OTONOMY, INC.
Form 10-Q
August 08, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2018

OR

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: 001-36591

Otonomy, Inc.

(Exact name of registrant as specified in its charter)

Delaware	26-2590070
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

4796 Executive Drive

San Diego, California 92121

(619) 323-2200

(Address, including zip code, and telephone number, including area code, of registrant’s principal executive offices)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a small reporting company)	Smaller reporting company
Emerging growth company		

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.

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

The number of shares of the registrant’s common stock, par value $0.001, outstanding as of August 3, 2018 was 30,630,125.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements
Otonomy, Inc.

Condensed Balance Sheets

(in thousands, except share and per share data)

	June 30, 2018 (unaudited)	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 19,024	$ 18,456
Short-term investments	80,984	101,548
Accounts receivable, net	14	107
Prepaid and other current assets	2,398	2,334
Total current assets	102,420	122,445
Restricted cash	1,160	1,158
Property and equipment, net	4,529	4,679
Other long-term assets	82	82
Total assets	$ 108,191	$ 128,364
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 877	$ 961
Accrued expenses	2,645	3,881
Accrued compensation	1,943	3,307
Current portion of deferred rent	39	42
Total current liabilities	5,504	8,191
Deferred rent, net of current portion	2,951	2,894
Total liabilities	8,455	11,085
Commitments and Contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized at June 30, 2018 and December 31, 2017; no shares issued or outstanding at June 30, 2018 and December 31, 2017	—	—
Common stock, $0.001 par value; 200,000,000 shares authorized at June 30, 2018 and December 31, 2017; 30,630,125 and 30,558,726 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	31	31
Additional paid-in capital	489,578	482,198
Accumulated other comprehensive loss	(46)	(100)

Accumulated deficit	(389,827)	(364,850)
Total stockholders' equity	99,736	117,279
Total liabilities and stockholders' equity	$ 108,191	$ 128,364

See accompanying notes.

Otonomy, Inc.

Condensed Statements of Operations

(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
		(unaudited)		
Product sales, net	$123	$326	$424	$684
Costs and operating expenses:				
Cost of product sales	241	397	513	860
Research and development	8,225	12,714	13,875	25,899
Selling, general and administrative	5,619	10,747	11,776	24,839
Total costs and operating expenses	14,085	23,858	26,164	51,598
Loss from operations	(13,962)	(23,532)	(25,740)	(50,914)
Interest income	409	311	763	615
Net loss	$(13,553)	$(23,221)	$(24,977)	$(50,299)
Net loss per share, basic and diluted	$(0.44)	$(0.77)	$(0.82)	$(1.66)
Weighted-average shares used to compute net loss per share, basic and diluted	30,594,288	30,269,190	30,581,481	30,263,042

See accompanying notes.

Otonomy, Inc.

Condensed Statements of Comprehensive Loss

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(unaudited)			
Net loss	$(13,553)	$(23,221)	$(24,977)	$(50,299)
Other comprehensive income (loss):				
Unrealized gain (loss) on available for sale securities	50	(9)	54	(78)
Comprehensive loss	$(13,503)	$(23,230)	$(24,923)	$(50,377)

See accompanying notes.

Otonomy, Inc.

Condensed Statements of Cash Flows

(in thousands)

	Six Months Ended June 30, 2018 (unaudited)	2017
Cash flows from operating activities:		
Net loss	$(24,977)	$(50,299)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	594	592
Stock-based compensation	7,151	7,217
Amortization of discount or premium on short-term investments	(169)	307
Deferred rent	54	1,488
Changes in operating assets and liabilities:		
Accounts receivable, net	93	15
Inventory	—	244
Prepaid and other assets	(64)	930
Accounts payable	(184)	—
Accrued expenses	(1,237)	(4,258)
Accrued compensation	(1,364)	(1,501)
Net cash used in operating activities	(20,103)	(45,265)
Cash flows from investing activities:		
Purchases of short-term investments	(54,213)	(73,662)
Maturities of short-term investments	75,000	117,299
Purchases of property and equipment	(343)	(681)
Net cash provided by investing activities	20,444	42,956
Cash flows from financing activities:		
Proceeds from exercise of stock options	32	58
Proceeds from issuance of common stock	197	427
Net cash provided by financing activities	229	485
Net change in cash, cash equivalents and restricted cash	570	(1,824)
Cash, cash equivalents and restricted cash at beginning of period	19,614	24,853
Cash, cash equivalents and restricted cash at end of period	$20,184	$23,029
Cash and cash equivalents at end of period	$19,024	$22,332
Restricted cash at end of period	1,160	697
Cash, cash equivalents and restricted cash at end of period	$20,184	$23,029
Supplemental disclosure of non-cash investing activities:		
Purchase of property and equipment in accounts payable and accrued expenses	$166	$36

See accompanying notes.

Otonomy, Inc.

Notes to Condensed Financial Statements

(unaudited)

1. Description of Business and Basis of Presentation

Description of Business

Otonomy, Inc. (Otonomy or the Company) was incorporated in the state of Delaware on May 6, 2008. Otonomy is a biopharmaceutical company dedicated to the development of innovative therapeutics for otology. The Company pioneered the application of drug delivery technology to the ear in order to develop products that achieve sustained drug exposure from a single local administration. OTIVIDEX™ is a steroid formulation that has completed two Phase 3 trials for the treatment of Ménière's disease, with a third Phase 3 trial recently initiated to support a submission for U.S. registration. OTO-313 is a formulation of the potent and selective N-Methyl-D-Aspartate (NMDA) receptor antagonist gacyclidine that is in development for the treatment of tinnitus. Otonomy is also advancing three preclinical-stage programs that address different pathologies of hearing loss: (i) OTO-413 is a formulation of brain-derived neurotrophic factor (BDNF) for the repair of cochlear synaptopathy and the treatment of speech-in-noise hearing difficulties; (ii) OTO-5XX is an otoprotectant for the prevention of cisplatin-induced hearing loss; and (iii) OTO-6XX induces hair cell regeneration for the treatment of severe hearing loss.

In addition, the Company developed, received U.S. Food and Drug Administration (FDA) approval and commercially launched OTIPRIO® (ciprofloxacin otic suspension) for use during tympanostomy tube placement (TTP) surgery in pediatric patients. OTIPRIO was also approved by the FDA for the treatment of acute otitis externa (AOE). The Company recently announced the initiation of a partnership with privately held Mission Pharmacal (Mission) to support the promotion of OTIPRIO for the treatment of AOE in pediatric and primary care physician offices as well as urgent care clinics.

Basis of Presentation

The accompanying condensed financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has incurred operating losses and negative cash flows from operating activities since inception. As of June 30, 2018, the Company had cash, cash equivalents and short-term investments of $100.0 million and an accumulated deficit of $389.8 million. The Company anticipates that it will continue to incur net losses into the foreseeable future as it: (i) develops and seeks regulatory approvals for OTIVIDEX and its other potential product candidates; and (ii) works to develop additional product candidates through research and development programs. When additional financing is required, the Company anticipates that it will seek additional funding through future debt and/or equity financings or other sources, such as potential collaboration agreements. If the Company is not able to secure adequate additional funding, if or when necessary, the Company may be forced to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible, and/or suspend or curtail planned programs. Any of these actions could materially harm the Company's business, results of operations, and future prospects.

Unaudited Interim Financial Information

The accompanying interim condensed financial statements are unaudited. These unaudited interim condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and following the requirements of the United States Securities and Exchange Commission (SEC) for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP can be condensed or omitted. In the Company’s opinion, the unaudited interim condensed financial statements have been prepared on the same basis as the audited financial statements and include all adjustments, which include only normal recurring adjustments necessary for the fair presentation of the Company’s financial position, results of operations and cash flows for the periods presented. These statements do not include all disclosures required by GAAP and should be read in conjunction with the Company’s audited financial statements and accompanying notes for the year ended December 31, 2017 included in the Company’s Form 10-K, as filed with the SEC on March 8, 2018. The results presented in these unaudited condensed financial statements are not necessarily indicative of the results expected for the full fiscal year or any other interim period or any future year or period.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of product sales and expense during the reporting period. Although these estimates are based on the Company’s knowledge of current events and actions it may undertake in the future, actual results may ultimately materially differ from these estimates and assumptions.

Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company views its operations and manages its business in one operating segment.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, cash equivalents and short-term investments. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to significant risk on its cash balances due to the financial position of the depository institution in which those deposits are held. Additionally, the Company established guidelines regarding approved investments and maturities of investments, which are designed to maintain safety and liquidity.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of cash in readily available checking, savings and money market accounts, and highly liquid investments with original maturities of three months or less at the date of purchase. The carrying amounts approximate fair value due to the short maturities of these instruments.

The Company’s restricted cash consists of cash maintained in separate deposit accounts to secure a letter of credit issued by a bank to the landlord under a lease agreement for the Company’s corporate headquarters and to secure the Company’s credit cards.

Short-term Investments

The Company carries short-term investments classified as available-for-sale debt securities at fair value as determined by prices for identical or similar securities at the balance sheet date. Short-term investments consist of both Level 1 and Level 2 financial instruments in the fair value hierarchy (see Note 7 – Fair Value).

Realized gains or losses of available-for-sale debt securities are determined using the specific identification method and net realized gains and losses are included in interest income. The Company periodically reviews available-for-sale debt securities for other-than temporary declines in fair value below the cost basis, and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company records unrealized gains and losses on available-for-sale debt securities as a component of other comprehensive loss within the statements of comprehensive loss and as a separate component of stockholders’ equity on the condensed balance sheets.

Fair Value of Financial Instruments

The carrying value of the Company’s cash and cash equivalents, short-term investments, prepaid expenses and other current assets, other assets, accounts payable, accrued liabilities, and accrued compensation approximate fair value due to the short-term nature of these items.

Accounts Receivable

Accounts receivable are recorded net of customer allowances for chargebacks, distributor fees and any allowance for doubtful accounts. The Company estimates the allowance for doubtful accounts based on existing contractual payment terms, actual payment patterns of its customers and individual customer circumstances. To date, the Company has determined that an allowance for doubtful accounts is not required.

Property and Equipment

Property and equipment generally consist of manufacturing equipment, furniture and fixtures, computers, and scientific and office equipment and are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets (generally two to ten years). Leasehold improvements are stated at cost and are depreciated on a straight-line basis over the lesser of the remaining term of the related lease or the estimated useful lives of the assets. Repairs and maintenance costs are charged to expense as incurred.

Impairment of Long-Lived Assets

The Company assesses the value of its long-lived assets, which consist of property and equipment, for impairment on an annual basis and whenever events or changes in circumstances and the undiscounted cash flows generated by those assets indicate that the carrying amount of such assets may not be recoverable. While the Company's current and historical operating losses and negative cash flows are indicators of impairment, the Company believes that future cash flows to be received support the carrying value of its long-lived assets. The Company had no impairments or disposals of long-lived assets during the six months ended June 30, 2018.

Clinical Trial Expense Accruals

As part of the process of preparing the Company's financial statements, the Company is required to estimate expenses resulting from the Company's obligations under contracts with vendors, clinical research organizations and consultants and under clinical site agreements in connection with conducting clinical trials. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment flows that do not match the periods over which materials or services are provided under such contracts.

The Company's objective is to reflect the appropriate clinical trial expenses in its financial statements by recording those expenses in the period in which services are performed and efforts are expended. The Company accounts for these expenses according to the progress of the trial as measured by patient progression and the timing of various aspects of the trial. The Company determines accrual estimates through financial models taking into account discussion with applicable personnel and outside service providers as to the progress or state of its trials. During the course of a clinical trial, the Company adjusts its clinical expense if actual results differ from its estimates.

Revenue Recognition

Effective January 1, 2018, the Company adopted Accounting Standards Concepts (ASC) 606, Revenue from Contracts with Customers using the full retrospective approach. The Company's accounting for revenue under ASC 606 is materially consistent with the accounting for revenue under ASC 605, Revenue Recognition, and therefore the cumulative effect of adoption was immaterial.

To determine revenue recognition for arrangements within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) we satisfy a performance obligation. The Company only applies the five-step model to arrangements that meet the definition of a contract with a customer under ASC 606 and when it is probable the Company will collect the consideration exchanged for the goods or services transferred to the customer. At contract inception, the Company assesses the goods or services promised within each contract and determines those that are performance obligations, and then it assesses whether each promised good or service is distinct. The Company recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied.

OTIPRIO is sold to a limited number of specialty wholesale distributors. The Company recognizes revenue when its customers obtain control of OTIPRIO, typically upon delivery by the Company to these distributors. The Company has determined the delivery of OTIPRIO to its customers constitutes a single performance obligation and no other performance obligations are present. The Company's customer contracts have standard payment terms. The Company does not offer prompt pay discounts or financing on sales and has not identified any credit risk issues.

Hospitals, ambulatory surgery centers and physician offices order OTIPRIO from the Company's distributors and are the end users of OTIPRIO. The Company permits product returns from the distributors only if the product is damaged or is shipped or ordered in error. Product returns based on expiry are not permitted. To date, product returns have been immaterial.

Sales commissions and other incremental costs of obtaining customer contracts are expensed as incurred as the amortization periods would be less than one year or the amount is immaterial.

Transaction Price and Reserves for Variable Consideration

Revenue from product sales are recorded at the net sales price (transaction price), which includes estimates of variable consideration for which reserves are established. Components of variable consideration include trade discounts and allowances, government chargebacks, discounts and rebates and other fee for service amounts that are detailed within customer contracts relating to the sale of OTIPRIO. These reserves, as detailed below, are based on the amounts earned or accrued on our sales. Variable consideration is estimated using the most likely method, which is the single most likely outcome under the Company's contracts and takes into consideration contractual fees, historical chargeback activity and historical Medicaid rebates. Overall, these reserves reflect the Company's best estimates of the amount of consideration to which the Company is entitled based on the terms of the respective underlying contracts.

The amount of variable consideration included in the transaction price may be constrained and is included in the net sales price only to the extent that it is probable a significant reversal in the amount of the cumulative revenue recognized under the contract will not occur in a future period. The Company's analyses also contemplate application of the constraint in accordance with the guidance, under which the Company determined a material reversal of revenue would not occur in a future period. Reserves are established for these discounts and allowances upon delivery of OTIPRIO by the distributor and are classified as: (i) an allowance against accounts receivable if the amount is payable to the distributor or (ii) an accrued liability if the amount is payable to a party other than the distributor. Allowances against accounts receivable relate to chargebacks and distributor fees and accruals relate primarily to government rebates. Actual amounts of consideration ultimately received may differ from the Company's estimates. If actual results in the future vary from original estimates, the Company will adjust these estimates, which would affect net product revenue and earnings in the period such variances become known.

Trade Discounts and Allowances. The Company's customers are specialty wholesale distributors with whom the Company has contracted to pay a fee based on a percentage of wholesale acquisition cost for sales order management, data, and distribution services. The Company determined such services received to date are not distinct from the sale of products to customers and, therefore, these payments have been recorded as a reduction of revenue within the statement of operations. This fee for service is recorded as an allowance against accounts receivable at the time of sale based on the contracted percentage.

Chargebacks. The Company estimates allowances against accounts receivable for chargebacks related to agreements with group purchasing organizations and federal contracts. Under these agreements, the Company credits distributors a chargeback amount which represents the difference between the wholesale acquisition cost and the discounted price at which eligible purchasers purchased from the distributors. At the time of sale, estimated chargebacks are recorded based on historical chargeback activity, the projected payer mix, patient population industry data and the identification of entities purchasing OTIPRIO that are eligible for discounted pricing.

Government Rebates. The Company estimates a rebate liability in connection with a Medicaid Drug Rebate Agreement with the Centers for Medicare & Medicaid Services, which provides a rebate to participating states based on covered purchases of OTIPRIO. At the time of sale, estimated Medicaid rebates are recorded based on historical government rebate activity, the projected payer mix and Medicaid patient population industry data.

Concentration of Major Customers

The Company sells OTIPRIO to specialty wholesale distributor customers. The following table summarizes the Company's sales to its largest customers for each of the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
First largest	69%	40 %	47%	33 %
Second largest	27%	31 %	31%	33 %
Third largest	*	26 %	21%	32 %

* represents less than 10%

Research and Development

Research and development expenses include the costs associated with the Company's research and development activities, including salaries, benefits and occupancy costs. Also included in research and development expenses are third-party costs incurred in conjunction with contract manufacturing for the Company's research and development programs and clinical trials, including the cost of clinical trial drug supply, costs incurred by contract research organizations and regulatory expenses. Research and development costs are expensed as incurred.

Patent Expenses

The Company expenses all costs as incurred in connection with patent applications (including direct application fees and the legal and consulting expenses related to making such applications) and such costs are included in selling, general and administrative expenses in the accompanying condensed statements of operations.

Stock-Based Compensation

The Company accounts for stock-based compensation expense related to stock options and employee stock purchase plan (ESPP) rights by estimating the fair value on the date of grant using the Black-Scholes-Merton option pricing model. Forfeitures are recognized as incurred. For awards subject to time-based vesting conditions, stock-based compensation expense is recognized using the straight-line method. For performance-based awards to employees, (i) the fair value of the award is determined on the grant date, (ii) we assess the probability of the individual performance milestones under the award being achieved and (iii) the fair value of the shares subject to the milestone is expensed over the implicit service period commencing once management believes the performance criteria is probable of being met.

Income Taxes

The accounting guidance for uncertainty in income taxes prescribes a recognition threshold and measurement attribute criteria for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities based on the technical merits of the position.

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and the tax reporting basis of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. The Company provides a valuation allowance against net deferred tax assets unless, based upon the available evidence, it is more likely than not that the deferred tax assets will be realized. When the Company establishes or reduces the valuation allowance against its deferred tax assets, its provision for income taxes will increase or decrease, respectively, in the period such determination is made.

Comprehensive Loss

Comprehensive loss is defined as the change in equity during a period from transactions and other events and/or circumstances from non-owner sources.

Net Loss Per Share

Basic net loss per common share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common shares and potentially dilutive securities outstanding for the period determined using the treasury-stock and if-converted methods. For purposes of the diluted net loss per share calculation, potentially dilutive securities are excluded from the calculation of diluted net loss per share because their effect would be anti-dilutive and therefore, basic and diluted net loss per share were the same for all periods presented.

Potentially dilutive securities excluded from the calculation of diluted net loss per share are as follows:

	Three and Six Months Ended June 30,	
	2018	2017
Warrants to purchase common stock	—	141,060
Options to purchase common stock	5,146,089	5,537,575
	5,146,089	5,678,635

Recent Accounting Pronouncements

Not Yet Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (ASU 2016-02). ASU 2016-02 provides accounting guidance for both lessee and lessor accounting models. Among other things, lessees will recognize a right-of-use asset and a lease liability for leases with a duration of greater than one year. For statement of operations purposes, ASU 2016-02 will require leases to be classified as either operating or finance. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern. The new standard will be effective for the Company on January 1, 2019 and will be adopted by recognizing a cumulative effect adjustment to the opening balance of retained earnings as of that date. The effect of adoption on the Company's financial statements will depend on the leases in effect and the Company's borrowing rates at that time, but based on the Company's existing leases, adoption is expected to result in a significant increase in assets and liabilities on the balance sheet, and no significant change to operating expenses.

In June 2018, the FASB issued ASU No. 2018-07, Compensation – Stock Compensation (Topic 718) – Improvements to Nonemployee Share-Based Payment Accounting (ASU 2018-07). The amendments in ASU 2018-07 expand the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. An entity should apply the requirements of Topic 718 to nonemployee awards for specific guidance on inputs to an option pricing model, the period of time over which share-based payment awards vest and the pattern of cost recognition over that period. The amendments also clarify that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contracted accounted for under Topic 606, Revenue from Contracts with Customers. ASU 2018-07 is effective for the Company in January 2020, with early adoptions permitted, but no earlier than the Company’s adoption date of Topic 606. The Company does not expect the adoption of ASU 2018-07 to have a material impact on its financial position, results of operations or cash flows.

3. Available-for-Sale Securities

The Company invests in available-for-sale debt securities consisting of money market funds, certificates of deposit, U.S. Treasury securities and U.S. government sponsored enterprise securities. Available-for-sale debt securities are classified as part of either cash and cash equivalents or short-term investments in the condensed balance sheets. Available-for-sale debt securities with maturities of three months or less from the date of purchase have been classified as cash equivalents, and were $15.8 million and $10.5 million as of June 30, 2018 and December 31, 2017 respectively. Available-for-sale debt securities with maturities of more than three months from the date of purchase have been classified as short-term investments, and were as follows (in thousands):

	Amortized Cost	Unrealized Gain	Unrealized Loss	Market Value
June 30, 2018:				
U.S. Treasury securities	$ 61,050	$ —	$ (30)	$ 61,020
U.S. government sponsored enterprise securities	19,980	—	(16)	19,964
	$ 81,030	$ —	$ (46)	$ 80,984
December 31, 2017:				
U.S. Treasury securities	$ 39,209	$ —	$ (44)	$ 39,165
U.S. government sponsored enterprise securities	62,439	—	(56)	62,383
	$ 101,648	$ —	$ (100)	$ 101,548

As of June 30, 2018, the Company had 38 securities in a gross unrealized loss position, all which have been in such position for less than twelve months. At each reporting date, the Company performs an evaluation of impairment to determine if the unrealized losses are other-than-temporary. Factors considered in determining whether a loss is other-than-temporary include the length of time and extent to which fair value has been less than the cost basis, the financial condition of the issuer, and the Company's intent and ability to hold the investment until recovery of its amortized cost basis. Otonomy intends and has the ability, to hold its investments in unrealized loss positions until their amortized cost basis has been recovered. The Company determined there were no other-than-temporary declines in the value of any available-for-sale securities as of June 30, 2018. All the Company's available-for-sale debt securities mature within one year.

4. Balance Sheet Details

Prepaid and Other Current Assets

Prepaid and other current assets are comprised of the following (in thousands):

	June 30, 2018	December 31, 2017
Prepaid clinical trial costs	$ 313	$ 729
Other	2,085	1,605
Total	$ 2,398	$ 2,334

Property and Equipment, Net

Property and equipment, net is comprised of the following (in thousands):

	June 30, 2018	December 31, 2017
Laboratory equipment	$ 3,760	$ 3,457
Manufacturing equipment	1,002	871
Computer equipment and software	737	731
Leasehold improvements	736	733
Office furniture	1,548	1,581
	7,783	7,373
Less: accumulated depreciation	(3,254)	(2,694)
Total	$ 4,529	$ 4,679

Accrued Expenses

Accrued expenses are comprised of the following (in thousands):

	June 30, 2018	December 31, 2017
Accrued clinical trial costs	$ 330	$ 1,112
Accrued other	2,315	2,769
Total	$ 2,645	$ 3,881

5. Restructuring Charges

In November 2017, the Company initiated a restructuring plan to focus resources on its development programs and eliminate the cash burn associated with OTIPRIO promotional support. The actions associated with the restructuring were substantially completed in December 2017 and, as a result, the Company recorded a restructuring charge of $3.8 million to selling, general and administrative expense. Restructuring costs primarily include severance costs, including severance payments and outplacement services, health insurance coverage and $1.0 million in stock-based compensation expense associated with accelerated vesting pursuant to the original terms of the Company's employment agreement with its Chief Medical Officer. As of June 30, 2018 and December 31, 2017, accrued and unpaid severance costs totaled approximately $0.1 million and $1.5 million, respectively. During the six months ended June 30, 2018, the Company paid approximately $1.4 million in severance costs.

6. Commitments and Contingencies

Intellectual Property Licenses

The Company has acquired exclusive rights to develop patented rights, information rights and related know-how for OTIPRIO, OTIVIDEX and OTO-311 and potential future product candidates under licensing agreements with third parties. The licensing rights obligate the Company to make payments to the licensors for license fees, milestones and royalties. The Company is also responsible for patent prosecution costs, in the event such costs are incurred.

Under one of these agreements, the Company has achieved six development milestones and one regulatory milestone, totaling $2.8 million, related to its clinical trials for OTIPRIO, OTIVIDEX and OTO-311. The Company may be obligated to make additional milestone payments under the Company's intellectual property license agreements as follows (in thousands):

Development	$ 1,600
Regulatory	10,275
Commercialization	1,000
Total	$ 12,875

In addition, the Company is obligated to pay royalties of less than five percent on net sales of OTIPRIO and on sales of any other commercial products developed using these licensed technologies. Such royalty expense for OTIPRIO is recorded to cost of product sales. The Company may also be obligated to pay to the licensors a percentage of fees received if and when the Company sublicenses the technology. As of June 30, 2018, the Company has not entered into any sublicense agreements for the licensed technologies.

Other Royalty Arrangements

The Company entered into an agreement related to OTIPRIO under which the Company is obligated to pay a one-time milestone payment of $0.5 million upon the first commercial sale of OTIPRIO and to pay royalties of less than one percent on net product sales of OTIPRIO. This milestone payment was paid during March 2016 and both this milestone payment and the royalties are recorded as selling, general and administrative expense. The royalties are payable until the later of: (i) the expiration of the last to expire patent owned by the Company in such country covering OTIPRIO; or (ii) 10 years after the first commercial sale of OTIPRIO after receipt of regulatory approval for OTIPRIO in such country.

During October 2014, the Company entered into an exclusive license agreement with Ipsen that enables the Company to use clinical and non-clinical gacyclidine data generated by Ipsen to support worldwide development and regulatory filings for OTO-313. Under this license agreement, the Company is obligated to pay Ipsen low single-digit royalties on annual net sales of OTO-313 by the Company or its affiliates or sublicensees, up to a maximum cumulative royalty totaling $10.0 million.

7. Fair Value

The accounting guidance defines fair value, establishes a consistency framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring basis or nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Accounting guidance establishes a three-tier fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. These tiers are based on the source of the inputs and are as follows:

Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices in active markets that are observable either directly or indirectly.

Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

As of June 30, 2018 and December 31, 2017 the Company held no assets or liabilities measured at fair value on a nonrecurring basis and no liabilities measured at fair value on a recurring basis. The following fair value hierarchy table presents the Company's assets measured at fair value on a recurring basis (in thousands):

	Fair Value Measurement at Reporting Date Using			
	Total	Level 1	Level 2	Level 3
June 30, 2018:				
Assets				
Money market funds	$15,845	$15,845	$—	$ —
U.S. Treasury securities	61,020	61,020	—	—
U.S. government sponsored enterprise securities	19,964	—	19,964	—
	$96,829	$76,865	$19,964	$ —
December 31, 2017:				
Assets				
Money market funds	$10,494	$10,494	$—	$ —
U.S. Treasury securities	39,165	39,165	—	—
U.S. government sponsored enterprise securities	62,383	—	62,383	—
	$112,042	$49,659	$62,383	$ —

8. Stockholders' Equity

Common Stock Reserved for Future Issuance

Shares of common stock reserved for future issuance are as follows:

	June 30, 2018	December 31, 2017
Common stock options issued and outstanding	5,146,089	4,599,252
Common stock options available for future grant	4,365,896	3,403,597
Common stock reserved for issuance under ESPP	1,698,108	1,292,327
Total common stock reserved for future issuance	11,210,093	9,295,176

9. Stock-Based Compensation

The 2014 Plan permits the grant of incentive stock options to the Company's employees and the grant of nonstatutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares to the Company's employees, directors and consultants. Options granted under the 2014 Plan are generally scheduled to vest over four years, subject to continued service, and subject to certain acceleration of vesting provisions, expire no later than 10 years from the date of grant. Options granted under the 2014 Plan must have a per share exercise price equal to at least 100% of the fair market value of a shares of the common stock as of the date of grant.

The following table summarizes stock option activity for the six months ended June 30, 2018 (share amounts in thousands):

	Options	Weighted-Average Exercise Price
Outstanding as of December 31, 2017	4,599	$ 14.28
Granted	3,634	$ 5.69
Exercised	(19)	$ 1.69
Forfeited	(3,068)	$ 18.42
Outstanding as of June 30, 2018	5,146	$ 5.79

Performance-based Awards

In February 2018, the Company granted its chief executive officer a stock option for the purchase of 250,000 shares of the Company’s common stock which is subject to time-based vesting and certain performance-based conditions. Specifically, subject to continued service the option will vest upon achievement of a clinical development milestone. On the grant date, the Company determined the fair value of the award and determined achievement of the milestone was probable of occurrence. The Company is recognizing stock-based compensation expense, based upon the grant date fair value, over the implicit service period. If the Company determines the achievement of the milestone is not probable, it will reverse all previously recognized expense.

Option Exchange

On December 20, 2017, the Company commenced an option exchange program (Option Exchange) which allowed eligible employees to exchange certain outstanding stock options (Eligible Options), whether vested or unvested, with an exercise price greater than $12.00 per share (Exchange Offer), for new stock options. Non-employee members of our Board of Directors were not eligible to participate in the Option Exchange. The Program expired on January 19, 2018, with a closing price of $5.675 per share.

Pursuant to the terms and condition of the Exchange Offer, the Company accepted for exchange Eligible Options to purchase a total of 1,992,000 shares of the Company’s common stock, representing approximately 81.51% of the total shares of common stock underlying the Eligible Options. All surrendered options were canceled effective as of the expiration of the Exchange Offer and in exchange the Company granted new options to purchase an aggregate of 1,570,328 shares of the Company’s common stock pursuant to the terms of the Exchange Offer and the Company’s 2014 Equity Incentive Plan.

These new options vest over one to three years, subject to the terms of the Option Exchange and expire eight years from the date of grant. The Company determined this option exchange was an option modification. The exchange of these stock options was treated as a modification for accounting purposes. The difference in the fair value of the canceled options immediately prior to the cancellation and the fair value of the modified options resulted in incremental value, of approximately $0.6 million, which was calculated using the Black-Scholes-Merton option pricing model. Total stock-based compensation expense to be recognized over the requisite service period is equal to remaining unrecognized expense for the exchanged option, as of the exchange date, plus the incremental value of the modification to the award.

During the financial statement close process for the three and six months ended June 30, 2018 the Company identified and corrected an immaterial error related to the first quarter of 2018. The adjustment related to an error in the timing of recognition of the stock-based compensation associated with the Option Exchange and had the impact of understating stock-based compensation, additional paid in capital and net loss in the first quarter of 2018 by $1.2 million. Management evaluated the effect of the adjustment on the previously issued interim financial statements in accordance with SAB No. 99 and SAB No. 108 and concluded that it was qualitatively and quantitatively immaterial to the interim period and the trend of earnings. Management also concluded that correcting the error in the second quarter of 2018 would not have a material impact on the second quarter results for 2018. As a result, we corrected the error in our condensed statement of operations for the three months ended June 30, 2018. There was no impact to the condensed balance sheet as of June 30, 2018 or our condensed statement of operations for the six months ended June 30, 2018.

Total non-cash stock-based compensation expense recognized in the accompanying condensed statements of operations is as follows (in thousands):

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Cost of product sales	$2	$6	$6	$12
Research and development	1,698	1,359	2,335	2,344
Selling, general and administrative	2,738	2,126	4,810	4,861
Total stock-based compensation	$4,438	$3,491	$7,151	$7,217

10. Subsequent Event

On August 2, 2018, the Company entered into a co-promotion agreement (the "Co-Promotion Agreement”) with privately held Mission Pharmacal Company (“Mission”), pursuant to which Mission will exclusively promote OTIPRIO for AOE in the United States to pediatrician and primary care physician offices and urgent care clinics. In partial consideration of the OTIPRIO support activities provided by the Company, and as reimbursement for certain expenses incurred by the Company to obtain and maintain FDA approval for use of OTIPRIO in AOE, Mission will make non-refundable, non-creditable payments to the Company during each of the first five years of the Co-Promotion Agreement. In addition, Mission will reimburse the Company for a proportion of product support expenses as agreed upon by both parties and the Company will retain a share of gross profits from the sale of OTIPRIO to Mission’s accounts. The Company retains all commercial rights for other customer segments for AOE and for use of OTIPRIO in all other indications. The initial term of the Co-Promotion Agreement is five years with provisions for extension and early termination.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our financial statements and the other financial information appearing elsewhere in this Quarterly Report on Form 10-Q. These statements generally relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The following discussion and analysis contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Our actual results and the timing of events may differ materially from those discussed in our forward-looking statements as a result of various factors, including those discussed below and those discussed in the section titled "Risk Factors" included in this Quarterly Report on Form 10-Q.

Forward-looking statements include, but are not limited to, statements about:

- our expectations regarding our OTIPRIO promotional partnership;
- our expectations regarding our clinical development of OTIVIDEX, including availability of top-line results from the recently initiated additional Phase 3 trial in the first half of 2020;
- our expectations regarding the clinical development of OTO-313, including but not limited to our plans to initiate a Phase 1/2 clinical trial in tinnitus patients in the first half of 2019;
- our expectations regarding the clinical development of OTO-413, including but not limited to our plans to initiate a Phase 1/2 clinical trial in hearing loss patients in the first half of 2019;
- the timing or likelihood of regulatory filings and approvals;
- our expectations regarding the future development of other product candidates, including but not limited to our plans to select a candidate for clinical development for both the OTO-5XX and OTO-6XX programs by the end of 2018;
- the potential for commercialization of our product candidates, if approved;
- our expectations and statements regarding the pricing, market size, opportunity and growth potential for OTIVIDEX, OTO-313, OTO-413 and our other product candidates, if approved for commercial use;
- our expectations and statements regarding the adoption and use of OTIPRIO and OTIVIDEX, OTO-313 and OTO-413, if approved, by ear, nose and throat physicians (ENTs);
- our expectations regarding potential coverage and reimbursement relating to OTIPRIO, and OTIVIDEX, OTO-313 and OTO-413, if approved, or any other approved product candidates;
- our plans regarding the use of contract manufacturers for the production of our product candidates for clinical trials and, if approved, commercial use;
- our plans and ability to effectively establish and manage our own sales and marketing capabilities, or seek and establish collaborative partners, to commercialize our products;
- our ability to advance product candidates into, and successfully complete, clinical trials;
- the implementation of our business model, strategic plans for our business, products and technology;
- the initiation, timing, progress and results of future nonclinical studies and clinical trials;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our products and technology;
- estimates of our expenses, future revenue, capital requirements and our needs for additional financing;
- our financial performance;
- accounting principles, policies and estimates;
- developments and projections relating to our competitors and our industry; and
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act.

These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including but not limited to: our limited operating history and our expectation that we will incur significant losses for the foreseeable future; our ability to obtain additional financing; our dependence on the commercial success of OTIPRIO and the regulatory success and advancement of additional product candidates, such as OTIVIDEX and OTO-313, and label expansion indications for OTIPRIO; the uncertainties inherent in the clinical drug development process, including, without limitation, our ability to adequately demonstrate the safety and efficacy of our product candidates, the nonclinical and clinical results for our product candidates, which may not support further development, and challenges related to patient enrollment in clinical trials; our ability to obtain regulatory approval for our product candidates; side effects or adverse events associated with our product candidates; competition in the biopharmaceutical industry; our dependence on third parties to conduct nonclinical studies and clinical trials; the timing and outcome of hospital pharmacy and therapeutics reviews and other facility reviews; the impact of coverage and reimbursement decisions by third-party payors on the pricing and market acceptance of OTIPRIO; our dependence on third parties for the manufacture of OTIPRIO and product candidates; our dependence on a small number of suppliers for raw materials; our ability to protect our intellectual property related to OTIPRIO and our product candidates in the United States and throughout the world; expectations regarding potential market size, opportunity and growth; our ability to manage operating expenses; implementation of our business model and strategic plans for our business, products and technology; and other risks. In some cases, you can identify these statements by terms such as “anticipate,” “believe,” “could,” “estimate,” “expects,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or the nega terms, and similar expressions that convey uncertainty of future events or outcomes. These forward-looking statements reflect our beliefs and views with respect to future events and are based on estimates and assumptions as of the date of this Quarterly Report on Form 10-Q and are subject to risks and uncertainties. We discuss many of these risks in greater detail in the section titled “Risk Factors” included in Part II, Item 1A and elsewhere in this report. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Given these uncertainties, you should not place undue reliance on these forward-looking statements. We qualify all the forward-looking statements in this Quarterly Report on Form 10-Q by these cautionary statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, whether as a result of new information, future events or otherwise.

Otonomy, the Otonomy logo, OTIPRIO, OTIVIDEX and other trademarks or service marks of Otonomy appearing in this report are the property of Otonomy. Trade names, trademarks and service marks of other companies appearing in this report are the property of their respective holders. We have generally omitted the ®, ™ and other designations, as applicable, in this report.

Overview

We are a biopharmaceutical company dedicated to the development of innovative therapeutics for otology. We pioneered the application of drug delivery technology to the ear in order to develop products that achieve sustained drug exposure from a single local administration. This approach is covered by a broad patent estate and is being utilized to develop a pipeline of products addressing important unmet medical needs including Ménière’s disease, hearing loss and tinnitus.

OTIVIDEX is a steroid in development for the treatment of Ménière’s disease. Two Phase 3 trials in Ménière’s disease patients were completed in the second half of 2017. The AVERTS-2 trial, conducted in Europe, achieved its primary endpoint (p value = 0.029) while the AVERTS-1 trial, conducted in the United States, did not (p value = 0.62). Based on a Type C meeting with the FDA, we believe that one additional successful pivotal trial is sufficient to support the U.S. registration of OTIVIDEX in Ménière’s disease, and recently announced the initiation of such trial. We expect top-line results from this trial in the first half of 2020.

OTO-313 is a formulation of the potent and selective NMDA receptor antagonist gacyclidine that is in development for the treatment of tinnitus. A Phase 1 clinical safety trial has been successfully completed using OTO-311, a poloxamer-based formulation of gacyclidine, with no safety concerns observed. We have shifted development to OTO-313, an alternative formulation of gacyclidine that has improved properties compared to OTO-311. We expect to initiate a Phase 1/2 clinical trial for OTO-313 in tinnitus patients in the first half of 2019.

We are advancing three distinct hearing loss programs that address different pathologies and broad patient populations. OTO-413 is a sustained exposure formulation of BDNF in development for the repair of cochlear synaptopathy and the treatment of speech-in-noise hearing difficulties. We have initiated nonclinical studies and manufacturing for OTO-413 to support an Investigational New Drug Application, with a Phase 1/2 clinical trial in hearing loss patients expected to begin in the first half of 2019. OTO-5XX is an otoprotectant in development for the prevention of cisplatin induced hearing loss. OTO-6XX induces hair cell regeneration in a nonclinical proof-of-concept model and is being developed for the treatment of severe hearing loss. We expect to select a candidate for clinical development for both the OTO-5XX and OTO-6XX programs by the end of 2018.

In addition, we developed, received FDA approval for and commercially launched OTIPRIO (ciprofloxacin otic suspension) for use during tympanostomy tube placement (TTP) surgery in pediatric patients. OTIPRIO was also approved by the FDA for the treatment of acute otitis externa (AOE). In November 2017, we announced the discontinuation of promotional support for OTIPRIO in order to significantly reduce operating expenses related to the product. The Company recently announced the initiation of a partnership with privately held Mission Pharmacal (Mission) to support the promotion of OTIPRIO for the treatment of AOE in pediatric and primary care physician offices as well as urgent care clinics.

We have a limited operating history. Since our inception in 2008, we have devoted substantially all our efforts to developing and commercializing OTIPRIO, developing our current product candidates, and providing general and administrative support for these operations. As of June 30, 2018, we had cash, cash equivalents and short-term investments of $100.0 million.

We have never been profitable, and as of June 30, 2018, we had an accumulated deficit of $389.8 million. Our net losses were $13.6 million and $23.2 million for the three months ended June 30, 2018 and 2017, respectively, and $25.0 million and $50.3 million for the six months ended June 30, 2018 and 2017, respectively. Substantially all our net losses have resulted from research and development expenses related to our clinical trials and product development activities, commercialization expenses to launch OTIPRIO in the U.S. market, and other general and administrative expenses.

We expect to continue to incur significant expenses and operating losses for the foreseeable future as we continue to develop, seek regulatory approval, and, if approved, commercialize our product candidates. In the near term, we anticipate our expenses will continue to be substantial as we:

- conduct clinical development of OTIVIDEX;
- conduct nonclinical development of OTO-313 and OTO-413;
- contract to manufacture our product candidates;
- evaluate opportunities for development of additional product candidates;
- maintain and expand our intellectual property portfolio;
- hire additional staff as necessary to execute our product development plan; and
- operate as a public company.

We will require additional financing to complete the development of and, if approved, commercialize, OTIVIDEX, OTO-313, OTO-413 and any other product candidates. We believe we will continue to expend substantial resources for the foreseeable future for the development of OTIVIDEX, OTO-313, OTO-413 and any other product candidates we may choose to pursue. These expenditures will include costs associated with marketing and selling any products approved for sale, manufacturing, preparing regulatory submissions, and conducting nonclinical studies and clinical trials. The amount and timing of our future funding requirements will depend on many factors, including the pace and results of our clinical development efforts, the timing and nature of the regulatory approval process for our product candidates, and the revenue generated by OTIPRIO and our other product candidates, if approved. When additional financing is required, we anticipate we will seek funding through public or private equity or debt financings or other sources, such as potential collaboration arrangements. We may not be able to raise capital on terms acceptable to us, or at all. Our failure to raise capital as and when needed could have a negative impact on our financial condition and our ability to pursue our business strategies. We believe our existing cash and cash equivalents and short-term investments will be sufficient to fund our currently planned operations for a period of at least twelve months from the date of this report.

In November 2008, we entered into an exclusive license agreement with the Regents of the University of California (UC). Under the license agreement, UC granted us an exclusive license under their rights to patents and applications that are co-developed and co-owned with us for the treatment of human otic diseases. Our financial obligations under the license agreement include development and regulatory milestone payments of up to $2.7 million per licensed product, of which $1.9 million has been paid for OTIPRIO, $0.8 million has been paid for OTIVIDEX, and $0.1 million has been paid for OTO-311 (but such milestone payments are reduced by 75% for any orphan indication product), and a low single-digit royalty on net sales by us or our affiliates of licensed products. In addition, for each sublicense we grant we are obligated to pay UC a fixed percentage of all royalties as well as a sliding-scale percentage of non-royalty sublicense fees received by us under such sublicense, with such percentage depending on the licensed product's stage of development when sublicensed to such third party. We have the right to offset a certain amount of third-party royalties, milestone fees or sublicense fees against the foregoing financial obligations, provided such third-party royalties or fees are paid by us in consideration for intellectual property rights necessary to commercialize a licensed product.

In April 2013, we entered into an exclusive license agreement with DURECT Corporation (Durect), as part of an asset transfer agreement between us and IncuMed LLC, an affiliate of the NeuroSystec Corporation. Under this license agreement, Durect granted us an exclusive, worldwide, royalty-bearing license under Durect’s rights to certain patents and applications covering our OTO-313 product candidate, as well as certain related know-how. Under this license agreement and the asset transfer agreement, we are obligated to make one-time milestone payments of up to $7.5 million for the first licensed product. Upon commercializing a licensed product, we are obligated to pay Durect tiered, low single-digit royalties on annual net sales by us or our affiliates or sublicensees of the licensed products, and we have the right to offset a certain amount of third-party license fees or royalties against such royalty payments to Durect. In addition, each sublicense we grant to a third party is subject to payment to Durect of a low double-digit percentage of all non-royalty payments we receive under such sublicense. Additionally, we are also obligated to pay the Institut National de la Sante et de la Recherche Medicale (INSERM), on behalf of Durect, for a low single-digit royalty payment on net sales by us or our affiliates or sublicensees upon commercialization of the licensed product. The foregoing royalty payment obligation to Durect would continue on a product-by-product and country-by-country basis until expiration or determination of invalidity of the last valid claim within the licensed patents that cover the licensed product, and the payment obligation to INSERM would continue so long as Durect’s license from INSERM remains in effect.

Financial Operations Overview

Revenue

In December 2015, OTIPRIO was approved by the FDA for the treatment of pediatric patients with bilateral otitis media with effusion undergoing TTP surgery. In March 2016, we began sales of OTIPRIO in the United States to our network of specialty distributors who fill orders received from hospitals and ambulatory surgery centers who are the primary end users of OTIPRIO for use during TTP surgery. In November 2017, we announced the discontinuation of our promotional support for OTIPRIO. The product has continued to be available for purchase by customers while we evaluated commercial partnering options.

We recognize revenue on sales of OTIPRIO upon delivery to our distributors. Product sales are recorded net of estimated chargebacks, government rebates and distributor fees.

Prior to March 2016 we had not generated revenue. We do not expect to generate any revenue from any of our product candidates unless and until we obtain regulatory approval and commercialize our products or enter into collaborative agreements with third parties.

Operating Expenses

Cost of product sales

Cost of product sales consists primarily of direct and indirect costs related to the manufacturing of OTIPRIO, including third-party manufacturing costs, allocation of overhead costs and royalty payments based on OTIPRIO sales. In 2017, OTIPRIO inventory values were written down due to the discontinuation of promotional support for the product indicating our expectation that the useful life and ability to recover inventory costs have decreased. Similarly, OTIPRIO manufacturing equipment was impaired.

Research and development expenses

Our research and development expenses primarily consist of costs associated with the nonclinical and clinical development of our product candidates and the development of OTIPRIO for additional indications. Our research and development expenses include:

- employee-related expenses, including salaries, benefits, travel and stock-based compensation expense;
- external development expenses incurred under arrangements with third parties, such as fees paid to contract research organizations (CROs) in connection with nonclinical studies and clinical trials, costs of acquiring and evaluating clinical trial data such as investigator grants, patient screening fees, laboratory work and statistical compilation and analysis, and fees paid to consultants and our scientific advisory board;
- costs to acquire, develop and manufacture clinical trial materials, including fees paid to contract manufacturers;
- payments related to licensed product candidates and technologies;
- costs related to compliance with drug development regulatory requirements; and
- facilities, depreciation and other allocated expenses, which include direct and allocated expenses for rent and maintenance of facilities, depreciation of leasehold improvements and equipment, and laboratory and other supplies.

We expense our internal and third-party research and development expenses as incurred.

The following table summarizes our research and development expenses (in thousands) for OTIPRIO and our current product candidates:

	Three Months Ended June 30,		Six Months Ended June 30,		
	2018	2017	2018	2017	
Third-party development costs:					
OTIPRIO	$52	$1,258	$98	$2,431	
OTIVIDEX	928	4,387	1,306	10,013	
OTO-311/OTO-313	973	19	1,179	20	
OTO-413	874	—	1,807	—	
Total third-party development costs	2,827	5,664	4,390	12,464	
Other unallocated internal research and development costs	5,398	7,050	9,485	13,435	
Total research and development costs	$8,225	$12,714	119,968	9,893	7,903
Total expenses	68,201	62,558	60,971	5,643	1,587
Net investment income - before excise tax	69,563	65,313	58,997	4,250	6,316
Excise tax	17	333	—	(316)	333
Net investment income - after excise tax	69,546	64,980	58,997	4,566	5,983
Net realized gain (loss) on investments	9,402	6,254	9,354	3,148	(3,100)
Net change in unrealized appreciation (depreciation) on investments, and secured borrowings	3,340	(2,030)	2,440	5,370	(4,470)
Net increase in net assets resulting from operations	$82,288	$69,204	$70,791	$13,084	$(1,587)
Average earning debt investments, at fair value (2)	$1,554,527	$1,417,547	$1,359,506	$136,980	$58,041
Average investments in subordinated notes of SLF, at fair value	19,267	82,703	45,050	(63,436)	37,653
Average earning portfolio company investments, at fair value (2)	$1,573,794	$1,500,250	$1,404,556	$73,544	$95,694

(1) For the year ended September 30, 2017, the investments in SLF include our investments in both subordinated notes (prior to their redemption by SLF on December 30, 2016) and LLC equity interests in SLF. The investments in SLF include our investments in both subordinated notes and LLC equity interests in SLF for the years ended September 30, 2016 and 2015.

(2) Does not include our investment in LLC equity interests in SLF.

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

Investment Income

Investment income increased from the year ended September 30, 2016 to the year ended September 30, 2017 by $9.9 million primarily as a result of an increase in the average earning investment balance, which is the annual average balance of accruing loans in our investment portfolio, of $73.5 million. These increases were partially offset by a decline in income from our investments in SLF of $4.5 million that was attributable to a decline in the credit performance of SLF's portfolio. Investment income increased from the year ended September 30, 2015 to the year ended September 30, 2016 by $7.9 million primarily as a result of an increase in the average earning debt investment balance, which is the average balance of accruing loans in our investment portfolio, excluding our investment in the subordinated notes of SLF, of $58.0 million and an increase in income from our investments in SLF of $6.0 million. This increase was partially offset by a decline in fee income of $0.8 million that was primarily driven by a decrease in prepayment fees.

The income yield by debt security type for the years ended September 30, 2017, 2016 and 2015 was as follows:

	For the years ended September 30,		
	2017	2016	2015
Senior secured	6.4%	6.3%	6.5%
One stop	7.9%	7.7%	7.9%
Second lien	10.3%	9.9%	9.5%
Subordinated debt	8.8%	5.2%	8.1%
Subordinated notes in SLF[1]	8.5%	8.4%	8.3%

(1) SLF’s proceeds from the subordinated notes were utilized by SLF to invest in senior secured loans. SLF redeemed the outstanding balance on the subordinated notes on December 30, 2016.

Income yields on senior secured and one stop loans remained relatively stable for the year ended September 30, 2017 compared to the year ended September 30, 2016. Due to the limited number of second lien and subordinated debt investments in our portfolio, income yields on second lien and subordinated debt investments can be significantly impacted by the addition, subtraction or refinancing of one investment. The increase in the income yield on subordinated debt investments was driven by the payoff on the lower yielding subordinated debt investments. As of September 30, 2017, we have one second lien investment and one subordinated debt investment as shown in the Consolidated Schedule of Investments.

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

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Expenses

The following table summarizes our expenses for the years ended September 30, 2017, 2016 and 2015:

	For the years ended September 30,			Variances	
	2017	2016	2015	2017 vs. 2016	2016 vs. 2015
	(In thousands)				
Interest and other debt financing expenses	$28,245	$23,540	$20,004	$4,705	$3,536
Amortization of debt issuance costs	3,289	4,184	4,506	(895)	(322)
Base management fee	23,815	22,020	20,330	1,795	1,690
Income incentive fee	4,741	6,022	7,489	(1,281)	(1,467)
Capital gain incentive fee accrued under GAAP	2,819	1,244	2,737	1,575	(1,493)
Professional fees	2,396	2,814	2,942	(418)	(128)
Administrative service fee	2,340	2,209	2,372	131	(163)
General and administrative expenses	556	525	591	31	(66)
Total expenses	$68,201	$62,558	$60,971	$5,643	$1,587
Average debt outstanding (1)	$872,980	$826,366	$752,567	$46,614	$73,799

(1) As of September 30, 2017 there were no secured borrowings outstanding. For the years ended September 30, 2016 and 2015, we have excluded $0.5 million and $0.4 million, respectively, of secured borrowings, at fair value, which were the result of participations and partial loan sales that did not meet the definition of a "participating interest", as defined in the guidance to Accounting Standards Codification, or ASC, Topic 860 — Transfers and Servicing, or ASC Topic 860.

Interest Expense

Interest and other debt financing expenses increased from the year ended September 30, 2016 to the year ended September 30, 2017 primarily due to an increase in the weighted average of outstanding borrowings from $826.4 million for the year ended September 30, 2016 to $873.0 million for the year ended September 30, 2017 and an increase in the effective annual interest rate. The effective annual average interest rate on our outstanding debt increased to 3.6% for the year ended September 30, 2017 from 3.4% for the year ended September 30, 2016 primarily due to an increase in LIBOR.

Interest and other debt financing expenses increased from the year ended September 30, 2015 to the year ended September 30, 2016 primarily due to an increase in the weighted average of outstanding borrowings from $752.6 million for the year ended September 30, 2015 to $826.4 million for the year ended September 30, 2016. The increase in our debt was primarily driven by an increase in our use of debt under our SBA debentures through our SBICs, which had outstanding balances of $277.0 million outstanding as of September 30, 2016 and $225.0 million as of September 30, 2015. The effective annual average interest rate on our outstanding debt increased slightly to 3.4% for the year ended September 30, 2016 from 3.3% for the year ended September 30, 2015 primarily due to an increase in LIBOR.

Amortization of debt issuance costs declined by $0.9 million from the year ended September 30, 2016 to the year ended September 30, 2017 as initial debt issuance costs associated with $125.0 million of SBIC IV debentures that fully amortized. Amortization of debt issuance costs declined modestly from the year ended September 30, 2015 to the year ended September 30, 2016 as initial debt issuance cost associated with 2010 Issuer fully amortized.

Management Fee

The base management fee increased as a result of a sequential increase in average adjusted gross assets from 2015 to 2017.

