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# **GOLUB CAPITAL BDC, INC. INVESTOR PRESENTATION**

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**QUARTER ENDED JUNE 30, 2019**

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**GOLUB CAPITAL**

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# Disclaimer

Some of the statements in this presentation constitute forward-looking statements, which relate to future events or our future performance or financial condition. The forward-looking statements contained in this presentation 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 LLC ("GC Advisors"), our investment adviser, and other affiliates of Golub Capital LLC (collectively, "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 and as a business development company; general price and volume fluctuations in the stock market; 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.

We have based the forward-looking statements included in this presentation on information available to us on the date of this presentation. Actual results could differ materially from those anticipated in our forward-looking statements and future results could differ materially from historical performance. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. 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 Securities and Exchange Commission ("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 presentation 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.

## **Additional Information and Where to Find It**

This communication relates to a proposed business combination (the "Merger") involving us and Golub Capital Investment Corporation ("GCIC"), along with related proposals for which stockholder approval will be sought (collectively, the "Proposals"). In connection with the Proposals, each of GBDC and GCIC intend to file relevant materials with the SEC, including a registration statement on Form N-14, which will include a joint proxy statement of GBDC and GCIC and a prospectus of GBDC. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act. STOCKHOLDERS OF EACH OF GBDC AND GCIC ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE JOINT PROXY STATEMENT OF GBDC AND GCIC REGARDING THE PROPOSALS (THE "PROXY STATEMENT") WHEN IT BECOMES AVAILABLE, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS THERETO, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT GBDC, GCIC, THE MERGER AND THE PROPOSALS. Investors and security holders will be able to obtain the documents filed with the SEC free of charge at the SEC's web site, <http://www.sec.gov> or, for documents filed by GBDC, from GBDC's website at <http://www.golubcapitalbdc.com>.

## **Participants in the Solicitation**

GBDC and GCIC and their respective directors, executive officers and certain other members of management and employees of GC Advisors and its affiliates, may be deemed to be participants in the solicitation of proxies from the stockholders of GBDC and GCIC in connection with the Proposals. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the GBDC and GCIC stockholders in connection with the Proposals will be contained in the Proxy Statement when such documents becomes available. This document may be obtained free of charge from the sources indicated above.

# Summary of Quarterly Results

## Third Fiscal Quarter 2019 Highlights

- Net increase in net assets resulting from operations (i.e. net income) for the quarter ended June 30, 2019 was \$19.2 million, or \$0.32 per share, as compared to \$17.8 million, or \$0.29 per share, for the quarter ended March 31, 2019.
- Net investment income for the quarter ended June 30, 2019 was \$19.4 million, or \$0.32 per share, as compared to \$20.1 million, or \$0.33 per share, for the quarter ended March 31, 2019. Excluding an approximately \$28,000 accrual for the capital gain incentive fee, net investment income for the quarter ended June 30, 2019 remained unchanged at \$19.4 million, or \$0.32 per share, as compared to \$19.4 million, or \$0.32 per share, excluding a \$0.7 million reversal in the accrual for the capital gain incentive fee for the prior quarter.
- Net realized and unrealized loss on investments and foreign currency of \$0.2 million, or less than \$0.01 per share, for the quarter ended June 30, 2019 was the result of \$0.7 million of net realized losses and \$0.5 million of net unrealized appreciation. This compares to a net realized and unrealized loss on investments and foreign currency of \$2.3 million, or \$0.04 per share, for the prior quarter.
- New middle-market investment commitments totaled \$157.1 million for the quarter ended June 30, 2019. Approximately 84% of the new investment commitments were one stop loans, 14% were senior secured loans, 1% were second lien loans, and approximately 1% were investments in equity securities. Overall, total investments in portfolio companies at fair value decreased by approximately 1.6%, or \$32.2 million, during the quarter ended June 30, 2019.
- On July 11, 2019, GBDC filed an amended registration statement on Form N-14, which included a joint proxy statement of GBDC and Golub Capital Investment Corporation ("GCIC") in connection with GBDC's proposed merger with GCIC. The registration statement was declared effective by the SEC on July 12, 2019 and a special meeting for GBDC stockholders is scheduled for September 4, 2019. We remain very excited about the proposed merger with GCIC, which we currently expect to close in September 2019, subject to stockholder approvals and other customary closing conditions.

1. As a supplement to U.S. generally accepted accounting principles ("GAAP") financial measures, Golub Capital BDC, Inc. (the "Company") has provided this non-GAAP financial measure. The Company believes that this non-GAAP financial measure is useful as it excludes the accrual of the capital gain incentive fee, including the portion of such accrual that is not contractually payable under the terms of the Company's investment advisory agreement with GC Advisors (the "Investment Advisory Agreement"). In accordance with GAAP, the Company is required to include aggregate unrealized 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 the Investment Advisory Agreement. As of June 30, 2019, the cumulative capital gain incentive fee accrued by the Company in accordance with GAAP is \$4.5 million, of which none was payable as a capital gain incentive fee pursuant to the Investment Advisory Agreement as of June 30, 2019. Any payment due under the terms of the Investment Advisory Agreement is based on the calculation at the end of each calendar year or upon termination of the Investment Advisory Agreement. The Company paid capital gain incentive fees in the amounts of \$1.2 million and \$1.6 million calculated in accordance with the Investment Advisory Agreement as of December 31, 2017 and 2018, respectively. The Company did not pay any capital gain incentive fee under the Investment Advisory Agreement for any period ended prior to December 31, 2017. Although this non-GAAP financial measure is intended to enhance investors' understanding of the Company's business and performance, this non-GAAP financial measure should not be considered an alternative to GAAP. Refer to slide 4 for a reconciliation to the nearest GAAP measure, net investment income per share.

