agreement, dated as of June 21, 2019, by and among the Registrant, as the borrower, and GC Advisors LLC, as the lender (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K (File No. 814-00794), filed on June 25, 2019).
10.21	GCIC Senior Loan Fund LLC Limited Liability Company Agreement, dated as of December 31, 2014, by and between the Golub Capital Investment Corporation and RGA Reinsurance Company (Incorporated by reference to Exhibit 10.11 to Golub Capital Investment Corporation's Registration Statement on Form 10 (File No. 000-55696), filed on September 15, 2016).
10.22	Amendment No. 2 to GCIC Senior Loan Fund LLC Limited Liability Company Agreement, dated as of December 30, 2015, by and between Golub Capital Investment Corporation and RGA Reinsurance Company (Incorporated by reference to Exhibit 10.12 to Golub Capital Investment Corporation's Registration Statement on Form 10 (File No. 000-55696), filed on September 15, 2016).
10.23	Revolving Loan Agreement, dated as of February 3, 2015, by and between Golub Capital Investment Corporation, as the borrower, and GC Advisors LLC, as the lender (Incorporated by reference to Exhibit 10.13 to Golub Capital Investment Corporation's Registration Statement on Form 10 (File No. 000-55696), filed on September 15, 2016).
10.24	First Amendment to Revolving Loan Agreement, dated as of February 6, 2018, by and between Golub Capital Investment Corporation and GC Advisors LLC (Incorporated by reference to Exhibit 10.1 to Golub Capital Investment Corporation's Quarterly Report on Form 10-Q (File No.814-01128), filed on May 10, 2018).
10.25	Amended and Restated Loan and Servicing Agreement, dated as of May 13, 2015, by and among GCIC Funding LLC, as the borrower; GC Advisors LLC , as the servicer; Golub Capital Investment Corporation, as the transferor, the institutional lenders identified on the signature pages thereto, Wells Fargo Bank, N.A., as the swingline lender, collateral agent, account bank, collateral custodian and administrative agent (Incorporated by reference to Exhibit 10.4 to Golub Capital Investment Corporation's Registration Statement on Form 10 (File No. 000-55696), filed on September 15, 2016).

10.26	Second Amendment to Amended and Restated Loan and Servicing Agreement, dated as of March 9, 2016, by and among GCIC Funding LLC, as the borrower; GC Advisors LLC, as the servicer; Golub Capital Investment Corporation, as the transferor; the institutional lenders identified on the signature pages thereto; and Wells Fargo Bank, N.A., as the swingline lender, collateral agent, account bank, collateral custodian and administrative agent (Incorporated by reference to Exhibit 10.6 to Golub Capital Investment Corporation's Registration Statement on Form 10 (File No. 000-55696), filed on September 15, 2016).
10.27	Third Amendment to Amended and Restated Loan and Servicing Agreement, dated as of May 11, 2017, by and among GCIC Funding LLC, as the borrower; GC Advisors LLC, as the servicer Golub Capital Investment Corporation, as the transferor, the institutional lenders identified on the signature pages thereto, Wells Fargo Bank, N.A., as the swingline lender, collateral agent, account bank, collateral custodian and administrative agent. (Incorporated by reference to Exhibit 10.1 to Golub Capital Investment Corporation's Quarterly Report on Form 10-Q (File No. 814-01128), filed on August 9, 2017).
10.28	Fourth Amendment to Amended and Restated Loan and Servicing Agreement, dated as of August 8, 2017, by and among GCIC Funding LLC, as the borrower; GC Advisors LLC, as the servicer; Golub Capital Investment Corporation, as the transferor, the institutional lenders identified on the signature pages thereto, Wells Fargo Bank, N.A., as the swingline lender, collateral agent, account bank, collateral custodian and administrative agent (Incorporated by reference to Exhibit 10.22 to Golub Capital Investment Corporation's Annual Report on Form 10-K (File No. 814-01128), filed on November 28, 2017).
10.29	Fifth Amendment to Amended and Restated Loan and Servicing Agreement, dated as of August 30, 2017, by and among GCIC Funding LLC, as the borrower; GC Advisors LLC, as the servicer; Golub Capital Investment Corporation, as the transferor, the institutional lenders identified on the signature pages thereto, Wells Fargo Bank, N.A., as the swingline lender, collateral agent, account bank, collateral custodian and administrative agent (Incorporated by reference to Exhibit 10.1 to the Golub Capital Investment Corporation's Current Report on Form 8-K (File No. 814-01128), filed on August 30, 2017).
10.30	Sixth Amendment to Amended and Restated Loan and Servicing Agreement, First Amendment to Collection Account Agreement and First Amendment to Unfunded Exposure Account Agreement, dated as of May 25, 2018, by and among GCIC Funding LLC, as the borrower; Golub Capital Investment Corporation, as the transferor; GC Advisors LLC, as the servicer; the institutional lenders identified on the signature pages thereto; Wells Fargo Bank, N.A., as the swingline lender, collateral agent, account bank, collateral custodian, and administrative agent (Incorporated by reference to Exhibit 10.1 to Golub Capital Investment Corporation's Current Report on Form 8-K (File No. 814-01128), filed on May 31, 2018).
10.31	Joinder Supplement, dated as of November 2, 2018, by and among GCIC Funding LLC, as the Borrower, Wells Fargo Bank, N.A., as an Institutional Lender and Wells Fargo Bank, N.A., as the Administrative Agent (Incorporated by reference to Exhibit 10.1 to Golub Capital Investment Corporation's Current Report on Form 8-K (File No. 814-01128), filed on November 7, 2018).
10.32	Seventh Amendment to Amended and Restated Loan and Servicing Agreement, dated as of March 21, 2019, by and among GCIC Funding LLC, as the borrower; GC Advisors LLC, as the servicer; Golub Capital Investment Corporation, as the transferor; the institutional lenders identified on the signature pages thereto; Wells Fargo Bank, N.A., as the swingline lender, collateral agent, account bank, collateral custodian, and administrative agent (Incorporated by reference to Exhibit 10.1 to Golub Capital Investment Corporation's Current Report on Form 8-K (File No. 814-01128), filed on March 26, 2019).
10.33	Eighth Amendment to Amended and Restated Loan and Servicing Agreement, dated as of May 29, 2019, by and among GCIC Funding LLC, as the borrower; GC Advisors LLC, as the servicer; Golub Capital Investment Corporation, as the transferor; the institutional lenders identified on the signature pages thereto; Wells Fargo Bank, N.A., as the swingline lender, collateral agent, account bank, collateral custodian, and administrative agent (Incorporated by reference to Exhibit 10.1 to Golub Capital Investment Corporation's Current Report on Form 8-K (File No. 814-01128), filed on June 3, 2019).