Incentive Fee

The incentive fee payable under the Investment Advisory Agreement consists of two parts: (1) the Income Incentive Fee and (2) the Capital Gain Incentive Fee. The Income Incentive Fee decreased by $1.3 million from the year ended September 30, 2016 to the year ended September 30, 2017. The Income Incentive Fee decreased by $1.5

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million from the year ended September 30, 2015 to the year ended September 30, 2016 as the interest rate compression on new investments and the decline of second lien and subordinated debt investments in our portfolio caused a decline in our Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of our net assets. For the year ended September 30, 2017, while still not fully through the catch-up provision of the Income Incentive Fee calculation in any quarter, the Income Incentive Fee expense as a percentage of Pre-Incentive Fee Net Investment Income was 6.1% compared to 8.3% for the year ended September 30, 2016 and 10.8% for the year ended September 30, 2015.

The Capital Gain Incentive Fee payable as calculated under the Investment Advisory Agreement for each of the years ended September 30, 2017, 2016 and 2015 was $0.4 million, 0 and $0. 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.

The accrual for capital gain incentive fee under GAAP was $2.8 million, or $0.05 per share, for the year ended September 30, 2017, $1.2 million, or $0.03 per share, for the year ended September 30, 2016 and $2.7 million, or $0.06 per share, for the year ended September 30, 2015. The increase in accruals for a capital gain incentive fee under GAAP for the year ended September 30, 2017 from the year ended September 30, 2016 was primarily the result of unrealized appreciation of debt and equity investments. The decrease in accruals for a capital gain incentive fee under GAAP for the year ended September 30, 2016 from the year ended September 30, 2015 was primarily the result of unrealized depreciation of debt and equity investments. 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

The Administrator pays for certain expenses incurred by us. These expenses are subsequently reimbursed in cash. Total expenses reimbursed by us to the Administrator for the years ended September 30, 2017, 2016 and 2015 were $2.3 million, $2.4 million and $1.0 million, respectively.

As of September 30, 2017 and 2016, included in accounts payable and accrued expenses were $0.8 million and $0.6 million, respectively, for accrued expenses paid on behalf of us by the Administrator.

Excise Tax Expense

We have elected to be treated as a RIC under Subchapter M of the Code and operate in a manner so as to qualify for the tax treatment applicable to RICs. In order to be subject to tax as a RIC, we are required to meet certain source of income and asset diversification requirements, as well as timely distribute to 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 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, 2017, 2016 and 2015, we recorded a net expense of $17,000, $333,000 and $0, respectively, for U.S. federal excise tax.

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Net Realized and Unrealized Gains and Losses

The following table summarizes our net realized and unrealized gains (losses) for the years ended September 30, 2017, 2016 and 2015:

	For the years ended September 30,			Variances	
	2017	2016	2015	2017 vs. 2016	2016 vs. 2015
	(In thousands)				
Net realized gain (loss) on investments	$9,402	$6,254	$9,354	$3,148	$(3,100)
Net realized gain (loss)	$9,402	$6,254	$9,354	$3,148	$(3,100)
Unrealized appreciation on investments	28,008	32,943	26,469	(4,935)	6,474
Unrealized (depreciation) on investments	(26,640)	(31,411)	(23,258)	4,771	(8,153)
Unrealized appreciation on investments in SLF[1]	1,969	—	—	1,969	—
Unrealized (depreciation) on investments in SLF[2]	—	(3,562)	(773)	3,562	(2,789)
Unrealized appreciation on secured borrowings	3	—	2	3	(2)
Net change in unrealized appreciation (depreciation) on investments, investments in SLF, and secured borrowings	$3,340	$(2,030)	$2,440	$5,370	$(4,470)

(1) Unrealized appreciation on investments in SLF includes our investment in LLC equity interests in SLF.

(2) Unrealized (depreciation) on investments in SLF includes our investments in subordinated notes and LLC equity interests in SLF.

We had $9.4 million in net realized gains on investments during the year ended September 30, 2017, primarily due to the net realized gains on the sale of 18 equity investments and the sale of portfolio company investments to SLF which was partially offset by a net realized loss on the sale of a debt and equity investment in a single portfolio company.

For the year ended September 30, 2017, we had $28.0 million in unrealized appreciation on 186 portfolio company investments, which was partially offset by $26.6 million in unrealized depreciation on 192 portfolio company investments. Unrealized appreciation during the year ended September 30, 2017 resulted from an increase in fair value primarily due to the rise in market prices of portfolio company investments and the reversal of prior period unrealized depreciation associated with the non-accrual portfolio company investments that were sold and written-off. Unrealized depreciation primarily resulted from the amortization of discounts, negative credit related adjustments that caused a reduction in fair value and the reversal of the net unrealized appreciation associated with the sales of portfolio company investments.

For the year ended September 30, 2017, we had $2.0 million in unrealized appreciation on our investment in SLF LLC equity interests. Unrealized appreciation on the SLF LLC equity interests was primarily driven by increased net investment income at SLF.

For the year ended September 30, 2016, we had $32.9 million in unrealized appreciation on 143 portfolio company investments, which was partially offset by $31.4 million in unrealized depreciation on 142 portfolio company investments. Unrealized appreciation during the year ended September 30, 2016 resulted from an increase in fair value primarily due to the rise in market prices of portfolio company investments and the reversal of prior period unrealized depreciation associated with the non-accrual portfolio company investments that were sold and written-off. Unrealized depreciation primarily resulted from the amortization of discounts, negative credit related adjustments that caused a reduction in fair value and the reversal of the net unrealized appreciation associated with the sales of portfolio company investments.

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

For the year ended September 30, 2016, we had $3.6 million in unrealized depreciation on our investments in SLF LLC equity interests. Unrealized depreciation on the SLF LLC equity interests was driven by negative credit

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related adjustments associated with SLF’s investment portfolio that was primarily driven by one portfolio company investment taken to non-accrual status.

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

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

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

Liquidity and Capital Resources

For the year ended September 30, 2017, we experienced a net decrease in cash, cash equivalents and restricted cash and cash equivalents of $27.0 million. During the period, we provided $62.2 million in operating activities, primarily as a result of principal payments and sales of portfolio investments of $588.2 million and net investment income of $69.5 million. This was partially offset by funding of portfolio investments of $588.2 million. Lastly, cash used in financing activities was $89.2 million, primarily due to net repayments of debt of $83.6 million and distributions paid of $76.8 million, partially offset by net proceeds of an aggregate of $74.0 million from two equity offerings.

For the year ended September 30, 2016, we experienced a net decrease in cash, cash equivalents and restricted cash and cash equivalents of $7.9 million. During the period, we used $56.1 million in operating activities, primarily as a result of fundings of portfolio investments of $654.8 million. This was partially offset by proceeds from principal payments and sales of portfolio investments of $538.6 million and net investment income of $65.0 million. Lastly, cash provided by financing activities was $48.1 million, primarily due to net proceeds of an aggregate of $58.6 million from one equity offering and one private placement and net borrowings on debt of $51.5 million, partially offset by distributions paid of $59.5 million.

For the year ended September 30, 2015, we experienced a net increase in cash, cash equivalents and restricted cash and cash equivalents of $17.5 million. During the period we used $103.3 million in operating activities, primarily as a result of fundings of portfolio investments of $858.1 million. This was partially offset by proceeds from principal payments and sales of portfolio investments of $699.1 million and net investment income of $59.0 million. Lastly, cash provided by financing activities was $120.8 million, primarily due to net proceeds of an aggregate of $67.6 million from one equity offering and net borrowings on debt of $116.1 million, partially offset by distributions paid of $60.0 million.

As of September 30, 2017 and 2016, we had cash and cash equivalents of $4.0 million and $10.9 million, respectively. In addition, we had restricted cash and cash equivalents of $58.6 million and $78.6 million as of September 30, 2017 and 2016, respectively. Cash and cash equivalents are available to fund new investments, pay operating expenses and pay distributions. As of September 30, 2017, $37.8 million of our restricted cash and cash equivalents could be used to fund new investments that meet the investment guidelines established in the Debt Securitizations, which are described in further detail in Note 6 to our consolidated financial statements, and for the payment of interest expense on the notes issued in the Debt Securitizations. As of September 30, 2017, $13.6 million of our restricted cash and cash equivalents could be used to fund investments that meet the guidelines under the Credit Facility as well as for the payment of interest expense and revolving debt of the Credit Facility. As of September 30, 2017, $7.2 million of our restricted cash and cash equivalents could be used to fund new investments that meet the regulatory and investment guidelines established by the SBA for our SBICs, which are described in further detail in Note 6 to our consolidated financial statements, and for interest expense and fees on our outstanding SBA debentures.

As of September 30, 2017, the Credit Facility allowed Funding to borrow up to $225.0 million at any one time outstanding, subject to leverage and borrowing base restrictions. As of September 30, 2017 and 2016, subject to leverage and borrowing base restrictions, we had approximately $161.9 million and $73.3 million, respectively, of

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remaining commitments and $95.0 million and $30.8 million, respectively, of availability on the Credit Facility. As of September 30, 2017 and 2016, we had $63.1 million and $126.7 million outstanding under the Credit Facility, respectively.

On June 22, 2016, we entered into an unsecured revolving credit facility with GC Advisors, or the Adviser Revolver, which permitted us to borrow up to $20.0 million at any one time outstanding. 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, 2017 and 2016, we had no amounts outstanding on the Adviser Revolver.

On October 21, 2015, we terminated the $15.0 million revolving line of credit, or the Revolver, entered into by Golub Capital BDC Revolver Funding LLC, or Revolver Funding, our wholly-owned subsidiary, with The PrivateBank and Trust Company. There were no borrowings outstanding on the Revolver at the time of termination and Revolver Funding was released of all obligations under the Revolver and all liens on the assets held by Revolver Funding collateralizing the Revolver were released.

On July 16, 2010, we completed the 2010 Debt Securitization, which was subsequently increased to $350.0 million. On June 25, 2015, the 2010 Issuer amended the 2010 Debt Securitization to, among other things, (a) extend the reinvestment period two years to July 20, 2017, (b) make certain modifications of purposes of compliance with the loan securitization exclusion of the Volker Rule and (c) modify the computation of the weighted average life test, which relates to the loans securing the 2010 Debt Securitization. On October 20, 2016, we further amended the 2010 Debt Securitization to, among other things, (a) refinance the issued Class A 2010 Notes, by redeeming in full the $203.0 million Class A 2010 Notes and issuing new Class A-Refi 2010 Notes in an aggregate principal amount of $205.0 million that bear interest at a rate of three-month LIBOR plus 1.90%, (b) refinance the Class B 2010 Notes by redeeming in full the $12.0 million Class B 2010 Notes and issuing new Class B-Refi 2010 Notes in an aggregate principal amount of $10.0 million that bear interest at a rate of three-month LIBOR plus 2.40%, and (c) extend the reinvestment period applicable to the 2010 Issuer to July 20, 2018. Following the refinancing, Holdings retained the Class B-Refi 2010 Notes.

As of September 30, 2017, the 2010 Notes consisted of $205.0 million of Class A-Refi 2010 Notes, which bear interest at a rate of three-month LIBOR plus 1.90%, $10.0 million of Class B-Refi 2010 Notes, which bear interest at a rate of three-month LIBOR plus 2.40%, and $135.0 million face amount of Subordinated 2010 Notes that do not bear interest. The Class A-Refi 2010 Notes are included in the September 30, 2017 consolidated statement of financial condition as our debt and the Class B-Refi 2010 Notes and Subordinated 2010 Notes were eliminated in consolidation. As of September 30, 2016, the 2010 Notes consisted of $203.0 million of Class A 2010 Notes, which bore interest at a rate of three-month LIBOR plus 1.74%, $12.0 million of Class B 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 do not bear interest. The Class A and Class B 2010 Notes are included in the September 30, 2016 consolidated statement of financial condition as our debt of and the Subordinated 2010 Notes were eliminated in consolidation. As of September 30, 2017 and September 30, 2016, we had outstanding debt under the 2010 Debt Securitization of $205.0 million and $215.0 million, respectively.

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 $191.0 million of Class A-1 2014 Notes, which bear interest at a rate of three-month LIBOR plus 1.75%, $20.0 million of Class A-2 2014 Notes, which bear interest at a rate of three-month LIBOR plus 1.95%, $35.0 million of Class B 2014 Notes, which bear interest at a rate of three-month LIBOR plus 2.50%, $37.5 million of Class C 2014 Notes, which bear interest at a rate of three-month LIBOR plus 3.50%, and $119.1 million of LLC equity interests in the 2014 Issuer that do not bear interest. We retained all of the Class C 2014 Notes and LLC equity interests in the 2014 Issuer totaling $37.5 million and $119.1 million, respectively. The Class A-1, Class A-2 and Class B 2014 Notes are included in the September 30, 2017 and 2016 consolidated statements of financial condition as our debt and the Class C 2014 Notes and LLC equity interests in the 2014 issuer were eliminated in consolidation. As of both September 30, 2017 and 2016, we had outstanding debt under the 2014 Debt Securitization of $246.0 million.

Under present SBIC regulations, the maximum amount of SBA-guaranteed debentures that may be issued by multiple licensees under common management is $350.0 million and the maximum amount that a single SBIC licensee may issue is $150.0 million. On February 11, 2016, the SBA approved the application of GC SBIC V, L.P., or SBIC V, for an additional $75.0 million of debenture commitments bringing SBIC V's total debenture commitments up to $150.0 million. On January 10, 2017, we received approval for our third SBIC license, GC SBIC

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VI, L.P., or GC SBIC VI. GC SBIC IV, L.P., or SBIC IV, GC SBIC V, L.P., or SBIC V, and SBIC VI, our consolidated SBIC subsidiaries, may each borrow up to two times the amount of its regulatory capital, subject to customary regulatory requirements. As of September 30, 2017, SBIC IV, SBIC V and SBIC VI had $125.0 million,$133.0 million and $9.0 million of outstanding SBA-guaranteed debentures, respectively, that mature between March 2021 and September 2027, leaving incremental borrowing capacity of $17.0 million and $41.0 million for SBIC V and SBIC VI, respectively under present SBIC regulations. As of September 30, 2016, SBIC IV and SBIC V had $150.0 million and $127.0 million of outstanding SBA-guaranteed debentures, respectively.

In August 2017, our board of directors reapproved a share repurchase program, or the Program, which allows us to repurchase up to $75.0 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, 2017, 2016 and 2015.

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

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

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

On March 21, 2017, we priced a public offering of 1,750,000 shares of our common stock at a public offering price of $19.03 per share, raising approximately $33.3 million in gross proceeds. On March 24, 2017, the transaction closed, the shares were issued and proceeds, net of offering costs but before expenses, of $32.3 million were received. On April 6, 2017, we sold an additional 262,500 shares of our common stock at a public offering price of $19.03 per share pursuant to the underwriter's exercise of the option granted in connection with the March 2017 offering.

On June 6, 2017, we entered into an agreement to sell 1,750,000 shares of our common stock pursuant to an underwritten, public offering at a price to us of $18.71 per share. On June 12, 2017, the transaction closed, the shares were issued and proceeds, net of offering costs but before expenses, of $32.7 million were received. On July 5, 2017, we sold an additional 220,221 shares of our common stock pursuant to the underwriter's partial exercise of the option we granted in connection with the sale of shares in June 2017.

In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. On September 13, 2011, we received exemptive relief from the SEC allowing us to modify the asset coverage requirement to exclude the SBA debentures from this calculation. As such, our ratio of total consolidated assets to outstanding indebtedness may be less than 200%. This provides us with increased investment flexibility but also increases our risks related to leverage. As of September 30, 2017, our asset coverage for borrowed amounts was 285.2% (excluding the SBA debentures).

As of September 30, 2017 and September 30, 2016, we had outstanding commitments to fund investments, excluding our investments in SLF, totaling $60.5 million and $81.4 million, respectively. These amounts may or may not be funded to the borrowing party now or in the future. The unfunded commitments relate to loans with various maturity dates, but the entire amount was eligible for funding to the borrowers as of September 30, 2017 and 2016, respectively, subject to the terms of each loan's respective credit agreement. As of September 30, 2017, we believe that we had sufficient assets and liquidity to adequately cover future obligations under our unfunded

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commitments based on historical rates of drawings upon unfunded commitments, cash and restricted cash balances that we maintain, availability under our Credit Facility and Adviser Revolver and ongoing principal repayments on debt investments. In addition, we generally hold some syndicated loans in larger portfolio companies that are saleable over a relatively short period to generate cash.

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

Portfolio Composition, Investment Activity and Yield

As of September 30, 2017 and 2016, we had investments in 185 and 183 portfolio companies, respectively, with a total fair value of $1,590.0 million and $1,556.4 million, respectively, and had investments in SLF with a total fair value of $95.0 million and $104.2 million, respectively.

The following table shows the asset mix of our new investment commitments for the years ended September 30, 2017, 2016 and 2015:

	Years ended September 30,								
	2017			2016			2015		
	(In thousands)	Percentage of Commitments		(In thousands)	Percentage of Commitments		(In thousands)	Percentage of Commitments	
Senior secured	$129,134	21.5	%	$124,392	19.0	%	$225,442	24.4	%
One stop	447,691	74.7		505,058	76.9		626,459	67.6	
Subordinated debt	12	0.0*		42	0.0*		—	—	
Subordinated notes in SLF[(1)]	5,457	0.9		9,620	1.5		50,974	5.5	
LLC equity interests in SLF[(1)]	12,542	2.1		10,820	1.6		13,904	1.5	
Equity	4,677	0.8		6,528	1.0		9,494	1.0	
Total new investment commitments	$599,513	100.0	%	$656,460	100.0	%	$926,273	100.0	%

* Represents an amount less than 0.1%.

(1) SLF's proceeds from the subordinated notes and LLC equity interests were utilized by SLF to invest in senior secured loans. As of September 30, 2017, SLF had investments in senior secured loans to 50 different borrowers.

For the years ended September 30, 2017, 2016 and 2015, we had approximately $449.8 million, $366.2 million and $415.4 million, excluding $78.7 million of proceeds from the repayment in full and termination of our investment in subordinated notes of SLF during the year ended 2017, respectively, in proceeds from principal payments and return of capital distributions of portfolio companies. For the year ended September 30, 2017, we had sales of investments in 72, 44 and 50 portfolio companies, respectively, aggregating approximately $138.4 million, $172.2 million and $283.7 million, respectively, in net proceeds.

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The following table summarizes portfolio composition and investment activity as of and for the years ended September 30, 2017, 2016 and 2015:

	As of and for the years ended September 30,		
	2017	2016	2015
	(Dollars in thousands)		
Investments, at fair value	$1,590,000	$1,556,384	$1,430,848
Number of portfolio companies (at period end)[1]	185	183	164
Investment in SLF, at fair value[2]	$95,015	$104,228	$98,936
New investment fundings	$588,169	$654,763	$858,147
Principal payments and sales of portfolio investments	$588,173	$538,609	$699,075

(1) Excludes our investments in SLF.

(2) As of September 30, 2016 and 2015, the investment in SLF includes our investments in both subordinated notes and LLC equity interests in SLF.

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

	As of September 30, 2017 [1]			As of September 30, 2016 [1]		
	Principal	Amortized Cost	Fair Value	Principal	Amortized Cost	Fair Value
	(In thousands)					
Senior secured:						
Performing	$196,296	$194,357	$195,089	$163,380	$161,536	$162,693
Non-accrual [2]	1,438	1,433	(60)[3]	1,438	1,433	156
One stop:						
Performing	1,339,755	1,322,220	1,331,069	1,317,595	1,299,211	1,303,297
Non-accrual [2]	8,870	8,788	3,015	3,899	3,845	1,170
Second lien:						
Performing	9,434	9,306	9,434	27,909	27,579	27,909
Non-accrual [2]	—	—	—	—	—	—
Subordinated debt:						
Performing	59	59	59	1,750	1,750	1,427
Non-accrual [2]	—	—	—	—	—	—
Subordinated notes in SLF [4][5]						
Performing	—	—	—	77,301	77,301	77,301
Non-accrual [2]	—	—	—	—	—	—
LLC equity interests in SLF [4][5]	N/A	97,457	95,015	N/A	31,339	26,927
Equity	N/A	37,619	51,394	N/A	46,179	59,732
Total	$1,555,852	$1,671,239	$1,685,015	$1,593,272	$1,650,173	$1,660,612

(1) 19 and 14 of our loans included a feature permitting a portion of the interest due on such loan to be PIK interest as of September 30, 2017 and 2016, 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

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and interest or our management has reasonable doubt that principal or interest will be collected. See “— Critical Accounting Policies — Revenue Recognition.”

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

(4) On December 30, 2016, SLF issued a capital call in an aggregate amount of $89.9 million the proceeds of which were used to redeem in full the outstanding balance on the subordinated notes previously issued by SLF and terminate all remaining subordinated note commitments.

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

As of September 30, 2017 and 2016, the fair value of our debt investments as a percentage of the outstanding principal value was 98.9% and 98.8%, respectively.

The following table shows the weighted average rate, spread over LIBOR of floating rate and fees of investments originated and the weighted average rate of sales and payoffs of portfolio companies during the years ended September 30, 2017, 2016 and 2015:

	For the years ended September 30,		
	2017	2016	2015
Weighted average rate of new investment fundings[(1)]	7.1%	7.2%	6.7%
Weighted average spread over LIBOR of new floating rate investment fundings[(1)]	5.9%	6.2%	5.7%
Weighted average rate of new fixed rate investment fundings	8.0%	10.7%	10.8%
Weighted average fees of new investment fundings	1.5%	1.9%	1.5%
Weighted average rate of sales and payoffs of portfolio investments[(2)]	7.3%	7.0%	6.8%
Weighted average income yield [(3)(4)]	7.8%	7.6%	7.8%

(1) Excludes our subordinated note investment in SLF.

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

(3) Represents income from interest, including our subordinated notes in SLF, and fees excluding amortization of capitalized fees and discounts divided by the average fair value of earning debt investments, and does not represent a return to any investor in us.

(4) For the year ended September 30, 2017, weighted average annualized income yield does not reflect interest income from subordinated notes in SLF, which were redeemed on December 30, 2016.

As of September 30, 2017, 99.6% and 99.6% 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, 2016, 93.3% and 93.6% of our debt portfolio, including our investment in SLF subordinated notes which were not subject to an interest rate floor, at fair value and at amortized cost, respectively, had interest rate floors that limit the minimum applicable interest rates on such loans.

As of September 30, 2017 and 2016, the portfolio median EBITDA data for our portfolio companies (excluding SLF) was $25.2 million and $26.0 million, respectively. The portfolio median EBITDA data is based on the most recently reported trailing twelve-month EBITDA received from the portfolio company.

Senior Loan Fund LLC

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

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SLF is capitalized with subordinated notes and LLC equity interest subscriptions from its members. As of September 30, 2017, we and RGA owned 87.5% and 12.5%, respectively, of both the outstanding subordinated notes and LLC equity interests.

As of September 30, 2017 and 2016, SLF had the following commitments from its members:

	As of September 30, 2017		As of September 30, 2016	
	Committed	Funded[1]	Committed	Funded[1][2]
	(In thousands)			
Subordinated note commitments [3]	$—	$—	$160,000	$ 88,344
LLC equity commitments [3]	200,000	111,380	40,000	35,816
Total	$200,000	$111,380	$200,000	$ 124,160

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

(2) Funded subordinated note commitments as of September 30, 2016 are presented net of repayments subject to recall. The subordinated note commitments were terminated as of December 30, 2016.

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

As of September 30, 2017, 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, allows SLF II to borrow up to $300.0 million subject to leverage and borrowing base restrictions. The reinvestment period of the SLF Credit Facility ends August 29, 2018, and the stated maturity date is August 30, 2022. As of September 30, 2017 and September 30, 2016, SLF II had outstanding debt under the SLF Credit Facility of $197.7 million and $214.1 million, respectively.