# Financial Highlights

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Earnings per share	\$ 0.36	\$ 0.26	\$ 0.31	\$ 0.29	\$ 0.32
Net investment income per share	0.31	0.34	0.33	0.33	0.32
Accrual for (Reversal of) capital gain incentive fee per share	0.02	(0.02)	(0.01)	(0.01)	0.00 <sup>2</sup>
Net investment income before accrual for capital gain incentive fee per share <sup>1</sup>	0.33	0.32	0.32	0.32	0.32
Net realized/unrealized gain (loss) per share	0.05	(0.08)	(0.02)	(0.04)	0.00 <sup>2</sup>
<b>Net asset value per share</b>	<b>16.15</b>	<b>16.10</b>	<b>15.97</b>	<b>15.95</b>	<b>15.95</b>
Distributions paid per share <sup>3</sup>	0.32	0.32	0.44	0.32	0.32

	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Investments in Portfolio Companies, at Fair Value (000s)	\$ 1,705,936	\$ 1,711,757	\$ 1,849,564	\$ 1,883,271	\$ 1,851,079
Investments in Senior Loan Fund LLC ("SLF"), at Fair Value (000s)	\$ 92,579	\$ 71,084	\$ 68,915	\$ 71,742	\$ 71,742
Total Fair Value of Investments (000s)	\$ 1,798,515	\$ 1,782,841	\$ 1,918,479	\$ 1,955,013	\$ 1,922,821
Number of Portfolio Company Investments <sup>4</sup>	192	199	212	211	225
Average Investment Size (000s) <sup>4</sup>	\$ 8,885	\$ 8,602	\$ 8,724	\$ 8,925	\$ 8,227
Fair Value as a Percentage of Principal (Loans)	99.2%	99.1%	99.0%	98.9%	98.7%

1. As a supplement to GAAP financial measures, the Company has provided this non-GAAP financial measure. The Company believes that this non-GAAP financial measure is useful as it excludes the accrual of the capital gain incentive fee, including the portion of such accrual that is not contractually payable under the terms of the Company's Investment Advisory Agreement. In accordance with GAAP, the Company is required to include aggregate unrealized 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 the Investment Advisory Agreement. As of June 30, 2019, the cumulative capital gain incentive fee accrued by the Company in accordance with GAAP is \$4.5 million, of which none was payable as a capital gain incentive fee pursuant to the Investment Advisory Agreement as of June 30, 2019. Any payment due under the terms of the Investment Advisory Agreement is based on the calculation at the end of each calendar year or upon termination of the Investment Advisory Agreement. The Company paid capital gain incentive fees in the amounts of \$1.2 million and \$1.6 million calculated in accordance with the Investment Advisory Agreement as of December 31, 2017 and 2018, respectively. The Company did not pay any capital gain incentive fee under the Investment Advisory Agreement for any period ended prior to December 31, 2017. Although this non-GAAP financial measure is intended to enhance investors' understanding of the Company's business and performance, this non-GAAP financial measure should not be considered an alternative to GAAP.

2. Represents an amount less than \$0.01 per share.

3. Includes a special distribution of \$0.12 per share in Q1 2019.

4. Excludes SLF.

# Portfolio Highlights – New Originations

## New Originations Data and Net Funds Growth

- New investment commitments totaled \$157.1 million for the quarter ended June 30, 2019.
- Total investments at fair value decreased by 1.6%, or \$32.2 million, as of June 30, 2019 from March 31, 2019.

Select Portfolio Funds Roll Data (in millions)	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
New Investment Commitments	\$ 198.5	\$ 182.3	\$ 203.1	\$ 116.1	\$157.1
Exits and Sales of Investments <sup>1</sup>	157.0	168.3	63.6	82.6	179.5
Net Funds Growth <sup>2</sup>	38.7	(15.7)	135.6	36.5	(32.2)

Asset Mix of New Investments	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Senior Secured	12%	14%	20%	8%	14%
One Stop	86%	85%	77%	90%	84%
Junior Debt <sup>3</sup>	0%*	0%	0%	0%*	1%
Equity and Other Investments <sup>4</sup>	2%	1%	3%	2%	1%

Portfolio Rotation – Debt Investments	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Weighted average rate on new investments <sup>5</sup>	7.8%	8.2%	7.7%	8.7%	8.1%
Weighted average spread over LIBOR of new floating rate investments	5.7%	5.9%	5.3%	6.0%	5.7%
Weighted average interest rate on investments that paid-off <sup>6</sup>	8.2%	9.2%	8.5%	8.7%	8.8%