10.34	Loan Financing and Servicing Agreement, dated as of December 31, 2018, by and among GCIC Funding II LLC, as borrower, Golub Capital Investment Corporation, as equityholder and as servicer, the lenders from time to time party thereto, Deutsche Bank AG, New York Branch, as facility agent, the other agents parties thereto, each of the entities from time to time party thereto as securitization subsidiaries, and Wells Fargo Bank, National Association, as collateral agent and as collateral custodian (Incorporated by reference to Exhibit 10.1 to Golub Capital Investment Corporation's Current Report on Form 8-K (File No. 814-01128), filed on January 7, 2019).
10.35	Sale and Contribution Agreement, dated as of December 31, 2018, between Golub Capital Investment Corporation, as seller, and GCIC Funding II LLC, as purchaser (Incorporated by reference to Exhibit 10.2 to Golub Capital Investment Corporation’s Current Report on Form 8-K (File No. 814-01128), filed on January 7, 2019).
10.36	Note Purchase Agreement, dated December 13, 2018, by and among GCIC CLO II LLC and Wells Fargo Securities, LLC (Incorporated by reference to Exhibit 10.1 to Golub Capital Investment Corporation’s Current Report on Form 8-K (File No. 814-01128), filed on December 19, 2018).
10.37	Indenture, dated December 13, 2018, by and between GCIC CLO II LLC and The Bank of New York Mellon Trust Company, N.A. (Incorporated by reference to Exhibit 10.2 to Golub Capital Investment Corporation’s Current Report on Form 8-K (File No. 814-01128), filed on December 19, 2018).
10.38	Collateral Management Agreement, dated December 13, 2018, by and between GCIC CLO II LLC and GC Advisors LLC (Incorporated by reference to Exhibit 10.1 to Golub Capital Investment Corporation’s Current Report on Form 8-K (File No. 814-01128), filed on December 19, 2018).
10.39	Master Loan Sale Agreement by and among Golub Capital Investment Corporation, as the seller, GC Advisors LLC, as the closing date seller, GCIC CLO II LLC, as the buyer, and GCIC Funding LLC, as the warehouse borrower, dated as of December 13, 2018 (Incorporated by reference to Exhibit 10.4 to Golub Capital Investment Corporation’s Current Report on Form 8-K (File No. 814-01128), filed on December 19, 2018).
10.40	Master Loan Sale Agreement by and among Golub Capital Investment Corporation, as the seller, GCIC CLO II Depositor LLC, as the intermediate seller, and GCIC CLO II LLC, as the buyer, dated as of December 13, 2018 (Incorporated by reference to Exhibit 10.5 to Golub Capital Investment Corporation’s Current Report on Form 8-K (File No. 814-01128), filed on December 19, 2018).
10.41	First Amendment to the Amended and Restated Revolving Loan Agreement, dated as of October 28, 2019, by and between Golub Capital BDC, Inc. as the borrower and GC Advisors LLC as the lender (Incorporated by reference to Exhibit 10.1 to Registrant’s Current Report on Form 8-K (File No. 814-00794), filed on October 31, 2019).
10.42	Second Amendment to Loan and Servicing Agreement, dated as of September 6, 2019, among Golub Capital BDC Funding II LLC, as the borrower; Golub Capital BDC, Inc., as the originator and as the servicer; Morgan Stanley Senior Funding, Inc., as the administrative agent; and Morgan Stanley Bank N.A., as lender (Incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K (File No. 814-00794), filed on September 12, 2019).
10.43	Third Amendment to Loan and Servicing Agreement, dated as of October 11, 2019, among Golub Capital BDC Funding II LLC, as the borrower; Golub Capital BDC, Inc., as the originator and as the servicer; Morgan Stanley Senior Funding, Inc., as the administrative agent; and Morgan Stanley Bank N.A., as lender (Incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K (File No. 814-00794), filed on October 16, 2019).
14.1	Code of Ethics of the Registrant and GC Advisors.*
14.2	Code of Ethics of GC Advisors LLC (Filed as Exhibit 14.2 to Golub Capital BDC Inc.’s Quarterly Report on Form 10-Q (File No. 814-00794), filed on February 5, 2016).
21.1	List of Subsidiaries.*