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

As of September 30, 2017 and 2016, SLF had total assets at fair value of $306.2 million and $332.8 million, respectively. As of September 30, 2017 and 2016, SLF's portfolio was comprised of first lien senior secured loans to 50 and 62 different borrowers, respectively. As of September 30, 2017, SLF had one portfolio company investment on non-accrual status and the total fair value of non-accrual loans was $0.3 million. As of September 30, 2016, SLF had one portfolio company investment on non-accrual status and the total fair value of non-accrual loans was $6.7 million. The portfolio companies in SLF are in industries similar to those in which we may invest directly. Additionally, as of September 30, 2017 and 2016, SLF had commitments to fund various undrawn revolving credit and delayed draw loans to its portfolio companies totaling $13.3 million and $24.1 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, 2017 and 2016:

	As of September 30,	
	2017	2016
	(Dollars in thousands)	
Senior secured loans [1]	$301,583	$331,473
Weighted average current interest rate on senior secured loans [2]	6.4 %	6.0 %
Number of borrowers in SLF	50	62
Largest portfolio company investment[1]	$13,820	$13,050
Total of five largest portfolio company investments[1]	$61,187	$61,118

(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 Loan Portfolio as of September 30, 2017

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate(1)	Principal ($)/ Shares(2)	Fair Value(3)
					(In thousands)	
1A Smart Start LLC	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	6.1 %	$2,094	$ 2,105
1A Smart Start LLC	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	5.8	928	928
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	6,805	5,784
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	466	396
Argon Medical Devices, Inc.	Healthcare, Education and Childcare	Senior loan	12/2021	6.0	3,184	3,184
Arise Virtual Solutions, Inc. (4)	Telecommunications	Senior loan	12/2018	7.3	9,856	9,856
Boot Barn, Inc.	Retail Stores	Senior loan	06/2021	5.8	10,073	10,073
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	6.1	4,851	4,845
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.6	8,590	8,418
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.6	4,328	4,242
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8	2,442	2,442
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8	1,227	1,227
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8	59	59
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8	41	41
Curo Health Services LLC (4)	Healthcare, Education and Childcare	Senior loan	02/2022	5.3	5,850	5,867
DISA Holdings Acquisition Subsidiary Corp.	Diversified/Conglomerate Service	Senior loan	12/2020	5.5	4,401	4,401
DISA Holdings Acquisition Subsidiary Corp.	Diversified/Conglomerate Service	Senior loan	12/2020	5.6	428	428
EAG, INC. (Evans Analytical Group)	Diversified/Conglomerate Service	Senior loan	07/2018	5.5	1,964	1,964
Encore GC Acquisition, LLC	Healthcare, Education and Childcare	Senior loan	01/2020	6.8	4,725	4,725
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.1	6,029	6,029
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.1	1,686	1,686
Flexan, LLC (4)	Chemicals, Plastics and Rubber	Senior loan	02/2020	8.8	47	47
Gamma Technologies, LLC (4)	Electronics	Senior loan	06/2021	6.0	10,264	10,264
Harvey Tool Company, LLC	Diversified/Conglomerate Manufacturing	Senior loan	03/2020	6.1	3,064	3,064
III US Holdings, LLC	Diversified/Conglomerate Service	Senior loan	09/2022	7.9	5,044	5,044
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.3	2,293	2,293
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.4	102	102
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.4	64	64

Joerns Healthcare, LLC (4)	Healthcare, Education and Childcare	Senior loan	05/2020	7.8	8,745	8,202
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.7	6,762	6,762
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.7	2,226	2,226
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.7	822	822
Loar Group Inc.	Aerospace and Defense	Senior loan	01/2022	6.0	2,164	2,164
Loar Group Inc.	Aerospace and Defense	Senior loan	01/2022	6.0	1,492	1,492
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.2	1,977	1,977
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.2	596	596
Park Place Technologies LLC (4)	Electronics	Senior loan	06/2022	6.3	5,341	5,287
Pasternack Enterprises, Inc. and Fairview Microwave, Inc.	Diversified/Conglomerate Manufacturing	Senior loan	05/2022	6.2	5,372	5,372
Payless ShoeSource, Inc.	Retail Stores	Senior loan	08/2022	10.3	768	757
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	6.2	4,560	4,469
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	6.7	83	81
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	6.2	53	52
PowerPlan Holdings, Inc. (4)	Utilities	Senior loan	02/2022	6.5	11,365	11,365
Premise Health Holding Corp. (4)	Healthcare, Education and Childcare	Senior loan	06/2020	5.8	11,772	11,772
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2019	7.7	9,738	9,738
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2019	7.9	597	597
R.G. Barry Corporation	Personal, Food and Miscellaneous Services	Senior loan	09/2019	6.2	5,217	5,217
Radiology Partners, Inc. (4)	Healthcare, Education and Childcare	Senior loan	09/2020	7.1	7,793	7,793

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SLF Loan Portfolio as of September 30, 2017 – (continued)

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate[1]	Principal ($)/ Shares[2]	Fair Value[3]
					(In thousands)	
Radiology Partners, Inc. [4]	Healthcare, Education and Childcare	Senior loan	09/2020	7.1 %	$595	$595
Radiology Partners, Inc. [4]	Healthcare, Education and Childcare	Senior loan	09/2020	7.1	505	505
Reliant Pro ReHab, LLC [4]	Healthcare, Education and Childcare	Senior loan	12/2017	6.3	3,240	3,240
RSC Acquisition, Inc. [4]	Insurance	Senior loan	11/2022	6.6	3,864	3,864
RSC Acquisition, Inc.	Insurance	Senior loan	11/2020	6.1	15	15
Rubio's Restaurants, Inc. [4]	Beverage, Food and Tobacco	Senior loan	11/2018	6.1	4,992	4,992
Rug Doctor LLC	Personal and Non Durable Consumer Products (Mfg. Only)	Senior loan	06/2018	6.6	5,792	5,792
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	7.0	4,782	4,686
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	7.8	70	69
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	7.0	50	49
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	8.8	34	33
Saldon Holdings, Inc. [4]	Diversified/Conglomerate Service	Senior loan	09/2022	5.8	2,521	2,490
Sarnova HC, LLC	Healthcare, Education and Childcare	Senior loan	01/2022	6.0	3,684	3,684
SEI, Inc.	Electronics	Senior loan	07/2021	6.0	13,820	13,820
Self Esteem Brands, LLC [4]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2020	6.0	11,313	11,313
Severin Acquisition, LLC [4]	Diversified/Conglomerate Service	Senior loan	07/2021	6.1	4,832	4,830
Severin Acquisition, LLC	Diversified/Conglomerate Service	Senior loan	07/2021	6.0	5,290	5,265
Severin Acquisition, LLC	Diversified/Conglomerate Service	Senior loan	07/2021	6.2	668	670
Severin Acquisition, LLC [5]	Diversified/Conglomerate Service	Senior loan	07/2021	N/A [6]	—	(1)
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	867	754
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	68	60
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	68	59
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	68	59
	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	68	59

Smashburger Finance LLC						
Smashburger Finance LLC [5]	Beverage, Food and Tobacco	Senior loan	05/2018	N/A [6]	—	(15)
Stomatcare DSO, LLC [7]	Healthcare, Education and Childcare	Senior loan	05/2022	6.2% PIK	625	329
Tate's Bake Shop, Inc. [4]	Beverage, Food and Tobacco	Senior loan	08/2019	6.3	2,926	2,926
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	5.5	4,553	4,553
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1	3,567	3,567
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1	687	687
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.0	514	514
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1	252	252
Transaction Data Systems, Inc.	Diversified/Conglomerate Service	Senior loan	06/2021	6.6	7,393	7,393
Transaction Data Systems, Inc.	Diversified/Conglomerate Service	Senior loan	06/2020	5.8	22	21
W3 Co.	Oil and Gas	Senior loan	03/2022	7.3	1,266	1,269
WHCG Management, LLC [4]	Healthcare, Education and Childcare	Senior loan	03/2023	6.1	7,980	7,980
WIRB-Copernicus Group, Inc.	Healthcare, Education and Childcare	Senior loan	08/2022	6.3	5,666	5,666
Young Innovations, Inc. [4]	Healthcare, Education and Childcare	Senior loan	01/2019	6.3	10,369	10,369
Young Innovations, Inc. [4]	Healthcare, Education and Childcare	Senior loan	01/2019	6.3	209	209
Total senior loan investments					$301,583	$298,941
Payless ShoeSource, Inc. [8][9]	Retail Stores	LLC interest	N/A	N/A	35	$843
W3 Co. [8][9]	Oil and Gas	LLC units	N/A	N/A	3	1,146
Total equity investments						$1,989
Total investments					$301,583	$300,930

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(1) Represents the weighted average annual current interest rate as of September 30, 2017. All interest rates are payable in cash.
(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) The negative fair value is the result of the unfunded commitment being valued below par.
(6) The entire commitment was unfunded at September 30, 2017. As such, no interest is being earned on this investment.
(7) Loan was on non-accrual status as of September 30, 2017, meaning that SLF has ceased recognizing interest income on the loan.
(8) Equity investment received as a result of the portfolio company's debt restructuring.
(9) Non-income producing.

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SLF Loan Portfolio as of September 30, 2016

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate[1]	Principal ($)	Fair Value[3]
					(In thousands)	
1A Smart Start LLC[3]	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	5.8 %	$2,116	$2,111
ACTIVE Network, Inc.	Electronics	Senior loan	11/2020	5.5	1,945	1,938
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	6,805	6,601
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	466	452
Advanced Pain Management Holdings, Inc.[4]	Healthcare, Education and Childcare	Senior loan	02/2018	N/A [5]	—	(35)
Aimbridge Hospitality, LLC [3]	Hotels, Motels, Inns, and Gaming	Senior loan	10/2018	5.8	5,037	5,037
American Seafoods Group LLC	Beverage, Food and Tobacco	Senior loan	08/2021	6.0	4,818	4,806
Argon Medical Devices, Inc.	Healthcare, Education and Childcare	Senior loan	12/2021	5.8	3,895	3,895
Arise Virtual Solutions, Inc.[3]	Telecommunications	Senior loan	12/2018	7.8	10,804	10,264
Arise Virtual Solutions, Inc.[3][4]	Telecommunications	Senior loan	12/2018	N/A [5]	—	(28)
Atkins Nutritionals, Inc.[3]	Beverage, Food and Tobacco	Senior loan	01/2019	6.3	5,664	5,664
BMC Software, Inc.	Electronics	Senior loan	09/2020	5.0	1,876	1,813
Boot Barn, Inc.	Retail Stores	Senior loan	06/2021	5.5	10,667	10,667
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	5.8	4,948	4,938
C.B. Fleet Company, Incorporated	Personal and Non Durable Consumer Products	Senior loan	12/2021	5.8	7,613	7,613
Checkers Drive-In Restaurants, Inc.	Beverage, Food and Tobacco	Senior loan	01/2022	6.5	4,460	4,427
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.3	8,677	8,677
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.3	4,373	4,373
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.5	2,466	2,454
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.5	1,240	1,234
CPI Buyer, LLC (Cole-Parmer)[3]	Healthcare, Education and Childcare	Senior loan	08/2021	5.5	5,805	5,776
Curo Health Services LLC[3]	Healthcare, Education and Childcare	Senior loan	02/2022	6.5	5,910	5,928
DentMall MSO, LLC[6]	Retail Stores	Senior loan	07/2019	6.0	10,147	6,088
DentMall MSO, LLC[6]	Retail Stores	Senior loan	07/2019	6.0	1,000	598
DISA Holdings Acquisition Subsidiary Corp.	Diversified/Conglomerate Service	Senior loan	12/2020	5.5	4,568	4,431

DISA Holdings Acquisition Subsidiary Corp.	Diversified/Conglomerate Service	Senior loan	12/2020	5.5	255	224
EAG, INC. (Evans Analytical Group)	Diversified/Conglomerate Service	Senior loan	07/2017	5.0	2,113	2,113
Encore GC Acquisition, LLC(3)	Healthcare, Education and Childcare	Senior loan	01/2020	6.3	4,773	4,773
Encore GC Acquisition, LLC(3)	Healthcare, Education and Childcare	Senior loan	01/2020	7.8	164	164
Express Oil Change, LLC(3)	Retail Stores	Senior loan	12/2017	6.0	4,841	4,841
Extreme Reach Inc.	Broadcasting and Entertainment	Senior loan	02/2020	7.3	1,976	1,998
Federal-Mogul Corporation	Automobile	Senior loan	04/2021	4.8	3,920	3,799
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	6.3	6,090	6,090
Harvey Tool Company, LLC(3)	Diversified/Conglomerate Manufacturing	Senior loan	03/2020	6.0	3,108	3,108
Jensen Hughes, Inc.	Diversified/Conglomerate Service	Senior loan	12/2021	6.3	2,342	2,342
Jensen Hughes, Inc.	Diversified/Conglomerate Service	Senior loan	12/2021	6.0	104	104
Jensen Hughes, Inc.	Diversified/Conglomerate Service	Senior loan	12/2021	6.2	65	65
Joerns Healthcare, LLC(3)	Healthcare, Education and Childcare	Senior loan	05/2020	6.0	9,598	9,118
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.5	6,834	6,834
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.5	1,061	1,061
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.5	596	596
K&N Engineering, Inc.(3)	Automobile	Senior loan	07/2019	6.8	3,781	3,781
K&N Engineering, Inc.(3)	Automobile	Senior loan	07/2019	5.3	179	179
Loar Group Inc.	Aerospace and Defense	Senior loan	01/2022	5.8	2,233	2,233
Mediaocean LLC(3)	Diversified/Conglomerate Service	Senior loan	08/2022	5.8	3,137	3,137
Northwestern Management Services, LLC(3)	Healthcare, Education and Childcare	Senior loan	10/2019	6.5	4,288	4,224
Northwestern Management Services, LLC(3)	Healthcare, Education and Childcare	Senior loan	10/2019	6.5	470	463
Northwestern Management Services, LLC(3)	Healthcare, Education and Childcare	Senior loan	10/2019	7.5	1	1

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

Portfolio Company	Business Description	Investment Type	Maturity Date	Current Interest Rate[1]	Principal ($)	Fair Value[2]
					(In thousands)	
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.5 %	$1,998	$1,958
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.7	180	166
Pasternack Enterprises, Inc. and Fairview Microwave, Inc[3]	Diversified/Conglomerate Manufacturing	Senior loan	05/2022	6.0	1,640	1,623
Payless ShoeSource, Inc.	Retail Stores	Senior loan	03/2021	5.0	1,955	1,163
Pentec Acquisition Sub, Inc.	Healthcare, Education and Childcare	Senior loan	05/2018	6.3	1,419	1,419
PetVet Care Centers LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	12/2020	5.8	5,895	5,895
PetVet Care Centers LLC[3]	Personal, Food and Miscellaneous Services	Senior loan	12/2020	5.8	1,219	1,219
PowerPlan Holdings, Inc.[3]	Utilities	Senior loan	02/2022	5.8	11,994	11,994
PPT Management, LLC	Healthcare, Education and Childcare	Senior loan	04/2020	6.0	13,026	13,026
PPT Management, LLC	Healthcare, Education and Childcare	Senior loan	04/2020	6.0	10	10
Premise Health Holding Corp.[3]	Healthcare, Education and Childcare	Senior loan	06/2020	5.5	11,891	11,891
Pyramid Healthcare, Inc.[3]	Healthcare, Education and Childcare	Senior loan	08/2019	6.8	8,354	8,354
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2019	7.8	373	373
R.G. Barry Corporation	Personal, Food and Miscellaneous Services	Senior loan	09/2019	6.0	5,880	5,821
Radiology Partners, Inc.[3]	Healthcare, Education and Childcare	Senior loan	09/2020	6.5	7,072	7,001
Radiology Partners, Inc.[3]	Healthcare, Education and Childcare	Senior loan	09/2020	6.5	801	792
Radiology Partners, Inc.[3]	Healthcare, Education and Childcare	Senior loan	09/2020	6.5	510	505
Radiology Partners, Inc.[3][4]	Healthcare, Education and Childcare	Senior loan	09/2020	N/A[5]	—	(6)
Radiology Partners, Inc.[3][4]	Healthcare, Education and Childcare	Senior loan	09/2020	N/A[5]	—	(3)
Reliant Pro ReHab, LLC[3]	Healthcare, Education and Childcare	Senior loan	12/2017	6.0	3,337	3,337
RSC Acquisition, Inc.[3]	Insurance	Senior loan	11/2022	6.3	3,732	3,732
RSC Acquisition, Inc.[3]	Insurance	Senior loan	11/2022	6.3	172	172
RSC Acquisition, Inc.	Insurance	Senior loan	11/2020	6.8	33	33
Rubio's Restaurants, Inc.[3]	Beverage, Food and Tobacco	Senior loan	11/2018	6.0	5,044	5,044
Rug Doctor LLC	Personal and Non Durable Consumer Products	Senior loan	06/2018	6.3	7,780	7,780
Saldon Holdings, Inc.	Diversified/Conglomerate Service	Senior loan	09/2021	5.5	2,718	2,718

Sarnova HC, LLC	Healthcare, Education and Childcare	Senior loan	01/2022	5.8	3,722	3,722
SEI, Inc.	Electronics	Senior loan	07/2021	5.8	8,711	8,711
Self Esteem Brands, LLC(3)	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2020	5.0	6,342	6,342
Severin Acquisition, LLC(3)	Diversified/Conglomerate Service	Senior loan	07/2021	5.9	4,882	4,858
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	951	932
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	75	74
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	75	73
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	75	73
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	75	73
Smashburger Finance LLC(4)	Beverage, Food and Tobacco	Senior loan	05/2018	N/A (5)	—	(2)
Systems Maintenance Services Holding, Inc.(3)	Electronics	Senior loan	10/2019	5.0	2,396	2,396
Tate's Bake Shop, Inc.(3)	Beverage, Food and Tobacco	Senior loan	08/2019	6.0	2,955	2,955
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	5.3	4,582	4,566
Transaction Data Systems, Inc.(3)	Diversified/Conglomerate Service	Senior loan	06/2021	6.3	5,260	5,260
Transaction Data Systems, Inc.	Diversified/Conglomerate Service	Senior loan	06/2020	5.5	9	8
W3 Co.	Oil and Gas	Senior loan	03/2020	5.8	2,924	2,295
Worldwide Express Operations, LLC	Cargo Transport	Senior loan	07/2019	6.0	4,869	4,869
Worldwide Express Operations, LLC	Cargo Transport	Senior loan	07/2019	6.0	100	100
Young Innovations, Inc.(3)	Healthcare, Education and Childcare	Senior loan	01/2019	5.3	3,804	3,818
Young Innovations, Inc.(3)	Healthcare, Education and Childcare	Senior loan	01/2018	6.8	122	118
Zest Holdings, LLC	Healthcare, Education and Childcare	Senior loan	08/2020	5.8	5,282	5,282
					$331,473	$323,510

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(1) Represents the weighted average annual current interest rate as of September 30, 2016. All interest rates are payable in cash.
(2) Represents the fair value in accordance with ASC Topic 820. The determination of such fair value is not included in our board of directors' valuation process described elsewhere herein.
(3) We also hold a portion of the senior loan in this portfolio company.
(4) The negative fair value is the result of the unfunded commitment being valued below par.
(5) The entire commitment was unfunded as of September 30, 2016. As such, no interest is being earned on this investment.
(6) Loan was on non-accrual status as of September 30, 2016, meaning that SLF has ceased recognizing interest income on the loan.

As of September 30, 2017, we have committed to fund $175.0 million of LLC equity interests to SLF. As of September 30, 2017 and 2016, $97.5 million and $31.3 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 years ended September 30, 2017 and 2016, we received $4.9 million and $4.1 million, respectively, in dividend income from the LLC equity interests.

As of September 30, 2016, the amortized cost, net of principal repayments that were subject to recall, and fair value of the subordinated notes held by us was $77.3 million and $77.3 million, respectively. As of September 30, 2016, the subordinated notes paid a weighted average interest rate of three-month LIBOR plus 8.0%. For the years ended September 30, 2017 and 2016, we earned interest income of $1.6 million and $6.9 million, respectively, on the subordinated notes. The subordinated notes held by us were redeemed on December 30, 2016.

For the years ended September 30, 2017 and 2016, we earned a total return on our weighted average capital invested in SLF of 7.8% 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 (1) the principal of the SLF subordinated notes, if any, and (2) the NAV of the SLF LLC equity interests.

Below is certain summarized financial information for SLF as of and for the years ended September 30, 2017 and 2016:

	As of September 30,	
	2017	2016
	(In thousands)	
Selected Balance Sheet Information, at fair value		
Investments, at fair value	$300,930	$323,510
Cash and other assets	5,305	7,281
Receivable from investments sold	—	1,995
Total assets	$306,235	$332,786
Senior credit facility	$197,700	$214,050
Unamortized debt issuance costs	(712)	(949)
Other liabilities	658	567
Total liabilities	197,646	213,668
Subordinated notes and members' equity	108,589	119,118
Total liabilities and members' equity	$306,235	$332,786

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	Years ended September 30,	
	2017	2016
	(In thousands)	
Selected Statement of Operations Information:		
Interest income	$21,455	$22,016
Fee income	5	84
Total investment income	21,460	22,100
Interest and other debt financing expenses	10,236	15,715
Administrative service fee	477	457
Other expenses	131	151
Total expenses	10,844	16,323
Net investment income	10,616	5,777
Net realized gains (losses) on investments	(7,379)	(479)
Net change in unrealized appreciation (depreciation) on investments and subordinated notes	4,647	(4,685)
Net increase (decrease) in members' equity	$7,884	$613

Prior to their termination, SLF elected to fair value the subordinated notes issued to us and RGA under ASC Topic 825 — Financial Instruments, or ASC Topic 825. The subordinated notes were valued by calculating the net present value of the future expected cash flow streams using an appropriate risk-adjusted discount rate model.

As of September 30, 2017, SLF had no subordinated notes outstanding. As of September 30, 2016, SLF had $88.3 million of aggregate contractual principal amounts of subordinated notes outstanding for which the fair value option was elected with a fair value and carrying value of $88.3 million.

Contractual Obligations and Off-Balance Sheet Arrangements

A summary of our significant contractual payment obligations as of September 30, 2017 is as follows:

	Payments Due by Period (In millions)				
	Total	Less Than 1 Year	1 – 3 Years	3 – 5 Years	More Than 5 Years
2010 Debt Securitization	$205.0	$—	$ —	$—	$205.0
2014 Debt Securitization	246.0	—	—	—	246.0
SBA debentures	267.0	—	—	103.5	163.5
Credit Facility	63.1	—	—	63.1	—
Adviser Revolver	—	—	—	—	—
Unfunded commitments [(1)]	60.5	60.5	—	—	—
Total contractual obligations	$841.6	$60.5	$ —	$166.6	$614.5

(1) Unfunded commitments represent unfunded commitments to fund investments, excluding our investments in SLF, as of September 30, 2017. 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, 2017, 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, 2017 and 2016, we had outstanding commitments to fund investments, excluding our investments in SLF, totaling $60.5 million and $81.4 million, respectively. We have commitments of up to $77.5

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million and $66.4 million to SLF as of September 30, 2017 and 2016, respectively, that may be contributed primarily for the purpose of funding new investments approved by the SLF investment committee.

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

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 2010 Issuer and the 2014 Issuer under the 2010 Collateral Management Agreement and 2014 Collateral Management Agreement, respectively, and receives a fee for providing these services that is 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.
- In our common stock offering that closed on April 15, 2015, Mr. William M. Webster IV purchased 5,000 shares at the public offering price per share. In addition, in the common stock offering that closed on August 15, 2016, Mr. John T. Baily purchased 8,250 shares at the public offering price per share.
- During calendar year 2017 through September 30, 2017, the Golub Capital Employee Grant Program Rabbi Trust, or the Trust, purchased approximately $17.7 million of shares, or 955,896 shares, of our common stock from GCOP LLC, an affiliate of GC Advisors, for the purpose of awarding incentive compensation to employees of Golub Capital. During calendar year 2016, the Trust purchased approximately $1.5 million of shares, or 95,035 shares, of our common stock, for the purpose of awarding incentive compensation to employees of Golub Capital. During calendar year 2015, the Trust purchased approximately $16.0 million of shares, or 952,051 shares, of our common stock, for the purpose of awarding incentive compensation to employees of Golub Capital.

GC Advisors also sponsors or manages, and may in the future sponsor or manage, other investment funds, accounts or investment vehicles (together referred to as "accounts") that have investment mandates that are similar, in whole and in part, with ours. For example, GC Advisors presently serves as the investment adviser to Golub Capital Investment Corporation and Golub Capital BDC 3, Inc., each an unlisted business development company that primarily focuses on investing in senior secured and one stop loans. In addition, our officers and directors serve in similar capacities for Golub Capital Investment Corporation and Golub Capital BDC 3, Inc.. GC Advisors and its affiliates may determine that an investment is appropriate for us and for one or more of those other accounts. In such event, depending on the availability of such investment and other appropriate factors, and pursuant to GC Advisors' allocation policy, GC Advisors or its affiliates may determine that 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.

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Fair Value Measurements

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

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

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

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

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

Determination of fair values involves subjective judgments and estimates. Under current 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.

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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, 2017, 2016 and 2015. 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, 2017 and 2016, with the exception of money market funds included in cash and cash equivalents and restricted cash and cash equivalents (Level 1 investments) and investments measured at fair value using the NAV, all investments were valued using Level 3 inputs of the fair value hierarchy.

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

We have elected the fair value option under ASC Topic 825 relating to accounting for debt obligations at their fair value for our secured borrowings which arise due to partial loan sales that do not meet the criteria for sale treatment under ASC Topic 860. As of September 30, 2017, there were no secured borrowings outstanding. All secured borrowings as of September 30, 2016 were valued using Level 3 inputs under the fair value hierarchy, and our approach to determining fair value of Level 3 secured borrowings is consistent with our approach to determining fair value of the Level 3 investments that are associated with these secured borrowings as previously described.

Valuation of Other Financial Assets and Liabilities

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

Revenue Recognition:

Our revenue recognition policies are as follows:

Investments and Related Investment Income: Interest income is accrued based upon the outstanding principal amount and contractual interest terms of debt investments. Premiums, discounts, and origination fees are amortized or accreted into interest income over the life of the respective debt investment. For investments with contractual PIK interest, which represents contractual interest accrued and added to the principal balance that generally becomes due at maturity, we do not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not likely to be collectible. In addition, we may generate revenue in the form of amendment, structuring or due diligence fees, fees for providing managerial assistance, consulting fees and prepayment premiums on loans and record these fees as fee income when received. Loan origination fees, original 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 $2.9 million and $1.3 million as of September 30, 2017 and 2016, respectively.

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

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

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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, 2017 and 2016, the weighted average LIBOR floor on the loans subject to floating interest rates was 1.03% and 1.04%, respectively. Prior to their redemption on October 20, 2016, the Class A 2010 Notes issued as part of the 2010 Debt Securitization had floating interest rate provisions based on three-month LIBOR that reset quarterly as do the Class A-Refi 2010 Notes issued in connection with the refinancing of the 2010 Debt Securitization. In addition, the Class A-1, A-2 and B 2014 Notes issued as part of the 2014 Debt Securitization have floating interest rate provisions based on three-month LIBOR that reset quarterly and the Credit Facility has a floating interest rate provision based on one-month LIBOR that resets daily. As of September 30, 2017, there were no secured borrowings outstanding. As of September 30, 2016, the weighted average LIBOR floor on the secured borrowings, which reset quarterly, was 1.00%. 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, 2017 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	$(3,647)	$ (1,285)	$ (2,362)
Up 50 basis points	7,705	2,571	5,134
Up 100 basis points	15,410	5,141	10,269
Up 150 basis points	23,115	7,712	15,403
Up 200 basis points	30,819	10,282	20,537

Although we believe that this analysis is indicative of our sensitivity to interest rate changes as of September 30, 2017, 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 and the Credit Facility, or other borrowings, that could affect net increase in net assets resulting from operations, or net income. Accordingly, we can offer no assurances that actual results would not differ materially from the analysis above.

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

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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," "ou 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, 2017. 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, 2017, 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, 2017. This report appears on page 95.

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Report of Independent Registered Public Accounting Firm

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

We have audited the accompanying consolidated statements of financial condition, including the consolidated schedules of investments, of Golub Capital BDC, Inc. and Subsidiaries (collectively, the “Company”) as of September 30, 2017 and 2016, and the related consolidated statements of operations, changes in net assets and cash flows for each of the two years in the period ended September 30, 2017. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of investments owned as of September 30, 2017, by correspondence with the trustee or custodian, as applicable. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Golub Capital BDC, Inc. and Subsidiaries at September 30, 2017 and 2016, and the consolidated results of their operations, changes in their net assets, and their cash flows for each of the two years in the period ended September 30, 2017, 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), Golub Capital BDC, Inc. and Subsidiaries’ internal control over financial reporting as of September 30, 2017, 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 20, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Chicago, Illinois
November 20, 2017

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Report of Independent Registered Public Accounting Firm
To the Board of Directors and Stockholders
Golub Capital BDC, Inc. and Subsidiaries

We have audited the accompanying consolidated statements of operations, changes in net assets and cash flows for the year ended September 30, 2015 of Golub Capital BDC, Inc. and Subsidiaries (collectively, the Company). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations of Golub Capital BDC, Inc. and Subsidiaries and their cash flows for the year ended September 30, 2015 in conformity with U.S. generally accepted accounting principles.