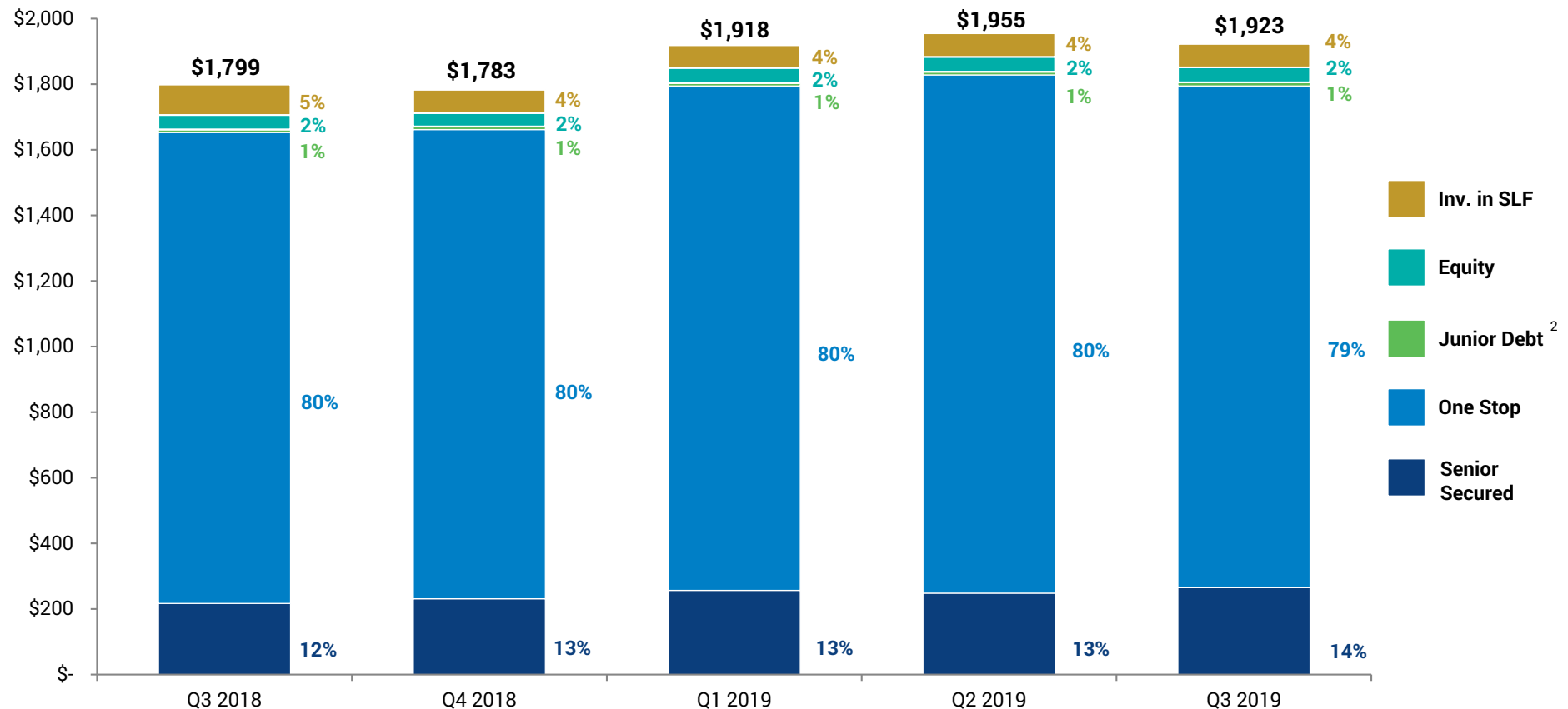
\* Represents an amount less than 1.0%

1. Includes full and partial payoffs and sales to SLF. Excludes a return of capital distribution by SLF of \$25.5 million during the quarter ended September 30, 2018.
2. Net funds growth includes the impact of new investments and exits of investments as noted in the table above, as well as other variables such as net fundings on revolvers, net change in unamortized fees, net change in unrealized appreciation (depreciation), etc.
3. Includes subordinated debt and second lien loans.
4. Includes investment in SLF. For the quarter ended September 30, 2018, we have excluded a \$5.4MM capital contribution to SLF in determining the mix of new investments as this was offset by a subsequent return of capital distribution by SLF of \$25.5 million. Prior quarters included capital contributions in the mix of new investments and were not offset by return of capital distributions (if any).
5. Weighted average interest rate on new investments is based on the contractual interest rate at the time of funding. For variable rate loans that have a LIBOR or Prime rate option, the contractual rate is calculated using current LIBOR at the time of funding, the spread over LIBOR and the impact of any LIBOR floor. For variable rate loans that only have a Prime rate option, the contractual rate is calculated using current Prime at the time of funding, the spread over Prime and the impact of any Prime floor. For fixed rate loans, the contract rate is the stated fixed rate.
6. Excludes exits on investments on non-accrual status.

# Portfolio Highlights – Portfolio Diversity as of June 30, 2019

**Investment Portfolio \$1,851mm<sup>1</sup> // 225 Investments<sup>1</sup> – Average Size \$8.2mm**

Historical Investment Portfolio (\$mm)

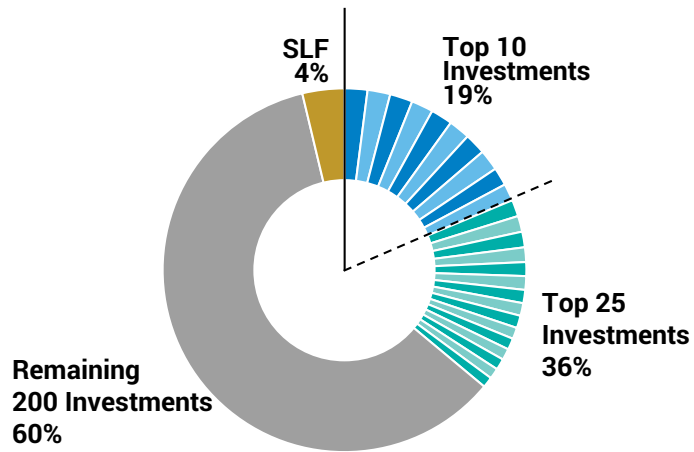


1. Excludes investment in SLF.

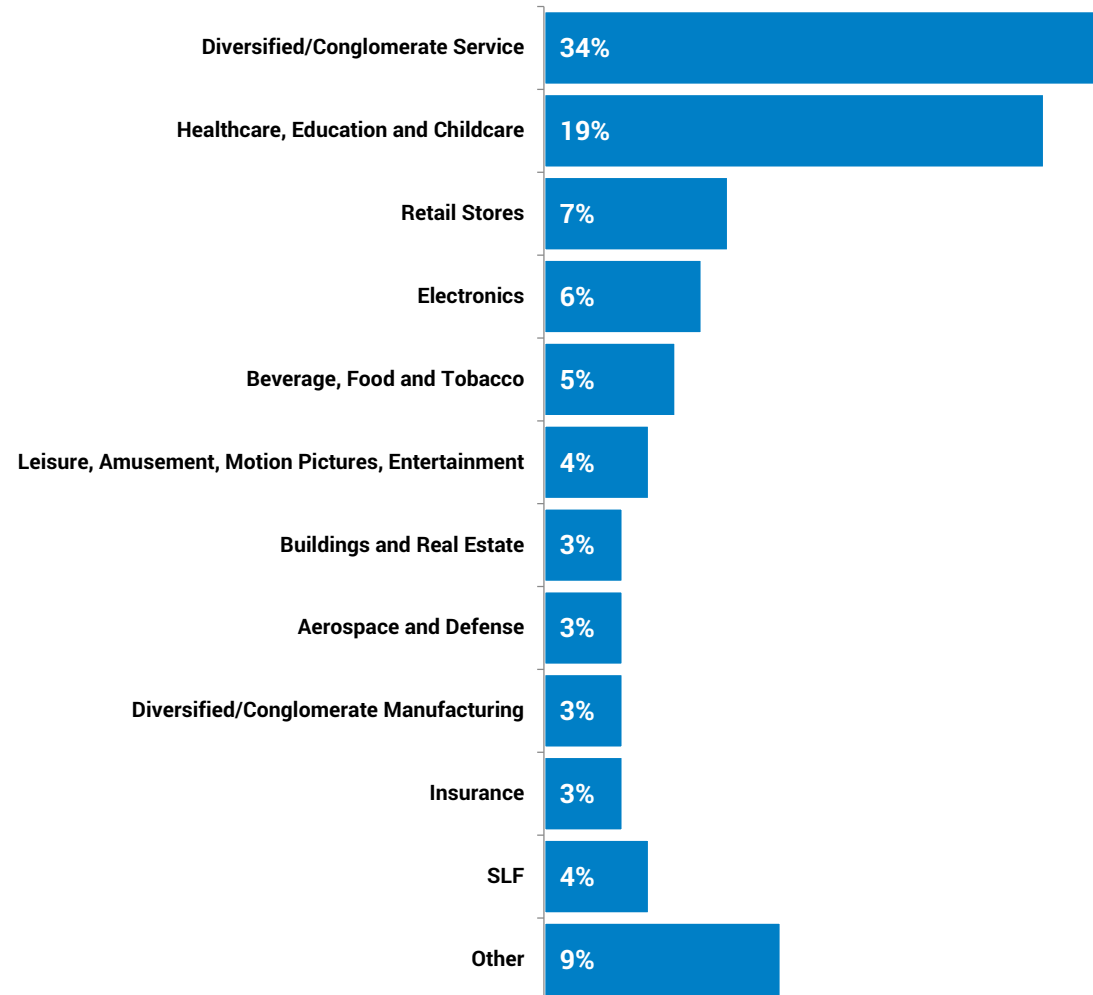
2. Junior debt is comprised of subordinated debt and second lien loans.