24.1	Power of attorney (included on the signature page hereto).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.*
32.1	Certification of Chief Executive Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
99.1	Privacy Policy of the Registrant.*

* Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Golub Capital BDC, Inc.
A Delaware Corporation

Date: November 25, 2019	By:	/s/ David B. Golub
		Name: David B. Golub
		Title: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Lawrence E. Golub, David B. Golub and Ross A. Teune as his or her true and lawful attorneys-in-fact, each with full power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact or their substitute or substitutes may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ David B. Golub	Chief Executive Officer and Director	November 25, 2019
David B. Golub	(Principal Executive Officer)	
/s/ Ross A. Teune	Chief Financial Officer	November 25, 2019
Ross A. Teune	(Principal Accounting and Financial Officer)	
/s/ Lawrence E. Golub	Chairman of the Board of Directors	November 25, 2019
Lawrence E. Golub		
/s/ John T. Baily	Director	November 25, 2019
John T. Baily		
/s/ Kenneth F. Bernstein	Director	November 25, 2019
Kenneth F. Bernstein		
/s/ Anita R. Rosenberg	Director	November 25, 2019
Anita R. Rosenberg		
/s/ William M. Webster IV	Director	November 25, 2019
William M. Webster IV		

Exhibit 14.1

CODE OF ETHICS

FOR

GOLUB CAPITAL BDC, INC.
GOLUB CAPITAL BDC 3, INC.
GC ADVISORS LLC

Section I Statement of General Fiduciary Principles

This Code of Ethics (the "Code") has been adopted by each of Golub Capital BDC, Inc., Golub Capital BDC 3, Inc. (collectively, the "Corporation"), and GC Advisors LLC, the Corporation's investment adviser (the "Adviser"), in compliance with Rule 17j-1 under the Investment Company Act of 1940 (the "Act"). The purpose of the Code is to establish standards and procedures for the detection and prevention of activities by which persons having knowledge of the investments and investment intentions of the Corporation may abuse their fiduciary duty to the Corporation, and otherwise to deal with the types of conflict of interest situations to which Rule 17j-1 is addressed.

The Code is based on the principle that the directors and officers of the Corporation, and the managers, partners, officers and employees of the Adviser, who provide services to the Corporation, owe a fiduciary duty to the Corporation to conduct their personal securities transactions in a manner that does not interfere with the Corporation's transactions or otherwise take unfair advantage of their relationship with the Corporation. All Access Persons are expected to adhere to this general principle as well as to comply with all of the specific provisions of this Code that are applicable to them. Any Access Persons who are affiliated with the Adviser or another entity that is a registered investment adviser is, in addition, expected to comply with the provisions of the code of ethics that has been adopted by the Adviser or such other investment adviser. The Adviser has adopted a separate code of ethics pursuant to the Investment Advisers Act of 1940, and the rules thereunder (the "Adviser's Code of Ethics"). The Adviser will provide a written report, at least annually, to the Corporation's board of directors describing any issues arising under the Adviser's Code of Ethics or procedures since the last report to the board, including, but not limited to, information about material violations of the Adviser's Code of Ethics or procedures and sanctions imposed in response to material violations and certifying that the Adviser has adopted procedures reasonably necessary to prevent violations of the Adviser's Code of Ethics.