/s/ RSM US LLP
Chicago, Illinois
November 17, 2015

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Report of Independent Registered Public Accounting Firm

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

We have audited Golub Capital BDC, Inc. and Subsidiaries' (collectively, the "Company") internal control over financial reporting as of September 30, 2017, 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). 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 conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether 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.

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.

In our opinion, Golub Capital BDC, Inc. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of September 30, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial condition, including the consolidated schedules of investments, of Golub Capital BDC, Inc. and Subsidiaries as of September 30, 2017 and 2016, and the related consolidated statements of operations, changes in net assets and cash flows for each of the two years in the period ended September 30, 2017 of Golub Capital BDC, Inc. and Subsidiaries and our report dated November 20, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chicago, Illinois
November 20, 2017

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

	September 30, 2017	September 30, 2016
Assets		
Investments, at fair value		
Non-controlled/non-affiliate company investments	$1,586,293	$1,546,766
Non-controlled affiliate company investments	3,707	9,618
Controlled affiliate company investments	95,015	104,228
Total investments at fair value (amortized cost of $1,671,239 and $1,650,173, respectively)	1,685,015	1,660,612
Cash and cash equivalents	3,988	10,947
Restricted cash and cash equivalents	58,570	78,593
Interest receivable	6,271	5,935
Other assets	332	422
Total Assets	$1,754,176	$1,756,509
Liabilities		
Debt	$781,100	$864,700
Less unamortized debt issuance costs	4,273	5,627
Debt less unamortized debt issuance costs	776,827	859,073
Secured borrowings, at fair value (proceeds of $0 and $471, respectively)	—	475
Interest payable	3,800	3,229
Management and incentive fees payable	13,215	12,763
Accounts payable and accrued expenses	2,312	2,072
Accrued trustee fees	76	72
Total Liabilities	796,230	877,684
Commitments and Contingencies (Note 8)		
Net Assets		
Preferred stock, par value $0.001 per share, 1,000,000 shares authorized, zero shares issued and outstanding as of September 30, 2017 and September 30, 2016	—	—
Common stock, par value $0.001 per share, 100,000,000 shares authorized, 59,577,293 and 55,059,067 shares issued and outstanding as of September 30, 2017 and September 30, 2016, respectively	60	55
Paid in capital in excess of par	939,307	855,998
Undistributed net investment income	1,954	18,832
Net unrealized appreciation (depreciation) on investments and secured borrowings	16,444	13,104
Net realized gain (loss) on investments	181	(9,164)
Total Net Assets	957,946	878,825
Total Liabilities and Total Net Assets	$1,754,176	$1,756,509
Number of common shares outstanding	59,577,293	55,059,067
Net asset value per common share	$16.08	$15.96

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

	Years ended September 30,		
	2017	2016	2015
Investment income			
From non-controlled/non-affiliate company investments:			
Interest income	$127,674	$114,186	$112,406
Dividend income	629	539	212
Fee income	1,757	1,448	2,265
Total investment income from non-controlled/non-affiliate company investments	130,060	116,173	114,883
From non-controlled affiliate company investments:			
Interest income	1,136	660	—
Total investment income from non-controlled affiliate company investments	1,136	660	—
From controlled affiliate company investments:			
Interest income	1,639	6,939	3,735
Dividend income	4,929	4,099	1,350
Total investment income from controlled affiliate company investments	6,568	11,038	5,085
Total investment income	137,764	127,871	119,968
Expenses			
Interest and other debt financing expenses	31,534	27,724	24,510
Base management fee	23,815	22,020	20,330
Incentive fee	7,560	7,266	10,226
Professional fees	2,396	2,814	2,942
Administrative service fee	2,340	2,209	2,372
General and administrative expenses	556	525	591
Total expenses	68,201	62,558	60,971
Net investment income - before excise tax	69,563	65,313	58,997
Excise tax	17	333	—
Net investment income - after excise tax	69,546	64,980	58,997
Net gain (loss) on investments and secured borrowings			
Net realized gain (loss) on investments:			
Non-controlled/non-affiliate company investments	15,844	3,532	9,354
Non-controlled affiliate company investments	(6,442)	2,722	—
Net realized gain (loss) on investments	9,402	6,254	9,354
Net change in unrealized appreciation (depreciation) on investments:			
Non-controlled/non-affiliate company investments	(3,878)	4,702	768
Non-controlled affiliate company investments	5,246	(3,170)	2,443
Controlled affiliate company investments	1,969	(3,562)	(773)
Net change in unrealized appreciation (depreciation) on investments	3,337	(2,030)	2,438
Net change in unrealized appreciation (depreciation) on secured borrowings	3	—	2
Net gain (loss) on investments and secured borrowings	12,742	4,224	11,794
Net increase in net assets resulting from operations	$82,288	$69,204	$70,791
Per Common Share Data			
Basic and diluted earnings per common share	$1.45	$1.33	$1.44
Dividends and distributions declared per common share	$1.53	$1.28	$1.28
Basic and diluted weighted average common shares outstanding	56,913,064	51,948,378	49,017,777

See Notes to Consolidated Financial Statements.
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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	Undistributed Net Investment Income	Net Unrealized Appreciation (Depreciation) on Investments and Secured Borrowings	Net Realized Gain (Loss) on Investments	Total Net Assets
Balance at September 30, 2014	47,119,498	$ 47	$720,479	$ 3,627	$ 12,694	$ (4,108)	$732,739
Issuance of common stock, net of offering and underwriting costs[1]	4,002,292	4	67,366	—	—	—	67,370
Net increase in net assets resulting from operations	—	—	—	58,997	2,440	9,354	70,791
Distributions to stockholders:							
Stock issued in connection with dividend reinvestment plan	178,403	—	2,939	—	—	—	2,939
Distributions from net investment income	—	—	—	(58,152)	—	—	(58,152)
Distribution from realized gain	—	—	—	—	—	(4,817)	(4,817)
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	(71)	(242)	—	313	—
Total increase (decrease) for the period ended September 30, 2015	4,180,695	4	70,234	603	2,440	4,850	78,131
Balance at September 30, 2015	51,300,193	$ 51	$790,713	$ 4,230	$ 15,134	$ 742	$810,870
Issuance of common stock, net of offering and underwriting costs[2]	3,320,456	$ 3	$58,257	$ —	$ —	$ —	$58,260
Net increase in net assets resulting from operations	—	—	—	64,980	(2,030)	6,254	69,204
Distributions to stockholders:							
Stock issued in connection with dividend reinvestment plan	438,418	1	7,369	—	—	—	7,370
Distributions from net investment income	—	—	—	(54,461)	—	—	(54,461)
Distributions from realized gain	—	—	—	—	—	(12,418)	(12,418)
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	(341)	4,083	—	(3,742)	—
Total increase (decrease) for the period ended September 30, 2016	3,758,874	4	65,285	14,602	(2,030)	(9,906)	67,955
Balance at September 30, 2016	55,059,067	$ 55	$855,998	$ 18,832	$ 13,104	$ (9,164)	$878,825
Issuance of common stock, net of offering and underwriting costs[3]	3,982,721	$ 4	$73,610	$ —	$ —	$ —	$73,614
	—	—	—	69,546	3,340	9,402	82,288

Net increase in net assets resulting from operations							
Distributions to stockholders:							
Stock issued in connection with dividend reinvestment plan	535,505	1	9,661	—	—	—	9,662
Distributions from net investment income	—	—	—	(85,304)	—	—	(85,304)
Distributions from realized gain	—	—	—	—	—	(1,139)	(1,139)
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—		38	(1,120)	—	1,082	—
Total increase (decrease) for the period ended September 30, 2017	4,518,226	5	83,309	(16,878)	3,340	9,345	79,121
Balance at September 30, 2017	59,577,293	$ 60	$939,307	$ 1,954	$ 16,444	$ 181	$957,946

(1) On April 10, 2015, Golub Capital BDC, Inc. priced a public offering of 3,500,000 shares of its common stock at a public offering price of $17.42 per share. On May 7, 2015, Golub Capital BDC, Inc. sold an additional 502,292 shares of its common stock at a public offering price of $17.42 per share pursuant to the underwriters' partial exercise of the option to purchase additional shares granted in connection with the public offering in April 2015.

(2) On July 18, 2016, Golub Capital BDC, Inc. entered into a Securities Purchase Agreement between the Company and a third party institutional investor for the sale of 1,433,486 shares of Company's common stock at a price per share of $17.44 per share. On August 15, 2016, Golub Capital BDC, Inc. priced a public offering of 1,750,000 shares of its common stock at a public offering price of $18.35 per share. On September 19, 2016, Golub Capital BDC, Inc. sold an additional 136,970 shares of its common stock at a public offering price of $18.35 per share pursuant to the underwriters' partial exercise of the option to purchase additional shares granted in connection with the public offering in August 2016.

(3) On March 21, 2017, Golub Capital BDC, Inc. 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, Golub Capital BDC, Inc. sold an additional 262,500 shares of its common stock at a public offering price of $19.03 per share pursuant to the underwriter's exercise of the option to purchase additional shares granted in connection with the public offering in March 2017. On June 6, 2017, Golub Capital BDC, Inc. entered into an agreement to sell 1,750,000 shares of its common stock pursuant to an underwritten, public offering at a price to Golub Capital BDC, Inc. of $18.71 per share. On July 5, 2017, Golub Capital BDC, Inc. sold an additional 220,221 shares of its common stock at a public offering price of $18.71 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.

See Notes to Consolidated Financial Statements.

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

	Years ended September 30,		
	2017	2016	2015
Cash flows from operating activities			
Net increase in net assets resulting from operations	$82,288	$69,204	$70,791
Adjustments to reconcile net increase in net assets resulting from operations to net cash (used in) provided by operating activities			
Amortization of deferred debt issuance costs	3,289	4,184	4,506
Accretion of discounts and amortization of premiums	(9,495)	(8,662)	(9,000)
Net realized (gain) loss on investments	(9,402)	(6,254)	(9,354)
Net change in unrealized (appreciation) depreciation on investments	(3,337)	2,030	(2,438)
Net change in unrealized appreciation (depreciation) on secured borrowings	(3)	—	(2)
Proceeds from (fundings of) revolving loans, net	(331)	(587)	(1,365)
Fundings of investments	(588,169)	(654,763)	(858,147)
Proceeds from principal payments and sales of portfolio investments	588,173	538,609	699,075
PIK interest	(1,839)	(1,201)	(941)
Changes in operating assets and liabilities:			
Interest receivable	(336)	(235)	91
Other assets	90	36	69
Interest payable	571	507	(474)
Management and incentive fees payable	452	1,009	3,303
Accounts payable and accrued expenses	240	30	645
Accrued trustee fees	4	15	(9)
Net cash (used in) provided by operating activities	62,195	(56,078)	(103,250)
Cash flows from financing activities			
Borrowings on debt	545,000	440,650	503,200
Repayments of debt	(628,600)	(389,200)	(387,100)
Capitalized debt issuance costs	(1,935)	(2,187)	(2,615)
Proceeds from secured borrowings	—	155	—
Repayments on secured borrowings	(475)	(35)	(34)
Proceeds from shares sold, net of underwriting costs	74,014	58,555	67,602
Offering costs paid	(400)	(295)	(232)
Distributions paid	(76,781)	(59,509)	(60,030)
Net cash provided by (used in) financing activities	(89,177)	48,134	120,791
Net change in cash, cash equivalents and restricted cash and cash equivalents	(26,982)	(7,944)	17,541
Cash, cash equivalents and restricted cash and cash equivalents, beginning of period	89,540	97,484	79,943
Cash, cash equivalents and restricted cash and cash equivalents, end of period	$62,558	$89,540	$97,484
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest	$27,662	$23,019	$20,463
Taxes, including excise tax, paid during the period	17	333	—
Distributions declared during the period	(86,443)	(66,879)	(62,969)

See Notes to Consolidated Financial Statements.

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	Years ended September 30, 2017	2016	2015
Supplemental disclosure of noncash operating activity:			
Funding of LLC equity interests in SLF	$(78,689)	$ —	$ —
Non-cash proceeds from principal payments on subordinated notes investment in SLF	78,689	—	—
Supplemental disclosure of noncash financing activity:			
Proceeds from issuance of Class A-Ref 2010 Notes	$205,000	$ —	$ —
Redemptions of Class A and Class B 2010 Notes	(205,000)	—	—

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

	Years ended September 30, 2017	2016	2015
Cash and cash equivalents	$3,988	$10,947	$5,468
Restricted cash and cash equivalents	58,570	78,593	92,016
Total cash, cash equivalents and restricted cash and cash equivalents shown in the statement of cash flows	$62,558	$89,540	$97,484

See Note 2. Significant Accounting Policies and Recent Accounting Updates for a description of restricted cash and cash equivalents.

See Notes to Consolidated Financial Statements.

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Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments
September 30, 2017
(In thousands)

	Investment Type	Spread Above Index(1)		Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (16)
Investments									
Non-controlled/non-affiliate company investments									
Debt investments									
Aerospace and Defense									
ILC Dover, LP*^#	One stop	L + 9.00%	(a)	8.24% cash/2.00% PIK	03/2020	$ 17,617	$ 17,521	1.8 %	$ 17,617
ILC Dover, LP	One stop	L + 9.00%	(a)(c)	8.24% cash/2.00% PIK	03/2019	801	797	0.1	801
NTS Technical Systems*^#	One stop	L + 6.25%	(a)	7.49%	06/2021	21,773	21,486	2.3	21,773
NTS Technical Systems(4)	One stop	L + 6.25%		N/A(5)	06/2021	—	(72)	—	—
NTS Technical Systems(4)	One stop	L + 6.25%		N/A(5)	06/2021	—	(120)	—	—
Tresys Technology Holdings, Inc.(6)	One stop	L + 6.75%	(c)	8.08%	12/2017	3,899	3,845	0.1	1,170
Tresys Technology Holdings, Inc.(6)	One stop	L + 6.75%	(c)	8.06%	12/2017	659	658	0.1	659
Tronair Parent, Inc.#	Senior loan	L + 4.75%	(c)(e)	6.06%	09/2023	191	189	—	191
Tronair Parent, Inc.	Senior loan	L + 4.50%	(c)	5.81%	09/2021	32	31	—	31
Whitcraft LLC*^#	One stop	L + 6.25%	(c)	7.58%	04/2023	12,564	12,390	1.3	12,564
Whitcraft LLC	One stop	P + 5.25%	(e)	9.50%	04/2023	17	16	—	17
Whitcraft LLC(4)	One stop	L + 6.25%		N/A(5)	04/2023	—	(5)	—	—
						57,553	56,736	5.7	54,823
Automobile									
Dent Wizard International Corporation*	Senior loan	L + 4.75%	(a)	5.98%	04/2020	4,522	4,499	0.5	4,522
OEConnection LLC*	Senior loan	L + 5.00%	(c)	6.33%	06/2022	4,834	4,735	0.5	4,852
OEConnection LLC^	Senior loan	L + 4.75%	(c)	6.08%	06/2023	2,590	2,565	0.3	2,573
OEConnection LLC(4)	Senior loan	L + 5.00%		N/A(5)	06/2021	—	(1)	—	—

T5 Merger Corporation*^	One stop	L + 6.25%	(a)	7.49%	03/2022	4,380	4,312	0.4	4,380
T5 Merger Corporation*	One stop	L + 6.25%	(a)	7.48%	03/2022	190	188	—	190
T5 Merger Corporation*	One stop	L + 6.25%	(a)	7.48%	03/2022	60	59	—	60
T5 Merger Corporation	One stop	L + 6.50%	(a)	7.74%	03/2022	8	6	—	8
						16,584	16,363	1.7	16,585
Banking									
HedgeServ Holding L.P.*#	One stop	L + 8.00%	(c)	7.23% cash/2.00% PIK	02/2019	17,182	17,147	1.8	17,182
HedgeServ Holding L.P.(4)	One stop	L + 6.00%		N/A(5)	02/2019	—	(3)	—	—
						17,182	17,144	1.8	17,182
Beverage, Food and Tobacco									
Abita Brewing Co., L.L.C.	One stop	L + 5.75%	(a)	6.99%	04/2021	7,763	7,655	0.8	7,530
Abita Brewing Co., L.L.C.(4)	One stop	L + 5.75%		N/A(5)	04/2021	—	(1)	—	(2)
ABP Corporation*	Senior loan	L + 4.75%	(c)	6.07%	09/2018	4,647	4,632	0.5	4,647
ABP Corporation	Senior loan	P + 3.50%	(e)	7.75%	09/2018	334	332	—	334
Benihana, Inc.*^	One stop	L + 7.00%	(a)(c)	8.32%	01/2019	16,099	15,945	1.7	15,951
Benihana, Inc.	One stop	L + 7.00%	(c)(e)	9.16%	07/2018	1,726	1,711	0.2	1,706
C. J. Foods, Inc.*^	One stop	L + 6.25%	(c)	7.58%	05/2019	5,205	5,164	0.5	5,205
C. J. Foods, Inc.	One stop	L + 6.25%	(c)	7.58%	05/2019	656	651	0.1	656
C. J. Foods, Inc.	One stop	L + 6.25%	(c)	7.56%	05/2019	129	125	—	129
Cafe Rio Holding, Inc.*^	One stop	L + 5.75%	(c)	7.08%	09/2023	10,475	10,294	1.1	10,371
Cafe Rio Holding, Inc.(4)	One stop	L + 5.75%		N/A(5)	09/2023	—	(2)	—	(1)
Cafe Rio Holding, Inc.(4)	One stop	L + 5.75%		N/A(5)	09/2023	—	(5)	—	(3)
Firebirds International, LLC*	One stop	L + 5.75%	(c)	7.06%	05/2018	1,063	1,058	0.1	1,063
Firebirds International, LLC*	One stop	L + 5.75%	(c)	7.06%	05/2018	299	297	—	299
Firebirds International, LLC^	One stop	L + 5.75%	(c)	7.06%	12/2018	96	95	—	96
Firebirds International, LLC	One stop	L + 5.75%		N/A(5)	12/2018	—	—	—	—

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Beverage, Food and Tobacco - (continued)									
Firebirds International, LLC(4)	One stop	L + 5.75%		N/A(5)	05/2018	$ —	$ (1)	— %	$ —
FWR Holding Corporation^	One stop	L + 6.00%	(c)	7.40%	08/2023	5,312	5,234	0.6	5,259
FWR Holding Corporation	One stop	L + 6.00%	(a)(c)	7.28%	08/2023	18	17	—	18
FWR Holding Corporation(4)	One stop	L + 6.00%		N/A(5)	08/2023	—	(2)	—	(2)
Global Franchise Group, LLC*	Senior loan	L + 5.75%	(c)	7.07%	12/2019	3,530	3,496	0.4	3,495
Global Franchise Group, LLC	Senior loan	L + 5.75%		N/A(5)	12/2019	—	—	—	—
Hopdoddy Holdings, LLC	One stop	L + 8.00%	(a)	9.24%	08/2020	653	645	0.1	653
Hopdoddy Holdings, LLC	One stop	L + 8.00%	(a)	9.24%	08/2020	266	265	—	266
Hopdoddy Holdings, LLC	One stop	L + 8.00%		N/A(5)	08/2020	—	—	—	—
Julio & Sons Company	One stop	L + 5.50%		N/A(5)	12/2018	—	—	—	—
Mid-America Pet Food, L.L.C.^	One stop	L + 5.50%	(c)	6.83%	12/2021	5,640	5,568	0.6	5,640
Mid-America Pet Food, L.L.C.(4)	One stop	L + 5.50%		N/A(5)	12/2021	—	(1)	—	—
NBC Intermediate, LLC #	Senior loan	L + 4.50%	(a)	5.74%	09/2023	2,288	2,265	0.2	2,265
NBC Intermediate, LLC	Senior loan	L + 4.50%		N/A(5)	09/2023	—	—	—	—
P&P Food Safety US Acquisition, Inc.*	One stop	L + 6.50%	(c)	7.82%	11/2021	4,126	4,083	0.4	4,126
P&P Food Safety US Acquisition, Inc.	One stop	P + 5.25%	(e)	9.50%	11/2021	13	13	—	13
Purfoods, LLC	One stop	L + 6.25%	(c)	7.57%	05/2021	8,561	8,407	0.9	8,561
Purfoods, LLC	One stop	N/A		3.50% cash/7.00% PIK	05/2026	109	109	—	112
Purfoods, LLC	One stop	L + 6.25%	(a)(c)	7.55%	05/2021	70	69	—	70
Purfoods, LLC	One stop	L + 6.25%	(c)	7.58%	05/2021	15	15	—	15

Purfoods, LLC	One stop	L + 6.25%	(a)	7.49%	05/2021	15	15	—	15
Purfoods, LLC	One stop	L + 6.25%	(c)	7.58%	05/2021	14	14	—	14
Purfoods, LLC	One stop	L + 6.25%	(c)	7.58%	05/2021	11	11	—	11
Purfoods, LLC	One stop	L + 6.25%	(c)	7.58%	05/2021	10	10	—	10
Restaurant Holding Company, LLC#	Senior loan	L + 7.75%	(a)	8.99%	02/2019	4,469	4,455	0.4	4,246
Rubio's Restaurants, Inc.*^	Senior loan	L + 4.75%	(c)	6.07%	11/2018	8,828	8,807	0.9	8,828
Smashburger Finance LLC	Senior loan	L + 5.50%	(c)	6.83%	05/2018	79	79	—	69
Smashburger Finance LLC(4)	Senior loan	L + 5.50%		N/A(5)	05/2018	—	(1)	—	—
Surfside Coffee Company LLC#c	One stop	L + 5.25%	(c)	6.58%	06/2020	4,436	4,411	0.5	4,436
Surfside Coffee Company LLC	One stop	L + 5.25%	(c)	6.58%	06/2020	335	334	—	335
Surfside Coffee Company LLC	One stop	L + 5.25%	(c)	6.57%	06/2020	30	30	—	30
Tate's Bake Shop, Inc.^	Senior loan	L + 5.00%	(c)	6.33%	08/2019	591	588	0.1	591
Uinta Brewing Company^	One stop	L + 8.50%	(a)	9.74%	08/2019	3,734	3,720	0.4	3,622
Uinta Brewing Company	One stop	L + 8.50%	(a)	9.74%	08/2019	539	535	0.1	517
						102,184	101,141	10.6	101,196
Broadcasting and Entertainment									
TouchTunes Interactive Networks, Inc.^	Senior loan	L + 4.75%	(a)	5.99%	05/2021	1,462	1,458	0.2	1,469
Building and Real Estate									
Brooks Equipment Company, LLC*^	One stop	L + 5.00%	(b)(c)	6.32%	08/2020	21,846	21,687	2.3	21,846
Brooks Equipment Company, LLC*	One stop	L + 5.00%	(c)	6.32%	08/2020	5,400	5,366	0.6	5,400
Brooks Equipment Company, LLC	One stop	L + 5.00%	(a)	6.24%	08/2020	890	880	0.1	890
Jensen Hughes, Inc.#	Senior loan	L + 5.00%	(d)	6.45%	12/2021	153	152	—	153
MRI Software LLC^	One stop	L + 6.00%	(c)	7.33%	06/2023	23,923	23,312	2.5	23,683
MRI Software LLC#	One stop	L + 6.00%	(c)	7.33%	06/2023	13,883	13,744	1.4	13,744
MRI Software LLC	One stop	L + 6.00%	(c)	7.32%	06/2023	167	165	—	165
MRI Software LLC(4)	One stop	L + 6.00%		N/A(5)	06/2023	—	(3)	—	(2)

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Building and Real Estate - (continued)									
MRI Software LLC(4)	One stop	L + 6.00%	(c)	N/A(5)	06/2023	$ —	$ (7)	$ — %	$ (5)
						66,262	65,296	6.9	65,874
Chemicals, Plastics and Rubber									
Flexan, LLC*	One stop	L + 5.75%	(c)	7.08%	02/2020	2,333	2,316	0.2	2,333
Flexan, LLC	One stop	P + 4.50%	(e)	8.75%	02/2020	2	1	—	2
						2,335	2,317	0.2	2,335
Diversified/Conglomerate Manufacturing									
Chase Industries, Inc.*^#	One stop	L + 5.75%	(c)	7.05%	09/2020	31,371	31,164	3.3	31,371
Chase Industries, Inc.#	One stop	L + 5.75%	(c)	7.05%	09/2020	4,771	4,747	0.5	4,771
Chase Industries, Inc.	One stop	L + 5.75%	(a)	6.99%	09/2020	324	313	—	324
Inventus Power, Inc.*^	One stop	L + 6.50%	(a)	7.74%	04/2020	8,140	8,098	0.7	7,326
Inventus Power, Inc.	One stop	L + 6.50%	(a)	7.74%	04/2020	251	248	—	198
Onicon Incorporated*^#	One stop	L + 6.00%	(c)	7.33%	04/2020	12,878	12,782	1.3	12,878
Onicon Incorporated(4)	One stop	L + 6.00%		N/A(5)	04/2020	—	(4)	—	—
PetroChoice Holdings, Inc.^	Senior loan	L + 5.00%	(b)	6.28%	08/2022	1,750 1	1,709	0.2	1,750
Plex Systems, Inc.*^	One stop	L + 7.50%	(d)	8.96%	06/2020	18,797 1	18,527	2.0	18,797
Plex Systems, Inc.(4)	One stop	L + 7.50%		N/A(5)	06/2020	— 1	(22)	—	—
Reladyne, Inc.*^#	Senior loan	L + 5.00%	(a)	6.24%	07/2022	17,049 1	16,812	1.8	16,879
Reladyne, Inc.(4)	Senior loan	L + 5.00%		N/A(5)	07/2022	— 1	(2)	—	(2)
Reladyne, Inc.(4)	Senior loan	L + 5.00%		N/A(5)	07/2022	— 1	(5)	—	(5)
Sunless Merger Sub, Inc.#	Senior loan	L + 5.00%	(a)(e)	6.27%	07/2019	1,457 1	1,463	0.2	1,457
Sunless Merger Sub, Inc.	Senior loan		(e)	8.00%	07/2019	326 1	326	—	326