# Portfolio Highlights – Portfolio Diversity as of June 30, 2019

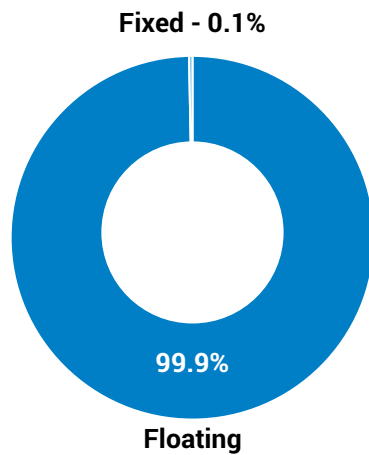
## Diversity by Investment Size



## Industry Diversity of Investments



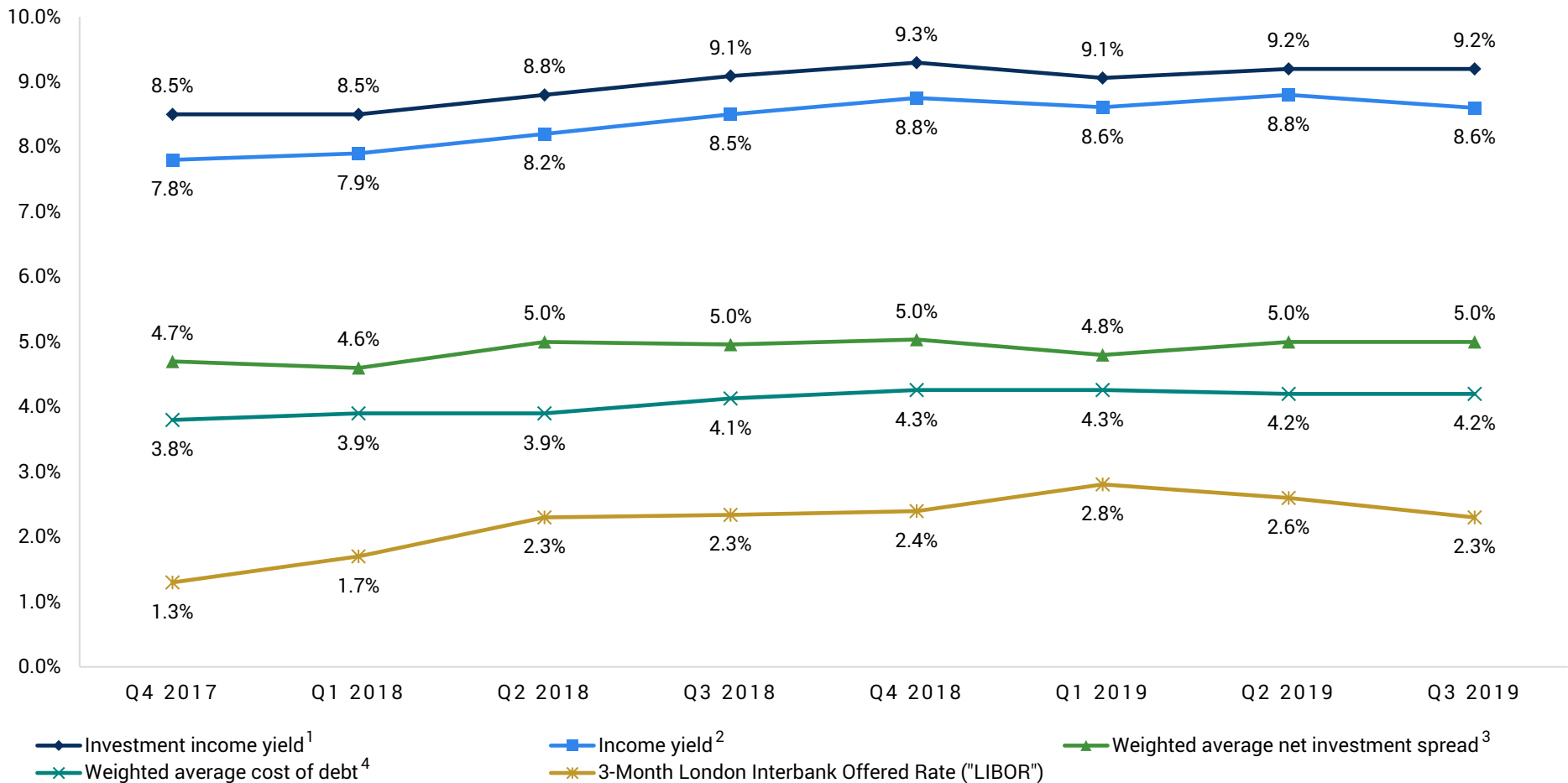
## Interest Rate on Loans<sup>1</sup>



1. The percentage of fixed rate loans and floating rate loans is calculated using total debt investments at fair value and excludes equity investments.

# Portfolio Highlights – Economic Analysis

## GBDC – Economic Analysis



1. Investment income yield is calculated as (a) the actual amount earned on earning investments, including interest and fee income and amortization of capitalized fees and discounts, divided by (b) the daily average of total earning investments at fair value.
2. Income yield is calculated as (a) the actual amount earned on earning investments, including interest and fee income but excluding amortization of capitalized fees and discounts, divided by (b) the daily average of total earning investments at fair value.
3. The weighted average net investment spread is calculated as (a) the investment income yield less (b) the weighted average cost of debt.
4. The weighted average cost of debt is calculated as (a) the actual amount of expenses incurred on debt obligations divided by (b) the daily average of total debt obligations.