Technical compliance with the Code will not automatically insulate any Access Persons from scrutiny of transactions that show a pattern of compromise or abuse of the individual's fiduciary duty to the Corporation. Accordingly, all Access Persons must seek to avoid any actual or potential conflicts between their personal interests and the interests of the Corporation and its stockholders. In sum, all Access Persons shall place the interests of the Corporation before their own personal interests.

All Access Persons must read this Code of Ethics.

Section II Definitions

(A) "Access Person" means any director, officer, general partner or Advisory Person (as defined below) of the Corporation or the Adviser.

(B) An "Advisory Person" of the Corporation or the Adviser means: (i) any director, officer general partner or employee of the Corporation or the Adviser, or any company in a Control (as defined below) relationship to the Corporation or the Adviser, who in connection with his or her regular functions or duties makes, participates in, or obtains information regarding the purchase or sale of any Covered Security (as defined below) by the Corporation, or whose functions relate to the making of any recommendation with respect to such purchases or sales; (ii) any natural person in a Control relationship to the Corporation or the Adviser, who obtains information concerning recommendations made to the Corporation with regard to the purchase or sale of any Covered Security by the Corporation and (iii) any other person deemed to be an Advisory Person by the Chief Compliance Officer.

(C) "Beneficial Ownership" is interpreted in the same manner as it would be under Rule 16a-1(a)(2) under the Securities Exchange Act of 1934 (the "1934 Act") in determining whether a person is a beneficial owner of a security for purposes of Section 16 of the 1934 Act and the rules and regulations thereunder.

(D) "Chief Compliance Officer" means the Chief Compliance Officer of the Corporation (who also may serve as the compliance officer of the Adviser and/or one or more affiliates of the Adviser).

(E) "Control" shall have the same meaning as that set forth in Section 2(a)(9) of the Act.

(F) "Covered Security" means a security as defined in Section 2(a)(36) of the Act, which includes: any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

Except that "Covered Security" does not include: (i) direct obligations of the Government of the United States; (ii) bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; and (iii) shares issued by open-end investment companies registered under the Act. References to a Covered Security in this Code (e.g., a prohibition or requirement applicable to the purchase or sale of a Covered Security) shall be deemed to refer to and to include any warrant for, option in, or security immediately convertible into that Covered Security, and shall also include any instrument that has an investment return or value that is based, in whole or in part, on that Covered Security (collectively, "Derivatives"). Therefore, except as otherwise specifically provided by this Code: (i) any prohibition or requirement of this Code applicable to the purchase or sale of a Covered Security shall also be applicable to the purchase or sale of a Derivative relating to that Covered Security; and (ii) any prohibition or requirement of this Code applicable to the purchase or sale of a Derivative shall also be applicable to the purchase or sale of a Covered Security relating to that Derivative.

(G) "Independent Director" means a director of the Corporation who is not an "interested person" of the Corporation within the meaning of Section 2(a)(19) of the Act.

(H) "Initial Public Offering" means an offering of securities registered under the Securities Act of 1933 (the "1933 Act"), the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the 1934 Act.

(I) "Investment Personnel" of the Corporation or the Adviser means: (i) any employee of the Corporation or the Adviser (or of any company in a Control relationship to the Corporation or the Adviser) who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of securities by the Corporation; and (ii) any natural person who controls the Corporation or the Adviser and who obtains information concerning recommendations made to the Corporation regarding the purchase or sale of securities by the Corporation.

(J) "Limited Offering" means an offering that is exempt from registration under the 1933 Act pursuant to Section 4(2) or Section 4(5) thereof or pursuant to Rule 504, Rule 505, or Rule 506 thereunder.

(K) “Security Held or to be Acquired” by the Corporation means: (i) any Covered Security which, within the most recent 15 days: (A) is or has been held by the Corporation; or (B) is being or has been considered by the Corporation or the Adviser for purchase by the Corporation; and (ii) any option to purchase or sell, and any security convertible into or exchangeable for, a Covered Security described in Section II (K)(i).