		P + 3.75%								
						97,114		96,156	10.0	96,070
Diversified/Conglomerate Service										
Accela, Inc.#	One stop	L + 6.25%	(c)	7.58%	09/2023	5,842	1	5,754	0.6	5,783
Accela, Inc.	One stop	P + 5.25%	(e)	9.50%	09/2023	1	1	—	—	1
Actiance, Inc.*^	One stop	L + 9.00%	(a)	10.24%	10/2019	3,962	1	3,862	0.4	3,962
Actiance, Inc.	One stop	L + 9.00%	(a)	10.24%	10/2019	20	1	20	—	20
Agility Recovery Solutions Inc.*^	One stop	L + 6.50%	(c)	7.81%	03/2020	13,924	1	13,823	1.4	13,924
Agility Recovery Solutions Inc.(4)	One stop	L + 6.50%		N/A(5)	03/2020	—	1	(4)	—	—
Anaqua, Inc.#	One stop	L + 6.50%	(c)	7.81%	07/2022	7,018	1	6,917	0.7	6,948
Anaqua, Inc.(4)	One stop	L + 6.50%		N/A(5)	07/2022	—	1	(1)	—	(1)
Bomgar Corporation^	One stop	L + 7.50%	(c)	8.83%	06/2022	4,839	1	4,762	0.5	4,839
Bomgar Corporation(4)	One stop	L + 7.50%		N/A(5)	06/2022	—	1	(2)	—	—
Clearwater Analytics, LLC*^	One stop	L + 7.50%	(a)	8.74%	09/2022	9,594	1	9,451	1.0	9,594
Clearwater Analytics, LLC	One stop	L + 7.50%	(a)	8.74%	09/2022	9	1	8	—	9
Daxko Acquisition Corporation*^	One stop	L + 6.50%	(a)	7.74%	09/2022	8,472	1	8,366	0.9	8,472
Daxko Acquisition Corporation	One stop	L + 6.50%		N/A(5)	09/2022	—	1	—	—	—
EGD Security Systems, LLC	One stop	L + 6.25%	(c)	7.55%	06/2022	11,114	1	10,918	1.1	11,114
EGD Security Systems, LLC^	One stop	L + 6.25%	(a)	7.49%	06/2022	98	1	97	—	98
EGD Security Systems, LLC	One stop	L + 6.25%	(a)(c)	7.55%	06/2022	35	1	34	—	35
EGD Security Systems, LLC(4)	One stop	L + 6.25%		N/A(5)	06/2022	—	1	(1)	—	—
HealthcareSource HR, Inc.*	One stop	L + 6.75%	(c)	8.08%	05/2020	20,719	1	20,439	2.1	20,719
HealthcareSource HR, Inc.(4)	One stop	L + 6.75%		N/A(5)	05/2020	—	1	(1)	—	—
Host Analytics, Inc.	One stop	N/A		8.50% cash/2.25% PIK	08/2021	3,098	1	3,055	0.3	3,098
Host Analytics, Inc.	One stop	N/A		8.50% cash/2.25% PIK	08/2021	2,597	1	2,470	0.3	2,597
Host Analytics, Inc.(4)	One stop	N/A		N/A(5)	08/2021	—	1	(7)	—	—

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Diversified/Conglomerate Service - (continued)								
III US Holdings, LLC(4)	One stop	L + 6.50%	N/A(5)	09/2022	$ —	$ (1)	$ — %	$ —
Integration Appliance, Inc.*^	One stop	L + 8.25% (c)	9.57%	09/2020	16,123	16,020	1.7	16,123
Integration Appliance, Inc.	One stop	L + 8.25% (c)	9.57%	09/2020	7,914	7,806	0.8	7,914
Integration Appliance, Inc.	One stop	L + 8.25% (c)	9.57%	09/2020	5,396	5,329	0.6	5,396
Integration Appliance, Inc.	One stop	L + 8.25% (c)	9.57%	09/2020	2,484	2,462	0.3	2,484
Integration Appliance, Inc.	One stop	L + 8.25% (c)	9.57%	09/2020	924	917	0.1	924
Integration Appliance, Inc.*	One stop	L + 8.25% (c)	9.57%	09/2020	719	712	0.1	719
Maverick Bidco Inc.*#	One stop	L + 6.25% (c)	7.56%	04/2023	17,645	17,311	1.8	17,645
Maverick Bidco Inc.	One stop	L + 6.25% (c)	7.57%	04/2023	27	25	—	27
Maverick Bidco Inc.(4)	One stop	L + 6.25%	N/A(5)	04/2023	—	(2)	—	—
MMan Acquisition Co.#	One stop	L + 6.00% (b)	7.26%	08/2023	9,824	9,680	1.0	9,726
MMan Acquisition Co.	One stop	L + 6.00% (c)	7.33%	08/2023	10	9	—	9
Netsmart Technologies, Inc.#	Senior loan	L + 4.50% (c)	5.83%	04/2023	1,755	1,740	0.2	1,779
Netsmart Technologies, Inc.(4)	Senior loan	L + 4.75%	N/A(5)	04/2023	—	(8)	—	—
PT Intermediate Holdings III, LLC	One stop	L + 6.50% (a)	7.74%	06/2022	22,028	21,594	2.3	22,028
PT Intermediate Holdings III, LLC*	One stop	L + 6.50% (a)	7.74%	06/2022	2,177	2,157	0.2	2,177
PT Intermediate Holdings III, LLC	One stop	L + 6.50% (a)(e)	7.90%	06/2022	200	197	—	200
Saba Software, Inc.#	One stop	L + 5.50% (a)	6.74%	05/2023	20,297	19,967	2.1	20,297
Saba Software, Inc.(4)	One stop	L + 5.50%	N/A(5)	05/2023	—	(2)	—	—
Saldon Holdings, Inc. *	Senior loan	L + 4.50% (a)(b)	5.77%	09/2022	803	793	0.1	793
Secure-24, LLC*^	One stop	L + 5.00% (c)	6.33%	08/2019	21,653	21,479	2.3	21,653
Secure-24, LLC(4)	One stop	L + 5.00%	N/A(5)	08/2019	—	(4)	—	—
Severin Acquisition, LLC^	Senior loan	L + 5.38% (a)	6.62%	07/2021	883	873	0.1	898
Severin Acquisition, LLC^	Senior loan	L + 5.00% (a)	6.24%	07/2021	786	778	0.1	789
Severin Acquisition, LLC^	Senior loan	L + 5.38% (a)	6.62%	07/2021	601	594	0.1	611
Severin Acquisition, LLC^	Senior loan	L + 4.88% (a)	6.12%	07/2021	194	192	—	194
Switchfly, Inc.	One stop	L + 10.00% (c)	9.80% cash/1.50% PIK	04/2020	2,398	2,296	0.3	2,398
Switchfly, Inc.	One stop	L + 10.00%	N/A(5)	04/2020	—	—	—	—
Telesoft, LLC#	One stop	L + 5.50% (c)	6.81%	07/2022	4,192	4,152	0.4	4,150
Telesoft, LLC(4)	One stop	L + 5.50%	N/A(5)	07/2022	—	(1)	—	(1)
Trintech, Inc.*^#	One stop	L + 6.00% (c)	7.31%	10/2021	12,096	11,987	1.3	12,096
Trintech, Inc.	One stop	L + 6.00%	N/A(5)	10/2021	—	—	—	—

Vendavo, Inc.	One stop	L + 8.50% (c)	9.80%	10/2019	17,982	1	17,804	1.9	17,982
Vendavo, Inc.(4)	One stop	L + 8.50%	N/A(5)	10/2019	—	1	(6)	—	—
Vendor Credentialing Service LLC^	One stop	L + 6.00% (a)	7.24%	11/2021	12,239	1	12,018	1.3	12,239
Vendor Credentialing Service LLC(4)	One stop	L + 6.00%	N/A(5)	11/2021	—	1	(1)	—	—
Verisys Corporation*	One stop	L + 6.75% (c)	8.08%	01/2023	3,926	1	3,873	0.4	3,926
Verisys Corporation(4)	One stop	L + 6.75%	N/A(5)	01/2023	—	1	(1)	—	—
Workforce Software, LLC^	One stop	L + 10.50% (c)	4.80% cash/7.00% PIK	06/2021	5,343	1	5,315	0.6	5,343
Workforce Software, LLC	One stop	L + 10.50% (c)	4.80% cash/7.00% PIK	06/2021	50	1	50	—	50
Xmatters, Inc. and Alarmpoint, Inc.	One stop	L + 9.25% (a)	9.74% cash/0.75% PIK	08/2021	4,874	1	4,803	0.5	4,874
Xmatters, Inc. and Alarmpoint, Inc.	One stop	L + 9.25% (a)	9.74% cash/0.75% PIK	08/2021	20	1	20	—	20
					286,905		282,887	29.9	286,675
Ecological									
Pace Analytical Services, LLC	One stop	L + 6.00% (a)	7.24%	09/2022	15,345	1	14,994	1.6	15,345
Pace Analytical Services, LLC^	One stop	L + 6.00% (a)	7.24%	09/2022	1,427	1	1,406	0.2	1,427
Pace Analytical Services, LLC	One stop	L + 6.00% (a)	7.24%	09/2022	349	1	344	—	349

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Ecological - (continued)										
Pace Analytical Services, LLC	One stop	L + 6.00%	(a)	7.24%	09/2022	$ 25	1	$ 24	$ —%	$ 25
Pace Analytical Services, LLC[4]	One stop	L + 6.00%		N/A[5]	09/2022	—	1	(5)	—	—
WRE Holding Corp.#	Senior loan	L + 4.75%	(a)	5.99%	01/2023	1,019	1	1,008	0.1	1,019
WRE Holding Corp.	Senior loan	L + 4.75%	(a)(c)	6.00%	01/2023	7	1	7	—	7
WRE Holding Corp.	Senior loan	L + 4.75%		N/A[5]	01/2023	—	1	—	—	—
WRE Holding Corp.[4]	Senior loan	L + 4.75%		N/A[5]	01/2023	—	1	(1)	—	—
						18,172		17,777	1.9	18,172
Electronics										
Appriss Holdings, Inc.*^	Senior loan	L + 5.25%	(c)	6.58%	11/2020	15,295	1	15,157	1.6	15,295
Appriss Holdings, Inc.	Senior loan	L + 5.25%	(b)	6.53%	11/2020	1,892	1	1,869	0.2	1,892
Compusearch Software Holdings, Inc.^	Senior loan	L + 4.25%	(c)	5.58%	05/2021	1,735	1	1,733	0.2	1,735
Diligent Corporation#	One stop	L + 6.25%	(c)	7.58%	04/2022	4,928	1	4,860	0.5	4,928
Diligent Corporation*	One stop	L + 6.25%	(c)	7.58%	04/2022	4,839	1	4,735	0.5	4,839
Diligent Corporation*^	One stop	L + 6.25%	(c)	7.58%	04/2022	2,648	1	2,609	0.3	2,648
Diligent Corporation[4]	One stop	L + 6.25%		N/A[5]	04/2022	—	1	(2)	—	—
Gamma Technologies, LLC^	One stop	L + 4.75%	(a)	5.99%	06/2021	7,555	1	7,508	0.8	7,555
Gamma Technologies, LLC[4]	One stop	L + 5.00%		N/A[5]	06/2021	—	1	(1)	—	—
LD Intermediate Holdings, Inc.*^	Senior loan	L + 5.88%	(c)	7.19%	12/2022	2,540	1	2,362	0.2	2,390
Park Place Technologies LLC*^	Senior loan	L + 5.00%	(c)	6.33%	06/2022	15,751	1	15,587	1.6	15,594
Park Place Technologies LLC[4]	One stop	L + 5.00%		N/A[5]	06/2022	—	1	(2)	—	(2)
Sloan Company, Inc., The#	One stop	L + 7.25%	(c)	8.58%	04/2020	7,437	1	7,364	0.7	7,065
Sloan Company, Inc., The	One stop		(c)	8.57%	04/2020	33	1	32	—	30

		L + 7.25%							
Sovos Compliance*^	One stop	L + 6.00%	(a)	7.24%	03/2022	9,328	1 9,186	1.0	9,235
Sovos Compliance(4)	One stop	L + 6.00%		N/A(5)	03/2022	—	1 (2)	—	(1)
Sovos Compliance Formerly Taxware, LLC^	One stop	L + 6.00%	(a)	7.24%	03/2022	1,569	1 1,546	0.2	1,553
Sovos Compliance Formerly Taxware, LLC	One stop	L + 6.00%		N/A(5)	03/2022	—	1 —	—	—
Watchfire Enterprises, Inc.	Second Lien	L + 8.00%	(c)	9.33%	10/2021	9,434	1 9,306	1.0	9,434
						84,984	83,847	8.8	84,190
Grocery									
MyWebGrocer, Inc.*	One stop	L + 8.75%	(a)	10.00%	10/2017	14,271	1 14,265	1.5	14,271
Healthcare, Education and Childcare									
Active Day, Inc.	One stop	L + 6.00%	(a)	7.24%	12/2021	13,401	1 13,145	1.4	13,401
Active Day, Inc.^	One stop	L + 6.00%	(a)	7.24%	12/2021	1,034	1 1,021	0.1	1,034
Active Day, Inc.	One stop	L + 6.00%	(a)	7.24%	12/2021	666	1 660	0.1	666
Active Day, Inc.	One stop	L + 6.00%	(a)	7.24%	12/2021	460	1 455	—	460
Active Day, Inc.(4)	One stop	L + 6.00%		N/A(5)	12/2021	—	1 (1)	—	—
Active Day, Inc.(4)	One stop	L + 6.00%		N/A(5)	12/2021	—	1 (3)	—	—
Acuity Eyecare Holdings, LLC	One stop	L + 6.75%	(b)(c)	8.04%	03/2022	3,614	1 3,533	0.4	3,614
Acuity Eyecare Holdings, LLC	One stop	L + 6.75%	(c)	8.06%	03/2022	38	1 36	—	38
Acuity Eyecare Holdings, LLC(4)	One stop	L + 6.75%		N/A(5)	03/2022	—	1 (1)	—	—
ADCS Clinics Intermediate Holdings, LLC	One stop	L + 5.75%	(c)	7.08%	05/2022	21,281	1 20,788	2.2	20,855
ADCS Clinics Intermediate Holdings, LLC*	One stop	L + 5.75%	(c)	7.08%	05/2022	108	1 107	—	106
ADCS Clinics Intermediate Holdings, LLC	One stop	P + 4.75%	(e)	9.00%	05/2022	95	1 93	—	93
ADCS Clinics Intermediate Holdings, LLC*	One stop	L + 5.75%	(c)	7.08%	05/2022	32	1 31	—	31
ADCS Clinics Intermediate Holdings, LLC	One stop	P + 4.75%	(e)	9.00%	05/2022	5	1 2	—	5
Agilitas USA, Inc.#	One stop	L + 6.00%	(c)	7.30%	04/2022	8,439	1 8,362	0.9	8,439

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Healthcare, Education and Childcare - (continued)										
Agilitas USA, Inc.	One stop	L + 6.00%	(c)	7.30%	04/2022	$ 10	1	$ 9	$ —%	$ 10
Agilitas USA, Inc.(4)	One stop	L + 6.00%		N/A(5)	04/2022	—	1	(1)	—	—
Aris Teleradiology Company, LLC*	Senior loan	L + 5.50%	(c)	6.83%	03/2021	2,699	1	2,679	0.2	2,322
Aris Teleradiology Company, LLC	Senior loan	L + 5.50%	(c)	6.81%	03/2021	25	1	25	—	21
Avalign Technologies, Inc.^	Senior loan	L + 4.50%	(a)	5.74%	07/2021	1,442	1	1,437	0.2	1,438
BIORECLAMATIONIVT, LLC*^#	One stop	L + 5.75%	(a)	6.99%	01/2021	15,764	1	15,586	1.7	15,764
BIORECLAMATIONIVT, LLC	One stop	P + 4.75%	(e)	9.00%	01/2021	55	1	54	—	55
California Cryobank, LLC^	One stop	L + 5.50%	(c)	6.83%	08/2019	1,479	1	1,473	0.2	1,479
California Cryobank, LLC^	One stop	L + 5.50%	(c)	6.83%	08/2019	567	1	561	0.1	567
California Cryobank, LLC^	One stop	L + 5.50%	(c)	6.83%	08/2019	189	1	189	—	189
California Cryobank, LLC(4)	One stop	L + 5.50%		N/A(5)	08/2019	—	1	(1)	—	—
CLP Healthcare Services, Inc.^	Senior loan	L + 5.25%	(c)	6.58%	12/2020	3,924	1	3,897	0.4	3,846
Curo Health Services LLC#	Senior loan	L + 4.00%	(b)(c)	5.31%	02/2022	3,273	1	3,261	0.3	3,283
DCA Investment Holding, LLC*^#	One stop	L + 5.25%	(c)	6.58%	07/2021	18,776	1	18,515	2.0	18,776
DCA Investment Holding, LLC*^#	One stop	L + 5.25%	(c)	6.58%	07/2021	13,467	1	13,355	1.4	13,467
DCA Investment Holding, LLC#	One stop	L + 5.25%	(c)	6.58%	07/2021	2,475	1	2,436	0.3	2,475
DCA Investment Holding, LLC	One stop	P + 4.25%	(e)	8.50%	07/2021	657	1	645	0.1	657
DCA Investment Holding, LLC(4)	One stop	L + 5.25%		N/A(5)	07/2021	—	1	(3)	—	—
Deca Dental Management LLC*^	One stop	L + 6.25%	(c)	7.58%	07/2020	4,086	1	4,052	0.4	4,086
Deca Dental Management LLC	One stop	L + 6.25%	(a)(c)	7.57%	07/2020	497	1	493	0.1	497

Deca Dental Management LLC	One stop	L + 6.25%	(a)	7.49%	07/2020	50	1	50	—	50
Deca Dental Management LLC(4)	One stop	L + 6.25%		N/A(5)	07/2020	—	1	(2)	—	—
Delta Educational Systems*(6)	Senior loan	P + 6.75%	(e)	9.00% cash/2.00% PIK	12/2018	1,438	1	1,433	—	—
Delta Educational Systems(4)(6)	Senior loan	L + 6.00%		N/A(5)	12/2018	—	1	—	—	(60)
Dental Holdings Corporation	One stop	L + 5.50%	(c)	6.81%	02/2020	7,436	1	7,339	0.8	7,287
Dental Holdings Corporation	One stop	L + 5.50%	(b)	6.78%	02/2020	1,133	1	1,121	0.1	1,110
Dental Holdings Corporation	One stop	L + 5.50%	(c)	6.82%	02/2020	220	1	211	—	198
eSolutions, Inc.*^	One stop	L + 6.50%	(a)	7.74%	03/2022	20,091	1	19,787	2.1	20,091
eSolutions, Inc.(4)	One stop	L + 6.50%		N/A(5)	03/2022	—	1	(1)	—	—
Excelligence Learning Corporation^	One stop	L + 6.00%	(a)	7.24%	04/2023	4,854	1	4,809	0.5	4,854
Eyecare Services Partners Holdings LLC	One stop	L + 6.25%	(c)	7.58%	05/2023	8,006	1	7,800	0.8	8,006
Eyecare Services Partners Holdings LLC	One stop	P + 5.25%	(e)	9.50%	05/2023	17	1	14	—	17
Eyecare Services Partners Holdings LLC(4)	One stop	L + 6.25%		N/A(5)	05/2023	—	1	(4)	—	—
Eyecare Services Partners Holdings LLC(4)	One stop	L + 6.25%		N/A(5)	05/2023	—	1	(5)	—	—
G & H Wire Company, Inc.#	One stop	L + 5.50%	(c)	6.81%	09/2023	5,642	1	5,572	0.6	5,585
G & H Wire Company, Inc.(4)	One stop	L + 5.50%		N/A(5)	09/2023	—	1	(1)	—	(1)
Immucor, Inc. #	Senior loan	L + 5.00%	(a)	6.24%	06/2021	1,613	1	1,592	0.2	1,639
Joerns Healthcare, LLC*^	One stop	L + 6.50%	(c)	7.82%	05/2020	3,497	1	3,462	0.3	3,281
Kareo, Inc.	One stop	L + 9.00%	(b)	10.27%	06/2022	4,518	1	4,303	0.5	4,518
Kareo, Inc.	One stop	L + 9.00%		N/A(5)	06/2022	—	1	—	—	—
Katena Holdings, Inc.^	One stop	L + 6.25%	(c)	7.58%	06/2021	8,611	1	8,555	0.9	8,439
Katena Holdings, Inc.^	One stop	L + 6.25%	(c)	7.58%	06/2021	841	1	836	0.1	824
Katena Holdings, Inc.	One stop	P + 5.25%	(e)	9.50%	06/2021	64	1	63	—	62
Lombart Brothers, Inc.#	One stop	L + 6.75%	(c)	8.08%	04/2022	3,631	1	3,548	0.4	3,631
Lombart Brothers, Inc.#(7)	One stop	L + 6.75%	(c)	8.08%	04/2022	1,664	1	1,639	0.2	1,664
Lombart Brothers, Inc.	One stop		(e)	9.75%	04/2022	36	1	35	—	36

Lombart Brothers, Inc.(7)	One stop	P + 5.50% L + 6.75%	N/A(5)	04/2022	—	1—	—	—

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Healthcare, Education and Childcare - (continued)									
Maverick Healthcare Group, LLC*	Senior loan	L + 7.50%	(a)	7.25% cash/2.00% PIK	12/2017	$ 1,959	1 $ 1,959	$ 0.2 %	$ 1,900
Maverick Healthcare Group, LLC	Senior loan	P + 6.50%	(e)	5.25% cash/5.50% PIK	12/2017	82	1 82	—	82
MWD Management, LLC & MWD Services, Inc.#	One stop	L + 5.25%	(c)	6.58%	06/2023	5,925	1 5,854	0.6	5,925
MWD Management, LLC & MWD Services, Inc.[4]	One stop	L + 5.25%		N/A[5]	06/2022	—	1 (1)	—	—
MWD Management, LLC & MWD Services, Inc.[4]	One stop	L + 5.25%		N/A[5]	06/2023	—	1 (2)	—	—
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.50%	(c)	7.83%	05/2022	9,434	1 9,226	1.0	9,434
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.50%	(c)	7.83%	05/2022	952	1 938	0.1	952
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.50%	(a)(b)(c)	7.78%	05/2022	201	1 199	—	201
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.50%	(c)	7.81%	05/2022	46	1 45	—	46
Oliver Street Dermatology Holdings, LLC*	One stop	L + 6.50%	(c)	7.83%	05/2022	42	1 41	—	42
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.50%	(c)	7.83%	05/2022	33	1 32	—	33
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.50%	(c)	7.83%	05/2022	30	1 30	—	30
Oliver Street Dermatology Holdings, LLC[4]	One stop	L + 6.50%		N/A[5]	05/2022	—	1 (1)	—	—
	One stop			N/A[5]	05/2022	—	1 (1)	—	—

Oliver Street Dermatology Holdings, LLC(4)		L + 6.50%							
Pinnacle Treatment Centers, Inc.	One stop	L + 6.25%	(b)	7.53%	08/2021	9,980	1 9,768	1.0	9,980
Pinnacle Treatment Centers, Inc.	One stop	P + 5.00%	(e)	9.25%	08/2021	30	1 29	—	30
Pinnacle Treatment Centers, Inc.(4)	One stop	L + 6.25%		N/A(5)	08/2021	—	1 (2)	—	—
PPT Management Holdings, LLC^	One stop	L + 6.00%	(c)	7.33%	12/2022	10,223	1 10,022	1.0	10,018
PPT Management Holdings, LLC	One stop	L + 6.00%	(c)	7.33%	12/2022	135	1 132	—	132
PPT Management Holdings, LLC	One stop	L + 6.00%	(a)	7.24%	12/2022	50	1 46	—	46
Premise Health Holding Corp.*^#	One stop	L + 4.50%	(c)	5.83%	06/2020	14,812	1 14,753	1.5	14,812
Premise Health Holding Corp.(4)	One stop	L + 4.50%		N/A(5)	06/2020	—	1 (12)	—	—
Pyramid Healthcare, Inc.	One stop	L + 6.50%	(a)	7.74%	08/2019	150	1 148	—	150
Radiology Partners, Inc.^#	One stop	L + 5.75%	(c)	7.08%	09/2020	22,345	1 22,111	2.3	22,345
Radiology Partners, Inc.	One stop	L + 5.75%	(c)	7.08%	09/2020	925	1 909	0.1	925
Radiology Partners, Inc.	One stop	L + 5.75%	(c)	7.08%	09/2020	701	1 700	0.1	701
Radiology Partners, Inc.(4)	One stop	L + 5.75%		N/A(5)	09/2020	—	1 (4)	—	—
Reliant Pro ReHab, LLC*	Senior loan	L + 5.00%	(c)	6.33%	12/2017	2,474	1 2,472	0.3	2,474
Reliant Pro ReHab, LLC	Senior loan	P + 4.00%	(e)	8.25%	12/2017	352	1 351	—	352
Riverchase MSO, LLC#	Senior loan	L + 5.25%	(c)	6.58%	10/2022	4,981	1 4,917	0.5	4,981
Riverchase MSO, LLC	Senior loan	L + 5.25%	(c)	6.58%	10/2022	28	1 27	—	28
RXH Buyer Corporation*^	One stop	L + 5.75%	(c)	7.08%	09/2021	17,259	1 17,032	1.8	16,914
RXH Buyer Corporation*	One stop	L + 5.75%	(c)	7.08%	09/2021	1,953	1 1,928	0.2	1,914
RXH Buyer Corporation	One stop	L + 5.75%	(c)(e)	7.61%	09/2021	55	1 52	—	51
SLMP, LLC	One stop	L + 6.00%	(a)	7.24%	05/2023	6,196	1 6,050	0.6	6,196
SLMP, LLC	One stop	N/A		7.50% PIK	05/2027	83	1 83	—	83
SLMP, LLC(4)	One stop	L + 6.00%		N/A(5)	05/2023	—	1 (1)	—	—
SLMP, LLC(4)	One stop	L + 6.00%		N/A(5)	05/2023	—	1 (1)	—	—
Spear Education, LLC^	One stop		(c)	7.30%	08/2019	4,644	1 4,622	0.5	4,644