# Portfolio Highlights – Credit Quality

## Credit Quality – Investment Portfolio

- Fundamental credit quality as of June 30, 2019 remained strong with non-accrual investments as a percentage of total debt investments at cost and fair value of 0.7% and 0.4%, respectively.
- During the quarter ended June 30, 2019, the number of non-accrual investments increased from three to four investments, one of which was fully repaid with 100% recovery on our remaining principal balance subsequent to quarter end.
- Nearly 90% of the investments in our portfolio continue to have an Internal Performance Rating<sup>1</sup> of 4 or higher as of June 30, 2019.

Non-Accrual – Debt Investments	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Non-accrual investments at amortized cost (000s)	\$ 19,348	\$ 11,728	\$11,905	\$8,484	\$11,780
Non-accrual investments / total debt investments at amortized cost	1.2%	0.7%	0.7%	0.5%	0.7%
Non-accrual investments at fair value (000s)	\$ 13,262	\$ 5,625	\$4,588	\$3,410	\$7,094
Non-accrual investments / total debt investments at fair value	0.8%	0.3%	0.3%	0.2%	0.4%

1. Please see Internal Performance Ratings definitions on the following page.

# Portfolio Highlights – Portfolio Ratings

## Portfolio Risk Ratings

Internal Performance Rating	December 31, 2018		March 31, 2019		June 30, 2019	
	Investments at Fair Value (000s)	% of Total Portfolio	Investments at Fair Value (000s)	% of Total Portfolio	Investments at Fair Value (000s)	% of Total Portfolio
5	\$ 107,807	5.6%	\$ 116,854	6.0%	\$ 71,110	3.7%
4	\$ 1,612,115	84.0%	\$ 1,644,156	84.1%	\$ 1,653,286	86.0%
3	\$ 178,529	9.3%	\$ 176,088	9.0%	\$ 178,225	9.3%
2	\$ 20,012	1.1%	\$ 17,899	0.9%	\$ 20,189	1.0%
1	\$ 16	0.0%*	\$ 16	0.0%*	\$ 11	0.0%*
<b>Total</b>	<b>\$ 1,918,479</b>	<b>100.0%</b>	<b>\$ 1,955,013</b>	<b>100.0%</b>	<b>\$ 1,922,821</b>	<b>100.0%</b>

## Internal Performance Ratings Definition

Rating	Definition
5	Borrower is performing above expectations and the trends and risk factors are generally favorable
4	Borrower is generally performing as expected and the risk factors are neutral to favorable
3	Borrower may be out of compliance with debt covenants; however, loan payments are generally not past due
2	Borrower is performing materially below expectations and the loan's risk has increased materially since origination
1	Borrower is performing substantially below expectations and the loan's risk has substantially increased since origination

\* Represents an amount less than 0.1%

# Quarterly Statements of Financial Condition

(Dollar amounts in 000s, except per share data)	As of				
	June 30, 2018 (unaudited)	September 30, 2018 (audited)	December 31, 2018 (unaudited)	March 31, 2019 (unaudited)	June 30, 2019 (unaudited)
<b>Assets</b>					
Investments, at fair value	\$ 1,798,515	\$ 1,782,841	\$ 1,918,479	\$ 1,955,013	\$ 1,922,821
Cash, cash equivalents and foreign currencies	6,925	6,037	13,002	5,842	8,282
Restricted cash, cash equivalents and foreign currencies	65,282	39,668	40,703	70,308	102,372
Other assets	6,853	7,006	7,623	8,445	8,175
<b>Total Assets</b>	<b>\$ 1,877,575</b>	<b>\$ 1,835,552</b>	<b>\$ 1,979,807</b>	<b>\$ 2,039,608</b>	<b>\$ 2,041,650</b>
<b>Liabilities</b>					
Debt	\$ 875,950	\$ 845,683	\$ 971,814	\$ 1,051,173	\$ 1,047,136
Unamortized debt issuance costs	(3,128)	(2,934)	(3,796)	(4,938)	(4,780)
Other short-term borrowings	9,425	-	21,687	-	3,501
Interest payable	6,783	4,135	7,128	9,851	9,480
Management and incentive fee payable	16,749	17,671	15,494	15,017	14,563
Other liabilities	2,474	2,143	2,526	2,270	3,530
<b>Total Liabilities</b>	<b>908,253</b>	<b>866,698</b>	<b>1,014,853</b>	<b>1,073,373</b>	<b>1,073,430</b>
<b>Total Net Assets</b>	<b>969,322</b>	<b>968,854</b>	<b>964,954</b>	<b>966,235</b>	<b>968,220</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,877,575</b>	<b>\$ 1,835,552</b>	<b>\$ 1,979,807</b>	<b>\$ 2,039,608</b>	<b>\$ 2,041,650</b>
Net Asset Value per Share	\$ 16.15	\$ 16.10	\$ 15.97	\$ 15.95	\$ 15.95
GAAP leverage	0.92x	0.88x	1.04x	1.10x	1.09x
Regulatory leverage <sup>1</sup>	0.63x	0.59x	0.75x	0.80x	0.78x
Asset coverage <sup>1,2</sup>	258.5%	269.5%	234.0%	225.0%	227.8%
Number of common shares outstanding	60,006,524	60,165,454	60,422,239	60,587,403	60,715,908

1. On September 13, 2011, the Company received exemptive relief from the SEC to permit the Company to exclude the debt of our small business investment company ("SBIC") subsidiaries from its asset coverage test. As such, asset coverage and regulatory leverage exclude the Small Business Administration ("SBA") debentures of our SBICs.

2. On February 6, 2019, the asset coverage ratio under the 1940 Act applicable to the Company decreased to 150% from 200%. The reduced asset coverage requirement was approved by stockholders on February 5, 2019.