(L) “17j-1 Organization” means the Corporation or the Adviser, as the context requires

Section III Objective and General Prohibitions

Access Persons may not engage in any investment transaction under circumstances in which such Access Persons benefits from or interferes with the purchase or sale of investments by the Corporation. In addition, Access Persons may not use information concerning the investments or investment intentions of the Corporation, or their ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of the Corporation.

Access Persons may not engage in conduct that is deceitful, fraudulent or manipulative, or that involves false or misleading statements, in connection with the purchase or sale of investments by the Corporation. In this regard, Access Persons should recognize that Rule 17j-1 makes it unlawful for any affiliated person of the Corporation, or any affiliated person of the Adviser, in connection with the purchase or sale, directly or indirectly, by the person of a Security Held or to be Acquired by the Corporation to:

(i) employ any device, scheme or artifice to defraud the Corporation;
(ii) make any untrue statement of a material fact to the Corporation or omit to state to the Corporation a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
(iii) engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon the Corporation; or
(iv) engage in any manipulative practice with respect to the Corporation.

Access Persons should also recognize that a violation of this Code or of Rule 17j-1 may result in the imposition of: (1) sanctions as provided by Section VIII below; or (2) administrative, civil and, in certain cases, criminal fines, sanctions or penalties.

Section IV Prohibited Transactions

(A) Other than securities purchased or acquired by a fund affiliated with the Corporation and pursuant to an exemptive order under Section 57(i) of the Act permitting certain types of co-investments, an Access Person may not purchase or otherwise acquire direct or indirect Beneficial Ownership of any Covered Security, and may not sell or otherwise dispose of any Covered Security in which he or she has direct or indirect Beneficial Ownership, if he or she knows or should know at the time of entering into the transaction that: (1) the Corporation has purchased or sold the Covered Security within the last 15 calendar days, or is purchasing or selling or intends to purchase or sell the Covered Security in the next 15 calendar days; or (2) the Adviser has within the last 15 calendar days considered purchasing or selling the Covered Security for the Corporation or within the next 15 calendar days intends to consider purchasing or selling the Covered Security for the Corporation.

(B) No Access Person may purchase a Covered Security without first obtaining preapproval from the Chief Compliance Officer of the Corporation. From time to time, the Chief Compliance Officer of the Corporation may exempt individual Covered Securities or categories of Covered Securities from this requirement.

(C) Investment Personnel of the Corporation or the Adviser must obtain approval from the Corporation or the Adviser, as the case may be, before directly or indirectly acquiring Beneficial Ownership in any securities in an Initial Public Offering or in a Limited Offering, except when such securities are acquired by a fund affiliated with the Corporation and pursuant to an exemptive order under Section 57(i) of the Act permitting certain types of co-investments. Such approval must be obtained from the Chief Compliance Officer, unless he or she is the person seeking such approval, in which case it must be obtained from the President of the 17j-1 Organization.

(D) No Access Person shall recommend any transaction in any Covered Securities by the Corporation without having disclosed to the Chief Compliance Officer his or her interest, if any, in such Covered Securities or the issuer thereof, including: the Access Person's Beneficial Ownership of any Covered Securities of such issuer, except when such securities transactions are to be made by a fund affiliated with the Corporation and pursuant to an exemptive order under Section 57(i) of the Act permitting certain types of co-investments; any contemplated transaction by the Access Person in such Covered Securities; any position the Access Person has with such issuer; and any present or proposed business relationship between such issuer and the Access Person (or a party which the Access Person has a significant interest).

Section V Reports by Access Persons

(A) Personal Securities Holdings Reports.

All Access Persons shall within 10 days of the date on which they become Access Persons, and thereafter, within 30 days after the end of each calendar year, disclose the title, number of shares and principal amount of all Covered Securities in which they have a direct or indirect Beneficial Ownership as of the date the person became an Access Person, in the case of such person's initial report, and as of the last day of the year, as to annual reports. Such report is hereinafter called a "Personal Securities Holdings Report." Each Personal Securities Holdings Report must also disclose the name of any broker, dealer or bank with whom the Access Person maintained an account in which any securities were held for the direct or indirect benefit of the Access Person as of the date the person became an Access Person or as of the last day of the year, as the case may be. Each Personal Securities Holdings Report shall state the date it is being submitted.

(B) Quarterly Transaction Reports.

Within 30 days after the end of each calendar quarter, each Access Person shall make a written report to the Chief Compliance Officer of all transactions occurring in the quarter in a Covered Security in which he or she had any direct or indirect Beneficial Ownership. Such report is hereinafter called a "Quarterly Securities Transaction Report."

A Quarterly Securities Transaction Report shall be in the form approved by the Chief Compliance Officer:

(C) Independent Directors.