		L + 6.00%							
Spear Education, LLC	One stop	L + 6.00%	(c)	7.30%	08/2019	75	175	—	75
Spear Education, LLC(4)	One stop	L + 6.00%		N/A(5)	08/2019	—	1—	—	(1)
Summit Behavioral Holdings I, LLC*	One stop	L + 5.00%	(a)	6.24%	06/2021	4,338	14,297	0.5	4,338
Summit Behavioral Holdings I, LLC	One stop	L + 5.00%	(a)	6.24%	06/2021	113	1112	—	113
Summit Behavioral Holdings I, LLC	One stop	L + 5.00%	(a)	6.24%	06/2021	5	15	—	5
WHCG Management, LLC*	Senior loan	L + 4.75%	(c)	6.08%	03/2023	2,394	12,367	0.2	2,394
WHCG Management, LLC(4)	Senior loan	L + 4.75%		N/A(5)	03/2023	—	1(1)	—	—

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Healthcare, Education and Childcare - (continued)										
WHCG Management, LLC(4)	Senior loan	L + 4.75%		N/A(5)	03/2023	$ —	1	$ (3)	$ —%	$ —
WIRB-Copernicus Group, Inc.*^	Senior loan	L + 5.00%	(c)	6.33%	08/2022	9,812	1	9,733	1.0	9,812
WIRB-Copernicus Group, Inc.	Senior loan	L + 5.00%		N/A(5)	08/2022	—	1	—	—	—
Young Innovations, Inc.*	Senior loan	L + 5.00%	(c)	6.33%	01/2019	3,587	1	3,566	0.4	3,587
Young Innovations, Inc.	Senior loan	L + 5.00%	(c)	6.33%	01/2019	9	1	9	—	9
						328,333		323,739	33.9	324,658
Home and Office Furnishings, Housewares, and Durable Consumer										
CST Buyer Company^	Senior loan	L + 6.25%	(c)	7.58%	03/2023	2,642	1	2,576	0.3	2,642
CST Buyer Company(4)	Senior loan	L + 6.25%		N/A(5)	03/2023	—	1	(1)	—	—
Plano Molding Company, LLC*^#	One stop	L + 7.50%	(a)	8.74%	05/2021	14,485	1	14,331	1.3	12,312
						17,127		16,906	1.6	14,954
Hotels, Motels, Inns, and Gaming										
Aimbridge Hospitality, LLC*^	One stop	L + 5.50%	(a)	6.74%	06/2022	10,041	1	9,875	1.0	10,041
Aimbridge Hospitality, LLC	One stop	L + 5.50%	(a)	6.74%	06/2022	16	1	15	—	16
Aimbridge Hospitality, LLC(4)	One stop	L + 5.50%		N/A(5)	06/2022	—	1	(1)	—	—
						10,057		9,889	1.0	10,057
Insurance										
Captive Resources Midco, LLC*^#	One stop	L + 5.75%	(a)	6.99%	06/2020	24,253	1	24,075	2.5	24,253
Captive Resources Midco, LLC(4)	One stop	L + 5.75%		N/A(5)	06/2020	—	1	(12)	—	—
Captive Resources Midco, LLC(4)	One stop	L + 5.75%		N/A(5)	06/2020	—	1	(13)	—	—
Higginbotham Insurance Agency, Inc.*	Senior loan	L + 5.00%	(a)	6.24%	11/2021	1,595	1	1,584	0.2	1,595
Internet Pipeline, Inc.	One stop	L + 7.25%	(a)	8.49%	08/2022	4,847	1	4,743	0.5	4,917
Internet Pipeline, Inc.*	One stop	L + 6.25%	(a)	7.48%	08/2022	2,098	1	2,078	0.2	2,046

Internet Pipeline, Inc.*	One stop	L + 6.25%	(a)	7.48%	08/2022	794	1786	0.1	775
Internet Pipeline, Inc.(4)	One stop	L + 7.25%		N/A(5)	08/2021	—	1(1)	—	1
RSC Acquisition, Inc.#	Senior loan	L + 5.25%	(c)	6.58%	11/2022	919	1913	0.1	919
RSC Acquisition, Inc.(4)	Senior loan	L + 5.25%		N/A(5)	11/2022	—	1(1)	—	—
						34,506	34,152	3.6	34,506
Leisure, Amusement, Motion Pictures, Entertainment									
NFD Operating, LLC#	One stop	L + 7.00%	(c)	8.30%	06/2021	2,325	12,299	0.2	2,325
NFD Operating, LLC	One stop	L + 7.00%		N/A(5)	06/2021	—	1—	—	—
NFD Operating, LLC(4)	One stop	L + 7.00%		N/A(5)	06/2021	—	1(1)	—	—
PADI Holdco, Inc.*^#	One stop	L + 6.50%	(c)	7.84%	04/2023	19,550	119,278	2.1	19,550
PADI Holdco, Inc.	One stop	L + 6.50%	(b)(c)	7.78%	04/2022	72	170	—	72
Self Esteem Brands, LLC*^#	Senior loan	L + 4.75%	(a)	5.99%	02/2020	17,983	117,889	1.9	17,983
Self Esteem Brands, LLC(4)	Senior loan	L + 4.75%		N/A(5)	02/2020	—	1(4)	—	—
Teaching Company, The	One stop	L + 7.00%	(a)(c)	8.32%	08/2020	18,835	118,673	1.9	18,459
Teaching Company, The	One stop	L + 7.00%	(a)(e)	8.24%	08/2020	25	124	—	23
Titan Fitness, LLC*	One stop	L + 7.00%	(a)	8.25%	09/2019	13,088	112,987	1.4	13,088
Titan Fitness, LLC	One stop	L + 7.00%	(a)	8.25%	09/2019	1,972	11,962	0.2	1,972
Titan Fitness, LLC*	One stop	L + 7.00%	(a)	8.25%	09/2019	1,733	11,725	0.2	1,733
Titan Fitness, LLC(4)	One stop	L + 7.00%		N/A(5)	09/2019	—	1(9)	—	—
Titan Fitness, LLC(4)	One stop	L + 7.00%		N/A(5)	09/2019	—	1(14)	—	—
						75,583	74,879	7.9	75,205

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Oil and Gas										
Drilling Info, Inc.*^#	One stop	L + 6.25%	(b)	7.52%	06/2020	$ 6,399	1	$ 6,362	0.7 %	$ 6,351
Drilling Info, Inc.	One stop	L + 6.25%		N/A(5)	06/2020	—	1	—	—	—
						6,399		6,362	0.7	6,351
Personal and Non Durable Consumer Products (Mfg. Only)										
Georgica Pine Clothiers, LLC	One stop	L + 5.50%	(c)	6.83%	11/2021	5,678	1	5,600	0.6	5,678
Georgica Pine Clothiers, LLC^	One stop	L + 5.50%	(c)	6.83%	11/2021	495	1	491	0.1	495
Georgica Pine Clothiers, LLC*	One stop	L + 5.50%	(c)	6.83%	11/2021	347	1	344	0.1	347
Georgica Pine Clothiers, LLC	One stop	L + 5.50%	(c)	6.83%	11/2021	58	1	57	—	58
IMPLUS Footwear, LLC	One stop	L + 6.75%	(c)	8.08%	04/2021	10,307	1	10,165	1.1	10,307
IMPLUS Footwear, LLC	One stop	L + 6.75%	(c)	8.07%	04/2021	1,815	1	1,790	0.2	1,815
Massage Envy, LLC*^#	One stop	L + 6.75%	(c)(e)	8.09%	09/2020	35,191	1	34,868	3.7	35,191
Massage Envy, LLC	One stop	L + 6.75%	(a)	7.99%	09/2020	316	1	306	—	316
Massage Envy, LLC	One stop	L + 6.75%	(c)(e)	8.07%	09/2020	100	1	99	—	100
Massage Envy, LLC	One stop	L + 6.75%	(c)	8.07%	09/2020	40	1	40	—	40
Massage Envy, LLC	One stop	L + 6.75%	(c)(e)	8.08%	09/2020	35	1	35	—	35
Massage Envy, LLC	One stop	L + 6.75%	(c)(e)	8.10%	09/2020	15	1	15	—	15
Massage Envy, LLC(4)	One stop	L + 6.75%		N/A(5)	09/2020	—	1	(1)	—	—
Orthotics Holdings, Inc.*#	One stop	L + 6.00%	(a)	7.24%	02/2020	8,290	1	8,222	0.8	8,125
Orthotics Holdings, Inc.*#(7)	One stop	L + 6.00%	(a)	7.24%	02/2020	1,359	1	1,348	0.1	1,332
Orthotics Holdings, Inc.(4)(7)	One stop	L + 6.00%		N/A(5)	02/2020	—	1	(1)	—	—
Orthotics Holdings, Inc.(4)	One stop	L + 6.00%		N/A(5)	02/2020	—	1	(10)	—	(4)

Team Technologies Acquisition Company^	Senior loan	L + 5.00%	(c)(e)	6.32%	12/2017	4,287	14,284	0.4	4,278
Team Technologies Acquisition Company#	Senior loan	L + 5.50%	(c)(e)	6.82%	12/2017	790	1789	0.1	799
Team Technologies Acquisition Company(4)	Senior loan	L + 5.00%		N/A(5)	12/2017	—	1—	—	(1)
						69,123	68,441	7.2	68,926
Personal, Food and Miscellaneous Services									
Community Veterinary Partners, LLC	One stop	L + 5.50%	(c)	6.83%	10/2021	42	141	—	42
Ignite Restaurant Group, Inc.^(6)	One stop	P + 6.00%	(e)	10.25%	02/2019	4,312	14,285	0.1	1,186
PetVet Care Centers LLC*^#	One stop	L + 6.00%	(c)	7.33%	06/2023	16,780	116,620	1.8	16,780
PetVet Care Centers LLC	One stop	L + 6.00%	(c)	7.32%	06/2023	430	1421	—	430
PetVet Care Centers LLC	One stop	L + 6.00%	(b)	7.27%	06/2023	69	166	—	69
Southern Veterinary Partners, LLC#	One stop	L + 5.00%	(a)	6.24%	06/2020	3,900	13,873	0.4	3,900
Southern Veterinary Partners, LLC	One stop	L + 5.00%	(a)	6.23%	06/2020	160	1158	—	160
Southern Veterinary Partners, LLC	One stop	L + 5.00%	(a)	6.23%	06/2020	17	117	—	17
Vetcor Professional Practices LLC*^#	One stop	L + 6.00%	(c)	7.33%	04/2021	28,750	128,348	3.0	28,750
Vetcor Professional Practices LLC*	One stop	L + 6.00%	(c)	7.33%	04/2021	956	1949	0.1	956
Vetcor Professional Practices LLC#	One stop	L + 6.00%	(c)	7.33%	04/2021	948	1934	0.1	948
Vetcor Professional Practices LLC	One stop	L + 6.00%	(c)	7.33%	04/2021	861	1849	0.1	861
Vetcor Professional Practices LLC#	One stop	L + 6.00%	(c)	7.33%	04/2021	745	1745	0.1	745
Vetcor Professional Practices LLC^	One stop	L + 6.00%	(c)	7.33%	04/2021	725	1715	0.1	725
Vetcor Professional Practices LLC#	One stop	L + 6.00%	(c)	7.33%	04/2021	285	1283	—	285
Vetcor Professional Practices LLC#	One stop	L + 6.00%	(c)	7.33%	04/2021	233	1232	—	233
Vetcor Professional Practices LLC	One stop	L + 6.00%	(c)	7.33%	04/2021	219	1211	—	219
Vetcor Professional Practices LLC	One stop	L + 6.00%	(c)	7.33%	04/2021	17	113	—	17
Veterinary Specialists of North America, LLC^	One stop	L + 5.25%	(c)	6.56%	07/2021	7,406	17,334	0.8	7,406
Veterinary Specialists of North America, LLC	One stop	L + 5.25%	(c)	6.58%	07/2021	89	174	—	89

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Personal, Food and Miscellaneous Services - (continued)									
Veterinary Specialists of North America, LLC#	One stop	L + 5.25%	(c)	6.56%	07/2021	$ 63	1$ 63	— %	$ 63
Veterinary Specialists of North America, LLC(4)	One stop	L + 5.25%		N/A(5)	07/2021	—	1(2)	—	—
Wetzel's Pretzels, LLC	One stop	L + 6.75%	(a)	7.99%	09/2021	6,472	1 6,332	0.7	6,472
Wetzel's Pretzels, LLC(4)	One stop	L + 6.75%		N/A(5)	09/2021	—	1(1)	—	—
						73,479	72,560	7.3	70,353
Printing and Publishing									
Brandmuscle, Inc.^	Senior loan	L + 5.00%	(c)	6.33%	12/2021	624	1 619	0.1	629
Marketo, Inc.	One stop	L + 9.50%	(c)	10.83%	08/2021	9,940	1 9,709	1.0	9,940
Marketo, Inc.(4)	One stop	L + 9.50%		N/A(5)	08/2021	—	1(1)	—	—
						10,564	10,327	1.1	10,569
Retail Stores									
Batteries Plus Holding Corporation	One stop	L + 6.75%	(a)	7.99%	07/2022	13,722	1 13,440	1.4	13,722
Batteries Plus Holding Corporation(4)	One stop	L + 6.75%		N/A(5)	07/2022	—	1(2)	—	—
CVS Holdings I, LP*^#	One stop	L + 6.25%	(a)	7.49%	08/2021	22,058	1 21,773	2.3	22,058
CVS Holdings I, LP*	One stop	L + 6.25%	(a)	7.49%	08/2021	318	1 313	—	318
CVS Holdings I, LP	One stop	L + 6.25%	(a)	7.49%	08/2021	34	1 28	—	34
CVS Holdings I, LP(4)	One stop	L + 6.25%		N/A(5)	08/2020	—	1(2)	—	—
Cycle Gear, Inc.^	One stop	L + 6.50%	(c)	7.80%	01/2020	10,427	1 10,321	1.1	10,427
Cycle Gear, Inc.	One stop	L + 6.50%	(c)	7.82%	01/2020	607	1 602	0.1	607
Cycle Gear, Inc.(4)	One stop	L + 6.50%		N/A(5)	01/2020	—	1(12)	—	—
DTLR, Inc.*^#	One stop	L + 6.50%	(c)	7.81%	08/2022	22,962	1 22,626	2.4	22,617
Elite Sportswear, L.P.	Senior loan	L + 5.25%	(c)	6.58%	03/2020	6,942	1 6,854	0.7	6,957

Elite Sportswear, L.P.	Senior loan	L + 5.00%	(c)	6.33%	03/2020	2,792	12,756	0.3	2,779
Elite Sportswear, L.P.	Senior loan	L + 5.25%	(c)	6.58%	03/2020	1,436	11,423	0.2	1,439
Elite Sportswear, L.P.*	Senior loan	L + 5.25%	(c)	6.55%	03/2020	471	1467	0.1	472
Elite Sportswear, L.P.	Senior loan	L + 5.25%	(c)	6.58%	03/2020	218	1215	—	218
Elite Sportswear, L.P.*	Senior loan	L + 5.25%	(a)	6.49%	03/2020	208	1206	—	209
Elite Sportswear, L.P.	One stop	L + 5.00%		N/A(5)	06/2018	—	1—	—	—
Elite Sportswear, L.P.(4)	Senior loan	L + 5.00%		N/A(5)	03/2020	—	1(5)	—	(4)
Feeders Supply Company, LLC	One stop	L + 5.75%	(a)	6.99%	04/2021	5,049	14,966	0.5	5,049
Feeders Supply Company, LLC	Subordinated debt	N/A		12.50% cash/7.00% PIK	04/2021	59	159	—	59
Feeders Supply Company, LLC	One stop	L + 5.75%		N/A(5)	04/2021	—	1—	—	—
Marshall Retail Group LLC, The^#	One stop	L + 6.00%	(c)	7.30%	08/2020	12,023	111,950	1.3	12,023
Marshall Retail Group LLC, The	One stop	P + 4.75%	(e)	9.00%	08/2019	293	1279	—	293
Mills Fleet Farm Group LLC*^	One stop	L + 5.50%	(a)	6.74%	02/2022	1,815	11,723	0.2	1,815
Paper Source, Inc.^#	One stop	L + 6.25%	(c)	7.58%	09/2019	12,626	112,558	1.3	12,626
Paper Source, Inc.*	One stop	L + 6.25%	(c)	7.58%	09/2019	1,677	11,666	0.2	1,677
Paper Source, Inc.	One stop	P + 5.00%	(e)	9.25%	09/2019	525	1515	0.1	525
Pet Holdings ULC*^(7)(8)	One stop	L + 5.50%	(c)	6.80%	07/2022	14,627	114,394	1.5	14,627
Pet Holdings ULC(7)(8)	One stop	L + 5.50%	(c)	6.81%	07/2022	56	155	—	56
Pet Holdings ULC(4)(7)(8)	One stop	L + 5.50%		N/A(5)	07/2022	—	1(2)	—	—
PetPeople Enterprises, LLC#	One stop	L + 6.00%	(c)	7.32%	09/2023	3,145	13,107	0.3	3,114
PetPeople Enterprises, LLC	One stop	N/A		8.25% PIK	01/2019	155	1155	—	155
PetPeople Enterprises, LLC(4)	One stop	L + 6.00%		N/A(5)	09/2023	—	1—	—	(1)
PetPeople Enterprises, LLC(4)	One stop	L + 6.00%		N/A(5)	09/2023	—	1(1)	—	—
						134,245	132,427	14.0	133,871

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Telecommunications									
Arise Virtual Solutions, Inc.^	One stop	L + 6.00%	(c)	7.33%	12/2018	$1,260	1$1,256	0.1 %	$1,260
Arise Virtual Solutions, Inc.	One stop	L + 6.00%		N/A(5)	12/2018	—	1—	—	—
NetMotion Wireless Holdings, Inc.*^#	One stop	L + 6.25%	(c)	7.58%	10/2021	7,338	17,249	0.8	7,338
NetMotion Wireless Holdings, Inc.(4)	One stop	L + 6.25%		N/A(5)	10/2021	—	1(1)	—	—
						8,598	8,504	0.9	8,598
Textile and Leather									
SHO Holding I Corporation*	Senior loan	L + 5.00%	(a)	6.24%	10/2022	2,233	12,194	0.2	2,233
SHO Holding I Corporation	Senior loan	L + 4.00%	(a)(b)	5.24%	10/2021	16	115	—	14
						2,249	2,209	0.2	2,247
Utilities									
Arcos, LLC	One stop	L + 6.00%	(c)	7.33%	02/2021	3,679	13,629	0.4	3,679
Arcos, LLC	One stop	L + 6.00%		N/A(5)	02/2021	—	1—	—	—
Power Plan Holdings, Inc.*^	Senior loan	L + 5.25%	(a)	6.49%	02/2022	6,434	16,346	0.7	6,434
PowerPlan Holdings, Inc.*	Senior loan	L + 5.25%	(a)	6.49%	02/2022	5,659	15,606	0.5	5,659
PowerPlan Holdings, Inc.(4)	Senior loan	L + 5.25%		N/A(5)	02/2021	—	1(6)	—	—
						15,772	15,575	1.6	15,772
Total non-controlled/non-affiliate company debt investments						$1,551,043	$1,531,357	160.2 %	$1,534,909
Equity Investments (9)(10)									
Aerospace and Defense									
NTS Technical Systems	Common stock	N/A		N/A	N/A	2	1$1,506	0.1 %	$835
NTS Technical Systems	Preferred stock B	N/A		N/A	N/A	—	1256	—	275
NTS Technical Systems	Preferred stock A	N/A		N/A	N/A	—	1128	—	150
Tresys Technology Holdings, Inc.	Common stock	N/A		N/A	N/A	295	1295	—	—

Whitcraft LLC	Common stock	N/A	N/A	N/A	4	1 375	0.1	375
						2,560	0.2	1,635
Automobile								
Polk Acquisition Corp.	LP interest	N/A	N/A	N/A	1	144	—	92
Beverage, Food and Tobacco								
Atkins Nutritionals, Inc	LLC interest	N/A	N/A	N/A	57	1 —	0.1	578
Benihana, Inc.	LLC units	N/A	N/A	N/A	43	1 699	—	357
C. J. Foods, Inc.	Preferred stock	N/A	N/A	N/A	—	1 75	—	302
Cafe Rio Holding, Inc.	Common stock	N/A	N/A	N/A	2	1 224	—	224
Hopdoddy Holdings, LLC	LLC interest	N/A	N/A	N/A	27	1 130	—	89
Hopdoddy Holdings, LLC	LLC interest	N/A	N/A	N/A	12	1 36	—	25
Julio & Sons Company	LLC interest	N/A	N/A	N/A	521	1 521	0.1	1,012
P&P Food Safety US Acquisition, Inc.	LLC interest	N/A	N/A	N/A	2	1 204	—	210
Purfoods, LLC	LLC interest	N/A	N/A	N/A	381	1 381	—	411
Richelieu Foods, Inc.	LP interest	N/A	N/A	N/A	220	1 220	0.1	580
Rubio's Restaurants, Inc.	Preferred stock	N/A	N/A	N/A	2	1 945	0.2	1,951
Tate's Bake Shop, Inc.	LP interest	N/A	N/A	N/A	462	1 428	0.1	647
Uinta Brewing Company	LP interest	N/A	N/A	N/A	462	1 462	—	—
						4,325	0.6	6,386
Buildings and Real Estate								
Brooks Equipment Company, LLC	Common stock	N/A	N/A	N/A	10	1 1,021	0.1	1,502

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Chemicals, Plastics and Rubber									
Flexan, LLC	Preferred stock A	N/A	N/A	N/A	—	1	$ 90	0.1 %	$ 108
Flexan, LLC	Common stock	N/A	N/A	N/A	1	1	—	—	17
							90	0.1	125
Diversified/Conglomerate Manufacturing									
Chase Industries, Inc.	LLC units	N/A	N/A	N/A	1	1	1,186	0.2	2,131
Inventus Power, Inc.	Preferred stock	N/A	N/A	N/A	—	1	370	—	—
Inventus Power, Inc.	Common stock	N/A	N/A	N/A	—	1	—	—	—
Reladyne, Inc.	LP interest	N/A	N/A	N/A	—	1	249	0.1	463
Sunless Merger Sub, Inc.	LP interest	N/A	N/A	N/A	160	1	160	—	—
							1,965	0.3	2,594
Diversified/Conglomerate Service									
Accela, Inc.	LLC units	N/A	N/A	N/A	296	1	296	—	296
Actiance, Inc.	Warrant	N/A	N/A	N/A	510	1	122	—	178
Agility Recovery Solutions Inc.	Preferred stock	N/A	N/A	N/A	67	1	341	0.1	429
Bomgar Corporation	Common stock	N/A	N/A	N/A	—	1	107	—	120
Bomgar Corporation	Common stock	N/A	N/A	N/A	72	1	1	—	6
DISA Holdings Acquisition Subsidiary Corp.	Common stock	N/A	N/A	N/A	—	1	154	—	150
HealthcareSource HR, Inc.	LLC interest	N/A	N/A	N/A	—	1	348	0.1	371
Host Analytics, Inc.	Warrant	N/A	N/A	N/A	347	1	130	—	277
Marathon Data Operating Co., LLC	LLC units	N/A	N/A	N/A	1	1	264	0.1	550
Marathon Data Operating Co., LLC	LLC units	N/A	N/A	N/A	1	1	264	0.1	986
Maverick Bidco Inc.	LLC units	N/A	N/A	N/A	1	1	369	0.1	369
MMan Acquisition Co.	LP interest	N/A	N/A	N/A	263	1	263	—	263
Project Alpha Intermediate Holding, Inc.	Common stock	N/A	N/A	N/A	—	1	417	0.1	459
Project Alpha Intermediate Holding, Inc.	Common stock	N/A	N/A	N/A	103	1	4	—	4
Secure-24, LLC	LLC units	N/A	N/A	N/A	263	1	148	0.1	802
Switchfly, Inc.	Warrant	N/A	N/A	N/A	60	1	85	—	136
Vendavo, Inc.	Preferred stock	N/A	N/A	N/A	894	1	894	0.1	831
Verisys Corporation	LLC interest	N/A	N/A	N/A	261	1	261	—	284
Vitalyst, LLC		N/A	N/A	N/A	—	1	61	—	58

	Preferred stock A							
Vitalyst, LLC	Common stock	N/A	N/A	N/A	1	1 7	—	—
Workforce Software, LLC	LLC units	N/A	N/A	N/A	308	1 308	—	357
Xmatters, Inc. and Alarmpoint, Inc.	Warrant	N/A	N/A	N/A	43	1 34	—	31
						4,878	0.8	6,957
Ecological								
Pace Analytical Services, LLC	LLC units	N/A	N/A	N/A	3	1 304	—	364
						304	—	364
Electronics								
Diligent Corporation (12)	Preferred stock	N/A	N/A	N/A	83	1 66	—	121
Gamma Technologies, LLC	LLC units	N/A	N/A	N/A	1	1 134	—	331
Project Silverback Holdings Corp.	Preferred stock	N/A	N/A	N/A	3	1 6	—	256
SEI, Inc.	LLC units	N/A	N/A	N/A	340	1 265	0.1	482
Sloan Company, Inc., The	LLC units	N/A	N/A	N/A	—	1 122	—	1
Sloan Company, Inc., The	LLC units	N/A	N/A	N/A	1	1 14	—	—
						607	0.1	1,191