# Quarterly Operating Results

## For the three months ended

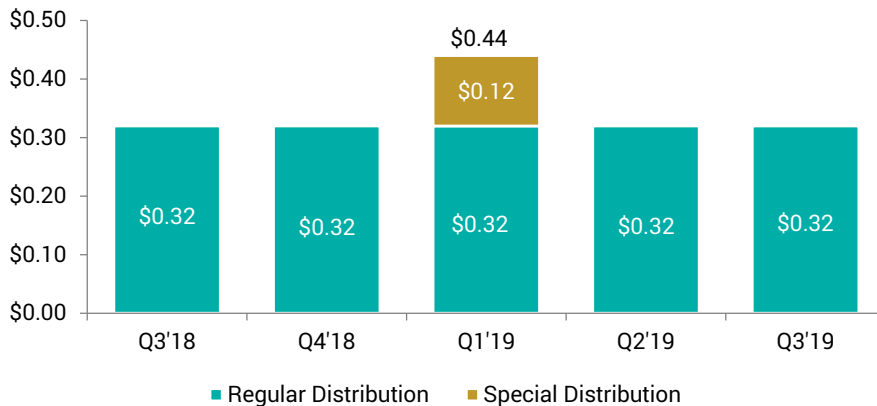
(Dollar amounts in 000s,  
except share and per share data)

	June 30, 2018 (unaudited)	September 30, 2018 (unaudited)	December 31, 2018 (unaudited)	March 31, 2019 (unaudited)	June 30, 2019 (unaudited)
<b>Investment Income</b>					
Interest income	\$ 35,877	\$ 37,334	\$ 38,850	\$ 41,661	\$ 41,522
Dividend income	2,060	2,235	39	19	59
Fee income	459	859	522	125	524
Total Investment Income	38,396	40,428	39,411	41,805	42,105
<b>Expenses</b>					
Interest and other debt financing expenses	8,556	8,998	9,784	10,636	10,849
Base management fee	6,125	6,230	6,439	6,594	6,675
Incentive fee – net investment income	2,832	4,471	2,461	3,735	3,500
Incentive fee – capital gains	741	(816)	(478)	(669)	29
Other operating expenses	1,426	1,279	1,388	1,453	1,646
Total Expenses	19,680	20,162	19,594	21,749	22,699
Net Investment Income	18,716	20,266	19,817	20,056	19,406
<b>Net Gain (Loss) on Investments and Foreign Currency</b>					
Net realized gain (loss) on investments and foreign currency transactions	14,839	2,834	(1,978)	(1,861)	(700)
Net unrealized appreciation (depreciation) on investments and foreign currency translation	(11,835)	(7,197)	600	(407)	494
Net gain (loss) on investments and foreign currency	3,004	(4,363)	(1,378)	(2,268)	(206)
Net Increase in Net Assets Resulting from Operations	\$ 21,720	\$ 15,903	\$ 18,439	\$ 17,788	\$ 19,200
<b>Per Share</b>					
Earnings Per Share	\$ 0.36	\$ 0.26	\$ 0.31	\$ 0.29	\$ 0.32
Net Investment Income Per Share	\$ 0.31	\$ 0.34	\$ 0.33	\$ 0.33	\$ 0.32
Distributions Paid <sup>1</sup>	\$ 0.32	\$ 0.32	\$ 0.44	\$ 0.32	\$ 0.32
Weighted average common shares outstanding	59,872,113	60,011,707	60,176,619	60,429,580	60,591,639

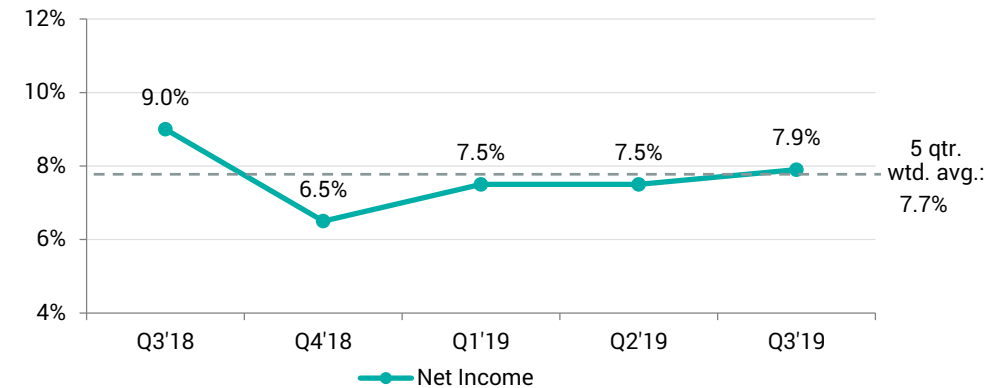
1. Includes a special distribution of \$0.12 per share for the quarter ended December 31, 2018.

# Financial Performance Highlights

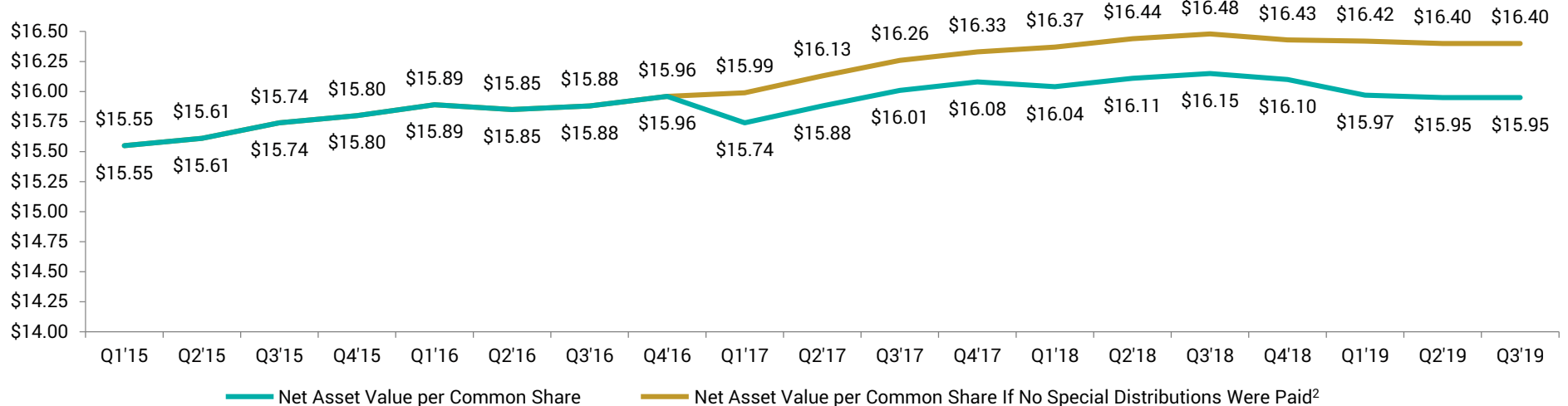
## Quarterly Distributions



## Annualized Return on Average Equity<sup>1</sup>



## GBDC Quarterly NAV per Common Share Since FY 2015 Q1



1. The net income annualized return on average equity is calculated as (a) the net increase in net assets resulting from operations for the period presented divided by (b) the daily average of total net assets and does not represent a return to any investor in the Company.