Notwithstanding the reporting requirements set forth in this Section V, an Independent Director who would be required to make a report under this Section V solely by reason of being a director of the Corporation is not required to file a Personal Securities Holding Report upon becoming a director of the Corporation or annually thereafter. Such an Independent Director also need not file a Quarterly Securities Transaction Report unless such director knew or, in the ordinary course of fulfilling his or her official duties as a director of the Corporation, should have known that during the 15-day period immediately preceding or after the date of the transaction in a Covered Security by the director such Covered Security is or was purchased or sold by the Corporation or the Corporation or the Adviser considered purchasing or selling such Covered Security.

(D) Access Persons of the Adviser.

An Access Person of the Adviser need not make a Personal Securities Holding Report or Quarterly Securities Transaction Report if the information in such reports would duplicate information required to be recorded pursuant to the Adviser's Code of Ethics.

(E) Brokerage Accounts and Statements.

Access Persons, except Independent Directors, shall:

(1) instruct the brokers, dealers or banks with whom they maintain such an account to provide duplicate account statements to the Chief Compliance Officer.

(2) on an annual basis, certify that they have complied with the requirements of (1) above.

(F) Form of Reports.

A Quarterly Securities Transaction Report may consist of broker statements or other statements that provide a list of all personal Covered Securities holdings and transactions in the time period covered by the report and contain the information required in a Quarterly Securities Transaction Report.

(G) Responsibility to Report.

Access Persons will be informed of their obligations to report, however, it is the responsibility of each Access Person to take the initiative to comply with the requirements of this Section V. Any effort by the Corporation, or by the Adviser and its affiliates, to facilitate the reporting process does not change or alter that responsibility. A person need not make a report hereunder with respect to transactions effected for, and Covered Securities held in, any account over which the person has no direct or indirect influence or control.

(H) Where to File Reports and Forms.

(1) All Quarterly Securities Transaction Reports and Personal Securities Holdings Reports, as well as Private Company Securities and IPO Request and Reporting Forms, must be filed with the Chief Compliance Officer.

(2) The Chief Compliance Officer may, from time to time, adopt new methods to submit all Quarterly Securities Transaction Reports and Personal Securities Holdings Reports, as well as Private Company Securities and IPO Request and Reporting Forms. These new methods, which could include electronic submission of information equivalent to the information currently required under this Code, will be deemed to satisfy the reporting obligations under this Code.

(I) Disclaimers.

Any report required by this Section V may contain a statement that the report will not be construed as an admission that the person making the report has any direct or indirect Beneficial Ownership in the Covered Security to which the report relates.

Section VI Additional Prohibitions

(A) Confidentiality of the Corporation’s Transactions.

Until disclosed in a public report to stockholders or to the Securities and Exchange Commission in the normal course, all information concerning the securities “being considered for purchase or sale” by the Corporation shall be kept confidential by all Access Persons and disclosed by them only on a “need to know” basis. It shall be the responsibility of the Chief Compliance Officer to report any inadequacy found in this regard to the directors of the Corporation.

(B) Insider Trading

(1) Clearance of Transactions. The Corporation requires that all purchases and sales of Corporation securities by Access Persons (and their respective immediate family members) be cleared by the Chief Compliance Officer or his or her designee prior to placing any order related to such transactions. Currently, the only Corporation securities available for purchase is the common stock traded of Golub Capital BDC, Inc. on the NASDAQ under the ticker symbol GBDC (“Shares”).

(2) Window Period. After receiving clearance from the Chief Compliance Officer of the Corporation, Access Persons may purchase or sell Shares only during a designated “window period.” Should the end of the “window period” fall on a weekend, such window will be extended through close of business on the following business day. Significantly, however, even during a “window period,” Access Persons may not engage in transactions involving Shares if he or she is in possession of material, nonpublic information on the trade date.

(3) Avoidance of Speculative Transactions. Certain types of transactions as well as the timing of trading may raise an inference of the improper use of inside information. In order to avoid even the appearance of impropriety, the Corporation discourages trades by Access Persons that are of a short-term, speculative nature rather than for investment purposes.

(4) Limited Disclosure. Access Persons who have access to material information regarding the Corporation or its operations should exercise the utmost caution in preserving the confidentiality of that information. If anyone becomes aware of a leak of material information, whether inadvertent or otherwise, he or she should report such leak immediately to the Chief Compliance Officer. Any insider who “leaks” inside information to a “tippee” may be equally liable with the tippee to third parties for any profit of the tippee. Of course, it will be necessary from time to time, for legitimate business reasons, to disclose material information to persons outside of the Corporation. Such persons might include commercial bankers, investment bankers or other companies with whom the Corporation may be pursuing a joint project. In such situations, material nonpublic information should not be conveyed until an express understanding, typically in the form of the Corporation’s standard nondisclosure agreement, or “NDA,” has been reached that such information may not be used for trading purposes and may not be further disclosed other than for legitimate business reasons. Please contact the Chief Compliance Officer before disclosing any material non-public information regarding the Corporation to a third party or entering into an NDA.

Section VII Annual Certification

(A) Access Persons.

Access Persons who are directors, managers, partners, officers or employees of the Corporation or the Adviser shall be required to certify annually that they have read this Code and/or the Adviser’s Code of Ethics, and that they understand the applicable code and recognize that they are subject to it. Further, such Access Persons shall be required to certify annually that they have complied with the requirements of this Code and/or the Adviser’s Code of Ethics.

(B) Board Review.

No less frequently than annually, the Corporation and the Adviser must furnish to the Corporation’s board of directors, and the board must consider, a written report that: (A) describes any material issues arising under this Code or procedures since the last report to the board, including, but not limited to, information about material violations of the Code or procedures and sanctions imposed in response to violations; and (B) certifies that the Corporation or the Adviser, as applicable, has adopted procedures reasonably necessary to prevent Access Persons from violating the Code.

Section VIII Sanctions

Any violation of this Code shall be subject to the imposition of such sanctions by the 17j-1 Organization as may be deemed appropriate under the circumstances to achieve the purposes of Rule 17j-1 and this Code. The sanctions to be imposed shall be determined by the board of directors, including a majority of the Independent Directors, provided, however, that with respect to violations by persons who are directors, managers, partners, officers or employees of the Adviser (or of a company that controls the Adviser), the sanctions to be imposed shall be determined by the Adviser (or the controlling person thereof). Sanctions may include, but are not limited to, suspension or termination of employment, a letter of censure and/or restitution of an amount equal to the difference between the price paid or received by the Corporation and the more advantageous price paid or received by the offending person.

Section IX Administration and Construction

(A) The administration of this Code shall be the responsibility of the Chief Compliance Officer.

(B) The duties of the Chief Compliance Officer and his or her department are as follows:

(1) On an annual basis, providing all Access Persons a copy of this Code and informing such persons of their duties and obligations hereunder including any supplemental training that may be required from time to time;

(2) Maintaining or supervising the maintenance of all records and reports required by this Code;

(3) Reviewing all Personal Securities Holdings Reports and Quarterly Securities Transaction Reports;

(4) Preparing listings of all transactions effected by Access Persons who are subject to the requirement to file Quarterly Securities Transaction Reports and reviewing such transactions against a listing of all transactions effected by the Corporation;

(5) Issuance either personally or with the assistance of counsel as may be appropriate, of any interpretation of this Code that may appear consistent with the objectives of Rule 17j-1 and this Code;

(6) Conduct such inspections or investigations as shall reasonably be required to detect and report, with recommendations, any apparent violations of this Code to the board of directors of the Corporation; and

(7) Submission of a written report to the board of directors of the Corporation, no less frequently than annually, that describes any issues arising under the Code since the last such report, including but not limited to the information described in Section VII (B).

(C) The Chief Financial Officer shall maintain and cause to be maintained in an easily accessible place at the principal place of business of the 17j-1 Organization, the following records and must make these records available to the Securities and Exchange Commission at any time and from time to time for reasonable periodic, special or other examinations:

(1) A copy of all codes of ethics adopted by the Corporation or the Adviser and its affiliates, as the case may be, pursuant to Rule 17j-1 that have been in effect at any time during the past five (5) years;

(2) A record of each violation of such codes of ethics and of any action taken as a result of such violation for at least five (5) years after the end of the fiscal year in which the violation occurs;

(3) A copy of each report made by an Access Person for at least two (2) years after the end of the fiscal year in which the report is made, and for an additional three (3) years in a place that need not be easily accessible;

(4) A copy of each report made by the Chief Compliance Officer to the board of directors for two (2) years from the end of the fiscal year of the Corporation in which such report is made or issued and for an additional three (3) years in a place that need not be easily accessible;

(5) A list of all persons who are, or within the past five (5) years have been, required to make reports pursuant to the Rule 17j-1 and this Code of Ethics, or who are or were responsible for reviewing such reports;

(6) A copy of each report required by Section VII (B) for at least two (2) years after the end of the fiscal year in which it is made, and for an additional three (3) years in a place that need not be easily accessible; and

(7) A record of any decision, and the reasons supporting the decision, to approve the acquisition by Investment Personnel of securities in an Initial Public Offering or Limited Offering for at least five (5) years after the end of the fiscal year in which the approval is granted.