2. As a supplement to GAAP financial measures, the Company has provided this non-GAAP financial measure. The Company believes that this non-GAAP financial measure is useful as it highlights the changes in NAV per common share for each quarter excluding the impact of special distributions that were paid and shows the pro forma change to the Company's NAV after payment of regular distributions.

# Portfolio Highlights – Senior Loan Fund LLC

- The annualized quarterly return was 0.0%<sup>1</sup> for the quarter ended June 30, 2019. The quarterly return was negatively impacted by mark-to-market unrealized losses on a few underperforming investments.
- Total investments at fair value for the quarter ended June 30, 2019 were \$153.8 million, a decrease of 9.3%, or \$15.7 million, from March 31, 2019.

(Dollar amounts in 000s)

Balance Sheet	As of				
	June 30, 2018 (unaudited)	September 30, 2018 (audited)	December 31, 2018 (unaudited)	March 31, 2019 (unaudited)	June 30, 2019 (unaudited)
Total investments, at fair value	\$ 226,036	\$ 179,180	\$ 174,444	\$ 169,492	\$ 153,786
Cash and other assets	3,749	7,146	6,248	3,669	5,734
<b>Total assets</b>	<b>\$ 229,785</b>	<b>\$ 186,326</b>	<b>\$ 180,692</b>	<b>\$ 173,161</b>	<b>\$ 159,520</b>
Senior credit facility	\$ 123,500	\$ 104,622	\$ 101,404	\$ 90,588	\$ 77,138
Unamortized debt issuance costs	(84)	(18)	–	–	–
Other liabilities	565	484	528	583	391
<b>Total liabilities</b>	<b>123,981</b>	<b>105,088</b>	<b>101,932</b>	<b>91,171</b>	<b>77,529</b>
Members' equity	105,804	81,238	78,760	81,990	81,991
<b>Total liabilities and members' equity</b>	<b>\$ 229,785</b>	<b>\$ 186,326</b>	<b>\$ 180,692</b>	<b>\$ 173,161</b>	<b>\$ 159,520</b>
Senior leverage	1.17x	1.29x	1.29x	1.10x	0.94x

(Dollar amounts in 000s)

GBDC Return on Investments in SLF	For the three months ended				
	June 30, 2018 (unaudited)	September 30, 2018 (unaudited)	December 31, 2018 (unaudited)	March 31, 2019 (unaudited)	June 30, 2019 (unaudited)
Total income (loss)	\$ 1,475	\$ 861	\$ 106	\$ 1,077	\$ 0 <sup>2</sup>
Annualized total return <sup>3</sup>	6.2%	3.6%	0.6%	6.3%	0.0% <sup>1</sup>

1. Represents an amount less than 0.1%

2. Represents an amount less than \$50K.

3. The Company's annualized return on investments in SLF is calculated by dividing total income (loss) earned on the Company's investments in SLF by the daily average of its investments in the net asset value of the SLF LLC equity interests. Annualized total return excludes the impact of management fees and incentive fees that may be charged by GC Advisors based on the Company's investments in SLF and the income from such investments.

# Liquidity and Investment Capacity

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## Cash and Cash Equivalents

- Unrestricted cash and cash equivalents and foreign currencies totaled \$8.3 million as of June 30, 2019.
- Restricted cash, cash equivalents, and foreign currencies totaled \$102.4 million as of June 30, 2019. Restricted cash is held in our securitization vehicles, SBIC subsidiaries and our revolving credit facilities and is reserved for quarterly interest payments and is also available for new investments that qualify for reinvestment by these entities.

## Debt Facilities - Availability

- Morgan Stanley Revolving Credit Facility – As of June 30, 2019, subject to leverage and borrowing base restrictions, we had approximately \$15.3 million of remaining commitments and \$15.3 million of availability on our \$200.0 million revolving credit facility.
- SBIC Debentures – As of June 30, 2019, through our SBIC licensees, we had \$40.5 million of remaining unfunded debenture commitments, of which \$0.0 was available to be drawn subject to customary SBA regulatory requirements.
- GC Advisors Revolver – On June 21, 2019, we amended our unsecured line of credit with GC Advisors to, among other things, increase the borrowing capacity from \$20.0 million to \$40.0 million and extend the maturity date to June 21, 2022. As of June 30, 2019, we had \$40.0 million of remaining commitments and availability on our \$40.0 million unsecured line of credit with GC Advisors.

# Debt Facilities\*

## 2014 Debt Securitization

Tranche	Rating (M/S)	Par Amount (\$mm)	Interest Rate	Stated Maturity	Reinvestment Period
Class A-1-R Notes	Aaa/AAA	\$108.4	3-Month LIBOR + 0.95%	April 25, 2026	April 28, 2018
Class A-2-R Notes	Aaa/AAA	\$11.3	3-Month LIBOR + 0.95%	April 25, 2026	April 28, 2018
Class B-R Notes	Aa1/AA	\$35.0	3-Month LIBOR + 1.40%	April 25, 2026	April 28, 2018
<b>Total Notes Issued</b> <sup>1</sup>		<b>\$154.7</b>			

## 2018 Debt Securitization

Tranche	Rating (S/F)	Par Amount (\$mm)	Interest Rate	Stated Maturity	Reinvestment Period
Class A 2018 Notes	AAA/AAA	\$327.0	3-Month LIBOR + 1.48%	January 20, 2031	January 20, 2023
Class B 2018 Notes	AA/NR	\$61.2	3-Month LIBOR + 2.10%	January 20, 2031	January 20, 2023
Class C-1 2018 Notes	A/NR	\$20.0	3-Month LIBOR + 2.80%	January 20, 2031	January 20, 2023
<b>Total Notes Issued</b> <sup>2</sup>		<b>\$408.2</b>			

## Other Debt Facilities

Issuer	Outstanding (\$mm)	Commitment (\$mm)	Interest Rate	Stated Maturity	Reinvestment Period
Morgan Stanley Revolving Credit Facility <sup>3</sup>	\$184.7	\$200.0	1-Month LIBOR + 2.05%	February 1, 2024	February 1, 2021
GC SBIC IV, L.P.	\$115.0	\$115.0	3.2% <sup>4</sup>	10-year maturity after drawn	N/A
GC SBIC V, L.P.	\$162.5	\$175.0	3.5% <sup>4</sup>	10-year maturity after drawn	N/A
GC SBIC VI, L.P.	\$22.0	\$50.0	3.1% <sup>4</sup>	10-year maturity after drawn	N/A
GC Advisors Revolving Credit Facility	\$0.0	\$40.0	Applicable Federal Rate	June 21, 2022	N/A

\* Information is presented as of June 30, 2019.

1. The Class C-R Notes and LLC Equity Interests issued in the 2014 Debt Securitization, totaling \$37.5 million and \$119.1 million, respectively, were retained by the Company.

2. The Class C-2 2018 Notes, Class D 2018 Notes and Subordinated 2018 Notes issued in the 2018 Debt Securitization, totaling \$38.8 million, \$42.0 million, and \$113.4 million, respectively, were retained by the Company.

3. Includes non US. dollar ("USD") borrowings denominated in Canadian dollars (\$5.8 million USD equivalent), in Euros (\$11.3 million USD equivalent) and in Australian dollars (\$0.8 million USD equivalent).

4. The SBA debentures have interest rates that are fixed at various pooling dates and the interest presented represents the weighted average rate on all outstanding debentures for each licensee as of June 30, 2019.



# Common Stock and Distribution Information

## Common Stock Data<sup>1</sup>

Fiscal Year Ending September 30, 2018	High	Low	End of Period
First Quarter	\$19.41	\$18.20	\$18.20
Second Quarter	\$18.44	\$17.62	\$17.89
Third Quarter	\$18.67	\$17.83	\$18.30
Fourth Quarter	\$19.14	\$18.40	\$18.75

Fiscal Year Ending September 30, 2019	High	Low	End of Period
First Quarter	\$19.01	\$16.38	\$16.49
Second Quarter	\$18.65	\$16.62	\$17.88
Third Quarter	\$18.43	\$17.34	\$17.80

## Distribution Data

Date Declared	Record Date	Payment Date	Amount Per Share	Frequency	Total Amount (in 000s)
November 17, 2017	December 12, 2017	December 28, 2017	\$0.32	Quarterly	\$19,065
November 17, 2017	December 12, 2017	December 28, 2017	\$0.08	Special	\$ 4,766
February 6, 2018	March 8, 2018	March 30, 2018	\$0.32	Quarterly	\$19,117
May 4, 2018	June 8, 2018	June 28, 2018	\$0.32	Quarterly	\$19,158
August 7, 2018	September 7, 2018	September 28, 2018	\$0.32	Quarterly	\$19,202
November 27, 2018	December 12, 2018	December 28, 2018	\$0.32	Quarterly	\$19,253
November 27, 2018	December 12, 2018	December 28, 2018	\$0.12	Special	\$7,220
February 5, 2019	March 7, 2019	March 28, 2019	\$0.32	Quarterly	\$19,335
May 7, 2019	June 7, 2019	June 28, 2019	\$0.32	Quarterly	\$19,388
August 6, 2019	August 19, 2019	September 27, 2019	\$0.32	Quarterly	\$19,429 <sup>2</sup>

1. Based on closing stock price.

2. Estimated based on 60,715,908 of shares outstanding as of June 30, 2019.

# GBDC/GCIC Merger Rationale

We remain excited about the pending merger with GCIC and believe it is compelling for GBDC and its stockholders for several reasons:

<b>Accretive to Net Asset Value (“NAV”)</b>	<ul style="list-style-type: none"> <li>- The contemplated transaction would be approximately 4.5% accretive to GBDC’s NAV per share<sup>1</sup></li> </ul>
<b>Value Creation From GBDC NAV Per Share Accretion</b>	<ul style="list-style-type: none"> <li>- Potential for additional value creation if post-merger GBDC continues to trade at a premium to book value comparable to or higher than its 3-year average<sup>2</sup></li> </ul>
<b>Potential for Dividend Increase</b>	<ul style="list-style-type: none"> <li>- GBDC’s Board intends to increase the quarterly dividend to \$0.33 per share post-merger, provided that it reserves the right to revisit this intention if market conditions or GBDC’s prospects meaningfully change</li> </ul>
<b>Increased Scale and Liquidity</b>	<ul style="list-style-type: none"> <li>- GBDC would be the 5th largest externally managed, publicly traded BDC by assets<sup>3</sup></li> <li>- Larger BDCs generally have greater liquidity</li> </ul>
<b>Acquisition of a Known, Diversified Portfolio of Assets</b>	<ul style="list-style-type: none"> <li>- Over 98% of GCIC’s investments overlap with those of GBDC as of June 30, 2019<sup>4</sup></li> </ul>
<b>Greater Access to Long-Term, Low-Cost, Flexible Debt Capital</b>	<ul style="list-style-type: none"> <li>- The increased scale of the combined company may enable better access to securitization markets, future debt facility consolidation and potential cost reductions</li> </ul>
<b>Potential for Operational Synergies</b>	<ul style="list-style-type: none"> <li>- Combined company is expected to realize annual synergies of approximately \$0.9 million</li> </ul>

1. Based on a fixed exchange ratio of 0.865 shares of GBDC stock issued for each share of GCIC stock, and the following metrics as of June 30, 2019: GBDC’s NAV per share of \$15.95, GCIC’s 78,053,989 shares outstanding, and GCIC’s estimated NAV per share of \$15.00. The actual NAV accretion will be based upon GBDC’s and GCIC’s NAV at the closing of the Merger and certain transaction adjustments resulting from the Merger.

2. Period ended June 30, 2019.

3. Based on a pro forma merger using balance sheet assets at fair value as of June 30, 2019 for GBDC and GCIC and the most recently available data for other externally managed, publicly traded BDCs.

4. Calculated on a fair value basis. Excludes investments in Senior Loan Fund LLC (“SLF”) and GCIC Senior Loan Fund LLC (“GCIC SLF”).