(D) This Code may not be amended or modified except in a written form that is specifically approved by majority vote of the Independent Directors.

Adopted: November 17, 2017

EXHIBIT 21.1

SUBSIDIARIES OF GOLUB CAPITAL BDC, INC.

Name	**Jurisdiction**
Golub Capital BDC 2010-1 Holdings LLC	Delaware
Golub Capital BDC 2010-1 LLC	Delaware
Golub Capital BDC CLO 2014 LLC	Delaware
Golub Capital BDC CLO III LLC	Delaware
Golub Capital BDC CLO III Depositor LLC	Delaware
GBDC Quick Quack Coinvest LLC	Delaware
Golub Capital BDC Funding LLC	Delaware
Golub Capital BDC Funding II LLC	Delaware
Golub Capital BDC Holdings LLC	Delaware
Golub Capital Investment Corporation CLO 2016(M) LLC	Delaware
GCIC Quick Quack Coinvest LLC	Delaware
GCIC CLO II LLC	Delaware
GCIC CLO II Depositor LLC	Delaware
GCIC Funding LLC	Delaware
GCIC Funding II LLC	Delaware
GCIC Holdings LLC	Delaware
GC SBIC IV-GP, LLC	Delaware
GC SBIC IV, L.P.	Delaware
GC SBIC V-GP, LLC	Delaware
GC SBIC V, L.P.	Delaware
GC SBIC VI-GP, LLC	Delaware
GC SBIC VI, L.P.	Delaware
Mountain Open LLC	Delaware
Mountain Open 2 LLC	Delaware

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302
CHIEF EXECUTIVE OFFICER CERTIFICATION

I, David B. Golub, Chief Executive Officer, certify that:

1) I have reviewed this Annual Report on Form 10-K of Golub Capital BDC, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 25, 2019

/s/ David B. Golub
David B. Golub
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302
CHIEF FINANCIAL OFFICER CERTIFICATION

I, Ross A. Teune, Chief Financial Officer, certify that:

1) I have reviewed this Annual Report on Form 10-K of Golub Capital BDC, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5) The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 25, 2019

/s/ Ross A. Teune
Ross A. Teune
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. Section 1350)

In connection with the Annual Report on Form 10-K of Golub Capital BDC, Inc. (the “Company”), for the annual period ended September 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, David B. Golub and Ross A. Teune, Chief Executive Officer and Chief Financial Officer, respectively, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 25, 2019

/s/ David B. Golub
David B. Golub
Chief Executive Officer

/s/ Ross A. Teune
Ross A. Teune
Chief Financial Officer

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)

In connection with the Annual Report on Form 10-K of Golub Capital BDC, Inc. and Subsidiaries (the “Registrant”) for the annual period ended September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ross A. Teune, as Chief Financial Officer of the Registrant hereby certify, to the best of my knowledge that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Ross A. Teune

Name: Ross A. Teune
Title: Chief Financial Officer

Date: November 25, 2019

Exhibit 99.1

GOLUB CAPITAL BDC, INC.

PRIVACY POLICY

To Golub Capital BDC, Inc. Investors:

We take precautions to maintain the privacy of personal information concerning our investors. These precautions include the adoption of certain procedures designed to maintain and secure your nonpublic personal information from inappropriate disclosure to unaffiliated third parties. We are sending this notice in accordance with applicable federal regulations. This notice applies to investors in Golub Capital BDC, Inc. (the "Company").

What kind of personal information do we have about you and where did we get it?

We collect nonpublic personal information about you from the following sources:

- Information we may receive from you in subscription agreements or other related documents or forms; and
- Information about your transactions with our affiliates and us.

How do we protect your personal information?

We do not disclose any nonpublic personal information about our investors or former investors to anyone, except as permitted by law.

We restrict access to nonpublic personal information about you to those employees and agents of GC Advisors LLC, its affiliates and unaffiliated third party service providers (which may include a custodian, transfer agent or financial printer) who need to know that information in order to provide services to you or to the Company. In that regard, we note that we maintain physical, electronic, and procedural safeguards that comply with federal standards to safeguard your nonpublic personal information and which we believe is adequate to prevent unauthorized disclosure of such information.

What do we do with personal information about our former investors?

If an investor decides to no longer do business with us, we will continue to follow this privacy policy with respect to the information we have in our possession about such investor and his/her account.

If you have any questions concerning our privacy policies, please contact our Chief Financial Officer, Ross Teune, at (312) 284-0111.