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Grocery								
MyWebGrocer, Inc.	LLC units	N/A	N/A	N/A	1,418	1 $ 1,446	0.2 %	$2,064
MyWebGrocer, Inc.	Preferred stock	N/A	N/A	N/A	71	1 165	—	268
						1,611	0.2	2,332
Healthcare, Education and Childcare								
Active Day, Inc.	LLC interest	N/A	N/A	N/A	1	1 614	0.1	718
Acuity Eyecare Holdings, LLC	LLC interest	N/A	N/A	N/A	198	1 198	—	247
ADCS Clinics Intermediate Holdings, LLC	Preferred stock	N/A	N/A	N/A	1	1 579	0.1	467
ADCS Clinics Intermediate Holdings, LLC	Common stock	N/A	N/A	N/A	—	1 6	—	—
Advanced Pain Management Holdings, Inc.	Preferred stock	N/A	N/A	N/A	8	1 829	—	—
Advanced Pain Management Holdings, Inc.	Common stock	N/A	N/A	N/A	67	1 67	—	—
Advanced Pain Management Holdings, Inc.	Preferred stock	N/A	N/A	N/A	1	1 64	—	—
BIORECLAMATIONIVT, LLC	LLC interest	N/A	N/A	N/A	—	1 407	0.1	614
California Cryobank, LLC	LLC units	N/A	N/A	N/A	—	1 28	—	36
California Cryobank, LLC	LLC units	N/A	N/A	N/A	—	1 11	—	12
California Cryobank, LLC	LLC units	N/A	N/A	N/A	—	1—	—	12
DCA Investment Holding, LLC	LLC units	N/A	N/A	N/A	8,637	1 864	0.1	938
DCA Investment Holding, LLC	LLC units	N/A	N/A	N/A	87	1 9	—	—
Deca Dental Management LLC	LLC units	N/A	N/A	N/A	357	1 357	0.1	410
Dental Holdings Corporation	LLC units	N/A	N/A	N/A	805	1 805	0.1	550
Encore GC Acquisition, LLC	LLC units	N/A	N/A	N/A	18	1 182	—	149
Encore GC Acquisition, LLC	LLC units	N/A	N/A	N/A	18	1—	—	—
Eyecare Services Partners Holdings LLC	LLC units	N/A	N/A	N/A	—	1 133	—	133
Eyecare Services Partners Holdings LLC	LLC units	N/A	N/A	N/A	—	1 1	—	1
G & H Wire Company, Inc.	LLC interest	N/A	N/A	N/A	148	1 148	—	148
IntegraMed America, Inc.	LLC interest	N/A	N/A	N/A	1	1 458	0.1	358
IntegraMed America, Inc.	LLC interest	N/A	N/A	N/A	—	1 417	—	328
Kareo, Inc.	Warrant	N/A	N/A	N/A	22	1 160	—	160
Katena Holdings, Inc.	LLC units	N/A	N/A	N/A	—	1 387	—	258
Lombart Brothers, Inc.	Common stock	N/A	N/A	N/A	—	1 132	—	176
MWD Management, LLC & MWD Services, Inc.	LLC interest	N/A	N/A	N/A	121	1 121	—	121
Oliver Street Dermatology Holdings, LLC	LLC units	N/A	N/A	N/A	234	1 234	0.1	313
Pentec Acquisition Sub, Inc.	Preferred stock	N/A	N/A	N/A	1	1 116	—	248

Pinnacle Treatment Centers, Inc.	Preferred stock	N/A	N/A	N/A	—	1221	—	227
Pinnacle Treatment Centers, Inc.	Common stock	N/A	N/A	N/A	2	12	—	—
Radiology Partners, Inc.	LLC units	N/A	N/A	N/A	43	185	—	100
Reliant Pro ReHab, LLC	Preferred stock A	N/A	N/A	N/A	2	1183	0.1	869
RXH Buyer Corporation	LP interest	N/A	N/A	N/A	7	1683	—	239
Sage Dental Management, LLC	LLC units	N/A	N/A	N/A	—	1249	0.1	370
Sage Dental Management, LLC	LLC units	N/A	N/A	N/A	3	13	—	134
SLMP, LLC	LLC interest	N/A	N/A	N/A	256	1256	—	256
Spear Education, LLC	LLC units	N/A	N/A	N/A	—	162	—	71
Spear Education, LLC	LLC units	N/A	N/A	N/A	1	11	—	23
SSH Corporation	Common stock	N/A	N/A	N/A	—	140	—	61
Surgical Information Systems, LLC	Common stock	N/A	N/A	N/A	4	1414	0.1	688
U.S. Renal Care, Inc.	LP interest	N/A	N/A	N/A	1	12,665	0.1	1,153
WHCG Management, LLC	LLC interest	N/A	N/A	N/A	—	1220	—	217
Young Innovations, Inc.	LLC units	N/A	N/A	N/A	—	1236	—	183

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September 30, 2017
(In thousands)

	Investment Type	Spread Above Index(1)	Interest Rate(2)	Maturity Date	Principal ($) / Shares(3)	Amortized Cost	Percentage of Net Assets	Fair Value (16)
Healthcare, Education and Childcare - (continued)								
Young Innovations, Inc.	Common stock	N/A	N/A	N/A	2	1$	—— %	$ 234
						12,647	1.2	11,222
Insurance								
Captive Resources Midco, LLC	LLC units	N/A	N/A	N/A	1	1—	0.1	346
Internet Pipeline, Inc. (12)	Preferred stock	N/A	N/A	N/A	—	172	—	87
Internet Pipeline, Inc.	Common stock	N/A	N/A	N/A	44	11	—	143
						73	0.1	576
Leisure, Amusement, Motion Pictures, Entertainment								
LMP TR Holdings, LLC	LLC units	N/A	N/A	N/A	712	1712	—	509
PADI Holdco, Inc.	LLC units	N/A	N/A	N/A	—	1414	—	414
Titan Fitness, LLC	LLC units	N/A	N/A	N/A	7	1712	0.1	826
						1,838	0.1	1,749
Personal and Non Durable Consumer Products (Mfg. Only)								
Georgica Pine Clothiers, LLC	LLC interest	N/A	N/A	N/A	11	1106	—	103
Massage Envy, LLC	LLC interest	N/A	N/A	N/A	749	1210	0.1	866
Team Technologies Acquisition Company	Common stock	N/A	N/A	N/A	—	1114	—	297
						430	0.1	1,266
Personal, Food and Miscellaneous Services								
Community Veterinary Partners, LLC	Common stock	N/A	N/A	N/A	1	1147	0.1	153
R.G. Barry Corporation	Preferred stock A	N/A	N/A	N/A	—	1161	—	108
Southern Veterinary Partners, LLC	LLC units	N/A	N/A	N/A	—	138	—	37
Southern Veterinary Partners, LLC	LLC units	N/A	N/A	N/A	40	12	—	2
Vetcor Professional Practices LLC	LLC units	N/A	N/A	N/A	766	1459	0.1	510
Vetcor Professional Practices LLC	LLC units	N/A	N/A	N/A	85	185	0.1	1,027
Veterinary Specialists of North America, LLC	LLC units	N/A	N/A	N/A	—	1106	—	141
Wetzel's Pretzels, LLC	Common stock	N/A	N/A	N/A	—	1160	—	186
						1,158	0.3	2,164
Printing and Publishing								
Brandmuscle, Inc.	LLC interest	N/A	N/A	N/A	—	240	—	236
Retail Stores								

Barcelona Restaurants, LLC	LP interest	N/A	N/A	N/A	1,996	1—	0.7	6,945
Batteries Plus Holding Corporation	LLC units	N/A	N/A	N/A	5	1529	0.1	685
Cycle Gear, Inc.	LLC interest	N/A	N/A	N/A	19	1248	0.1	379
DTLR, Inc.	LLC interest	N/A	N/A	N/A	4	1411	0.1	573
Elite Sportswear, L.P.	LLC interest	N/A	N/A	N/A	—	1158	—	97
Feeders Supply Company, LLC	Preferred stock	N/A	N/A	N/A	2	1192	—	219
Feeders Supply Company, LLC	Common stock	N/A	N/A	N/A	—	1—	—	105
Marshall Retail Group LLC, The	LLC units	N/A	N/A	N/A	15	1154	—	82
Paper Source, Inc.	Common stock	N/A	N/A	N/A	8	11,387	0.1	911
Pet Holdings ULC(7)(8)	LP interest	N/A	N/A	N/A	455	1386	—	469
						3,465	1.1	10,465

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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 (16)
Utilities								
PowerPlan Holdings, Inc.	Common stock	N/A	N/A	N/A	—	1 $260	— %	$260
PowerPlan Holdings, Inc.	Common stock	N/A	N/A	N/A	152	13	0.1	268
						263	0.1	528
Total non-controlled/non-affiliate company equity investments						$37,619	5.4 %	$51,384
Total non-controlled/non-affiliate company investments					$1,551,043	$1,568,976	165.6 %	$1,586,293
Non-controlled affiliate company investments(12)								
Debt investments								
Mining, Steel, Iron and Non-Precious Metals								
Benetech, Inc.*(7)	One stop	L + 11.00% (a)	10.25% cash/2.00% PIK	08/2018	$4,438	1 $4,435	0.4 %	$3,551
Benetech, Inc.(7)	One stop	P + 9.75% (a)(e)	11.96% cash/2.00% PIK	08/2018	371	1 371	—	146
					4,809	4,806	0.4	3,697
Total non-controlled affiliate company debt investments					$4,809	$4,806	0.4 %	$3,697
Equity Investments (9)(10)								
Mining, Steel, Iron and Non-Precious Metals								
Benetech, Inc.(7)	LLC interest	N/A	N/A	N/A	—	1 $—	— %	$10
Benetech, Inc.(7)	LLC interest	N/A	N/A	N/A	—	1 —	—	—
						—	—	10

Total non-controlled affiliate company equity investments					$—	—	%	$10
Total non-controlled affiliate company investments				$4,809	$4,806	0.4	%	$3,707
Controlled affiliate company investments[13]								
Equity Investments[9]								
Investment Funds and Vehicles								
Senior Loan Fund LLC[7][14]	LLC interest	N/A	N/A	1	$97,457	9.9	%	$95,015
Total controlled affiliate company equity investments					$97,457	9.9	%	$95,015
Total investments				$1,555,852	$1,671,239	175.9	%	$1,685,015
Cash, cash equivalents and restricted cash and cash equivalents								
Cash and restricted cash					$48,733	5.1	%	$48,733
BlackRock Liquidity Funds T-Fund Institutional Shares (CUSIP 09248U718)			0.91% [15]		13,825	1.4		13,825
Total cash, cash equivalents and restricted cash and cash equivalents					$62,558	6.5	%	$62,558
Total investments and cash, cash equivalents and restricted cash and cash equivalents					$1,733,797	182.4	%	$1,747,573

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* Denotes that all or a portion of the loan secures the notes offered in the 2010 Debt Securitization (as defined in Note 6).

^ Denotes that all or a portion of the loan secures the notes offered in the 2014 Debt Securitization (as defined in Note 6).

# Denotes that all or a portion of the loan collateralizes the Credit Facility (as defined in Note 6).

(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") or Prime ("P") and which reset daily, monthly, quarterly or semiannually. For each, the Company has provided the spread over LIBOR or Prime and the weighted average current interest rate in effect at September 30, 2017. Certain investments are subject to a LIBOR 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 29, 2017. The actual index rate for each loan listed may not be the applicable index rate outstanding as of September 30, 2017, as the loan may have priced or repriced based on an index rate prior to September 29, 2017, which was the last business day of the period on which LIBOR was determined.

(a) Denotes that all or a portion of the loan was indexed to the 30-day LIBOR, which was 1.23% as of September 29, 2017.

(b) Denotes that all or a portion of the loan was indexed to the 60-day LIBOR, which was 1.27% as of September 29, 2017.

(c) Denotes that all or a portion of the loan was indexed to the 90-day LIBOR, which was 1.33% as of September 29, 2017.

(d) Denotes that all or a portion of the loan was indexed to the 180-day LIBOR, which was 1.51% as of September 29, 2017.

(e) Denotes that all or a portion of the loan was indexed to the Prime rate, which was 4.25% as of September 29, 2017.

(2) For portfolio companies with multiple interest rate contracts, the interest rate shown is a weighted average current interest rate in effect at September 30, 2017.

(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 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.

(5) The entire commitment was unfunded at September 30, 2017. As such, no interest is being earned on this investment. The investment may be subject to an unused facility fee.

(6) Loan was on non-accrual status as of September 30, 2017, meaning that the Company has ceased recognizing interest income on the loan.

(7) 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, 2017, total non-qualifying assets at fair value represented 6.7% of the Company's assets calculated in accordance with the 1940 Act.

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

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

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

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

(12) 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 non-controlled affiliates for the year ended September 30, 2017 were as follows:

Portfolio Company	Fair value at September 30, 2016	Purchases (cost)[(f)]	Redemptions (cost)	Transfer in (out)	Discount accretion	Net change in unrealized gain/(loss)	Fair value at September 30, 2017	Net realized gain/(loss)	Interest and fee income	Dividend income
Benetech, Inc.[(g)]	$ —	$ 17	$ (68)	$ 3,738	$ 2	$ 18	$ 3,707	$ —	$ 113	$ —
Competitor Group, Inc.	9,618	491	(15,615)	—	278	5,228	—	(6,442)	1,023	—
Total Non-Controlled Affiliates	$ 9,618	$ 508	$ (15,683)	$ 3,738	$ 280	$ 5,246	$ 3,707	$ (6,442)	$ 1,136	$ —

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

(g) During the three months ended September 30, 2017, the Company's ownership increased to over five percent of the portfolio company's voting securities.

(13) 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). Transactions related to investments with both controlled affiliates for the year ended September 30, 2017 were as follows:

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Portfolio Company	Fair value at September 30, 2016	Purchases (cost)(h)	Redemptions (cost)	Transfer in (out)	Discount accretion	Net change in unrealized gain/(loss)	Fair value at September 30, 2017	Net realized gain/(loss)	Interest and fee income	Dividend income
Senior Loan Fund LLC(i)	$ 104,228	$ 96,688	$ (107,870)	$ —	$ —	$ 1,969	$ 95,015	$ —	$ 1,639	$ 4,929
Total Controlled Affiliates	$ 104,228	$ 96,688	$ (107,870)	$ —	$ —	$ 1,969	$ 95,015	$ —	$ 1,639	$ 4,929

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

(i) 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 believe that it has control over SLF for purposes of the 1940 Act or otherwise.

(14) The Company receives quarterly profit distributions from its equity investment in Senior Loan Fund LLC. (See Note 4 in the accompanying notes to the consolidated financial statements).

(15) The rate shown is the annualized seven-day yield as of September 30, 2017.

(16) The fair value of the investment was valued using significant unobservable inputs. See Note 5. Fair Value Measurements.

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Investments									
Non-controlled/non-affiliate company investments									
Debt investments									
Aerospace and Defense									
ILC Dover, LP*^#	One stop	L + 9.00%	(a)	8.00% cash/2.00% PIK	03/2020	$ 17,730	$ 17,592	1.7 %	$ 15,070
ILC Dover, LP	One stop	L + 9.00%	(a)	8.00% cash/2.00% PIK	03/2019	784	776	0.1	667
NTS Technical Systems*^#	One stop	L + 6.25%	(c)	7.25	06/2021	26,079	25,721	2.9	25,557
NTS Technical Systems(4)	One stop	L + 6.25%		N/A(5)	06/2021	—	(83)	—	(71)
NTS Technical Systems(4)	One stop	L + 6.25%		N/A(5)	06/2021	—	(39)	—	(57)
Tresys Technology Holdings, Inc.(6)	One stop	L + 6.75%	(c)	8.00%	12/2017	3,899	3,845	0.1	1,170
Tresys Technology Holdings, Inc.	One stop	L + 6.75%	(c)	8.00%	12/2017	537	535	0.1	537
Tronair Parent, Inc.(4)	Senior loan	L + 4.50%		N/A(5)	09/2021	—	(1)	—	—
Whitcraft LLC*^	One stop	L + 6.50%	(c)	7.50%	05/2020	13,504	13,404	1.5	13,504
Whitcraft LLC(4)	One stop	L + 6.50%		N/A(5)	05/2020	—	(1)	—	—
						62,533	61,749	6.4	56,377
Automobile									
American Driveline Systems, Inc.*	Senior loan	L + 5.75%	(a)	6.75%	03/2020	1,798	1,758	0.2	1,798
American Driveline Systems, Inc.^	Senior loan	L + 5.75%	(a)	6.75%	03/2020	233	229	—	233
American Driveline Systems, Inc.	Senior loan	P + 4.75%	(e)	8.25%	03/2020	46	40	—	46
CH Hold Corp. (Caliber Collision)*#	Senior loan	L + 5.25%	(c)(e)	6.25%	11/2019	5,144	5,108	0.6	5,144
Dent Wizard International Corporation*	Senior loan	L + 4.75%	(c)	5.75%	04/2020	2,469	2,460	0.3	2,469
K&N Engineering, Inc.^			(e)	6.75%	07/2019	2,821	2,797	0.3	2,821

	Senior loan	P + 3.25%							
K&N Engineering, Inc.^	Senior loan	L + 4.25%	(a)(e)	5.25%	07/2019	133	122	—	133
K&N Engineering, Inc.(4)	Senior loan	L + 4.25%		N/A(5)	07/2019	—	(2)	—	—
OEConnection LLC*	Senior loan	L + 5.00%	(c)	6.00%	06/2022	4,883	4,763	0.6	4,883
OEConnection LLC(4)	Senior loan	L + 5.00%		N/A(5)	06/2021	—	(1)	—	—
Polk Acquisition Corp.*	Senior loan	L + 5.00%	(c)	6.00%	06/2022	4,734	4,662	0.5	4,734
Polk Acquisition Corp.	Senior loan	L + 5.00%	(c)	6.00%	06/2022	54	53	—	54
Polk Acquisition Corp.	Senior loan	L + 5.00%	(a)(e)	6.64%	06/2022	18	16	—	18
Polk Acquisition Corp.(4)	Senior loan	L + 5.00%		N/A(5)	06/2022	—	(2)	—	—
T5 Merger Corporation^	One stop	L + 6.25%	(c)	7.25%	03/2022	3,200	3,148	0.4	3,168
T5 Merger Corporation(4)	One stop	L + 6.25%		N/A(5)	03/2022	—	(2)	—	(1)
						25,533	25,149	2.9	25,500
Banking									
HedgeServ Holding L.P.*^#	One stop	L + 8.00%	(c)	7.00% cash/2.00% PIK	02/2019	17,529	17,451	2.0	17,529
HedgeServ Holding L.P.(4)	One stop	L + 6.00%		N/A(5)	02/2019	—	(4)	—	—
						17,529	17,447	2.0	17,529
Beverage, Food and Tobacco									
Abita Brewing Co., L.L.C.	One stop	L + 5.75%	(c)	6.75%	04/2021	7,993	7,871	0.8	7,194
Abita Brewing Co., L.L.C.(4)	One stop	L + 5.75%	(c)	6.75%	04/2021	4	3	—	(11)
ABP Corporation*	Senior loan	L + 4.75%	(c)	6.00%	09/2018	4,696	4,667	0.5	4,461
ABP Corporation	Senior loan	P + 3.50%	(e)	7.25%	09/2018	250	247	—	225
Atkins Nutritionals, Inc*^	One stop	L + 8.50%	(c)	9.75%	04/2019	21,636	21,464	2.5	21,636
Atkins Nutritionals, Inc*^#	One stop	L + 5.00%	(c)	6.25%	01/2019	16,872	16,752	1.9	16,872
Benihana, Inc.*^	One stop	L + 6.00%	(a)(c)	7.25%	01/2019	15,279	15,064	1.7	14,973
Benihana, Inc.	One stop	P + 4.75%	(a)(e)	7.92%	07/2018	1,628	1,599	0.2	1,585
C. J. Foods, Inc.*	One stop	L + 5.00%	(c)	6.00%	05/2019	3,141	3,116	0.4	3,141
C. J. Foods, Inc.	One stop	L + 5.00%	(c)	6.00%	05/2019	663	656	0.1	663

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Beverage, Food and Tobacco – (continued)									
C. J. Foods, Inc.(4)	One stop	L + 5.00%		N/A(5)	05/2019	$ —	$ (5)	— %	$ —
Firebirds International, LLC*	One stop	L + 5.75%	(c)	7.00%	05/2018	1,074	1,067	0.1	1,074
Firebirds International, LLC*	One stop	L + 5.75%	(c)	7.00%	05/2018	302	300	—	302
Firebirds International, LLC	One stop	L + 5.75%	(c)	7.00%	05/2018	55	53	—	55
Firebirds International, LLC(4)	One stop	L + 5.75%		N/A(5)	05/2018	—	(1)	—	—
First Watch Restaurants, Inc.*^#	One stop	L + 6.00%	(c)	7.15%	12/2020	25,596	25,384	2.9	25,596
First Watch Restaurants, Inc.	One stop	P + 5.00%	(c)(e)	8.05%	12/2020	1,603	1,596	0.2	1,603
First Watch Restaurants, Inc.	One stop	L + 6.00%	(c)	7.00%	12/2020	1,258	1,248	0.1	1,258
First Watch Restaurants, Inc.	One stop	L + 6.00%	(c)	7.00%	12/2020	1,255	1,246	0.2	1,255
First Watch Restaurants, Inc.(4)	One stop	L + 6.00%		N/A(5)	12/2020	—	(8)	—	—
Hopdoddy Holdings, LLC	One stop	L + 8.00%	(c)	9.00%	08/2020	660	649	0.1	660
Hopdoddy Holdings, LLC	One stop	L + 8.00%		N/A(5)	08/2020	—	—	—	—
Hopdoddy Holdings, LLC(4)	One stop	L + 8.00%		N/A(5)	08/2020	—	(3)	—	—
IT'SUGAR LLC	Subordinated debt	N/A		5.00%	10/2017	1,707	1,707	0.2	1,384
Purfoods, LLC	One stop	L + 6.25%	(c)	7.25%	05/2021	8,647	8,449	1.0	8,647
Purfoods, LLC	One stop	N/A		7.00% PIK	05/2026	101	101	—	101
Purfoods, LLC	One stop	L + 6.25%	(a)	7.25%	05/2021	25	24	—	25
Purfoods, LLC(4)	One stop	L + 6.25%		N/A(5)	05/2021	—	(1)	—	—
Restaurant Holding Company, LLC #	Senior loan	L + 7.75%	(a)	8.75%	02/2019	4,605	4,581	0.5	4,513
Rubio's Restaurants, Inc*^	Senior loan		(c)	6.00%	11/2018	8,919	8,879	1.0	8,919

		L + 4.75%							
Smashburger Finance LLC	Senior loan	L + 5.50%	(c)	6.75%	05/2018	87	86	—	85
Smashburger Finance LLC[4]	Senior loan	L + 5.50%		N/A[5]	05/2018	—	(2)	—	—
Surfside Coffee Company LLC^	One stop	L + 5.25%	(c)	6.25%	06/2020	4,470	4,436	0.5	4,470
Surfside Coffee Company LLC	One stop	L + 5.25%	(c)	6.25%	06/2020	337	329	—	337
Surfside Coffee Company LLC	One stop	L + 5.25%	(c)	6.25%	06/2020	26	25	—	26
Tate's Bake Shop, Inc.#	Senior loan	L + 5.00%	(c)	6.00%	08/2019	597	593	0.1	597
Uinta Brewing Company^	One stop	L + 8.50%	(c)	9.50%	08/2019	3,734	3,713	0.4	3,622
Uinta Brewing Company	One stop	L + 8.50%	(a)(c)	9.50%	08/2019	308	305	—	296
						137,528	136,190	15.4	135,564
Broadcasting and Entertainment									
TouchTunes Interactive Networks, Inc.^	Senior loan	L + 4.75%	(c)	5.75%	05/2021	1,477	1,471	0.2	1,483
Building and Real Estate									
Brooks Equipment Company, LLC*^	One stop	L + 5.00%	(b)(c)	6.00%	08/2020	22,970	22,747	2.6	22,970
Brooks Equipment Company, LLC[4]	One stop	L + 5.00%		N/A[5]	08/2020	—	(13)	—	—
ITEL Laboratories, Inc.*	Senior loan	L + 4.50%	(a)(c)	5.75%	06/2018	634	631	0.1	634
ITEL Laboratories, Inc.	Senior loan	L + 4.50%		N/A[5]	06/2018	—	—	—	—
						23,604	23,365	2.7	23,604
Containers, Packaging and Glass									
Fort Dearborn Company*^	Senior loan	L + 4.75%	(c)(e)	5.75%	10/2018	2,980	2,969	0.3	2,980
Fort Dearborn Company*^	Senior loan	L + 4.25%	(c)	5.25%	10/2017	509	508	0.1	509
						3,489	3,477	0.4	3,489
Diversified Conglomerate Manufacturing									
Chase Industries, Inc.*^#	One stop	L + 5.75%	(b)(c)(e)	6.81%	09/2020	21,704	21,556	2.5	21,704
Chase Industries, Inc.#	One stop	L + 5.75%	(c)(e)	7.13%	09/2020	4,816	4,784	0.5	4,816
Chase Industries, Inc.[4]	One stop	L + 5.75%		N/A[5]	09/2020	—	(14)	—	—
Inventus Power, Inc*^	One stop	L + 5.50%	(c)	6.50%	04/2020	8,409	8,369	0.9	7,736

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Diversified Conglomerate Manufacturing – (continued)									
Inventus Power, Inc(4)	One stop	L + 5.50%		N/A(5)	04/2020	$ —	$ (3)	— %	$ (42)
Onicon Incorporated*^#	One stop	L + 6.00%	(c)(e)	7.00%	04/2020	13,422	13,286	1.5	13,221
Onicon Incorporated(4)	One stop	L + 6.00%		N/A(5)	04/2020	—	(6)	—	(15)
Pasternack Enterprises, Inc. and Fairview Microwave, Inc.#	Senior loan	L + 5.00%	(c)	6.00%	05/2022	2,460	2,436	0.3	2,435
PetroChoice Holdings, Inc.^	Senior loan	L + 5.00%	(c)	6.00%	08/2022	1,768	1,718	0.2	1,768
Plex Systems, Inc.*^	One stop	L + 7.50%	(a)	8.75%	06/2020	18,797	18,410	2.1	18,797
Plex Systems, Inc.(4)	One stop	L + 7.50%		N/A(5)	06/2020	—	(30)	—	—
Reladyne, Inc.*#	Senior loan	L + 5.25%	(c)	6.25%	07/2022	10,149	9,992	1.2	10,047
Reladyne, Inc.	Senior loan	L + 5.25%	(a)	6.25%	07/2022	111	110	—	110
Reladyne, Inc.	Senior loan	P + 4.25%	(e)	7.75%	07/2022	26	24	—	24
Reladyne, Inc.(4)	Senior loan	L + 5.25%		N/A(5)	07/2022	—	(2)	—	(1)
Sunless Merger Sub, Inc.	Senior loan	L + 5.00%	(a)(e)	6.25%	07/2019	1,503	1,509	0.2	1,503
Sunless Merger Sub, Inc.	Senior loan	P + 3.75%	(e)	7.25%	07/2019	151	151	—	151
						83,316	82,290	9.4	82,254
Diversified Conglomerate Service									
Accellos, Inc.*^#	One stop	L + 5.75%	(c)	6.75%	07/2020	31,051	30,806	3.5	31,051
Accellos, Inc.(4)	One stop	L + 5.75%		N/A(5)	07/2020	—	(13)	—	—
Actiance, Inc. *^	One stop	L + 9.00%	(a)	10.00%	04/2018	2,900	2,831	0.3	2,900
Actiance, Inc.	One stop	L + 9.00%		N/A(5)	04/2018	—	—	—	—
Agility Recovery Solutions Inc.*^	One stop	L + 6.50%	(c)	7.50%	03/2020	14,092	13,950	1.6	14,092

Agility Recovery Solutions Inc.(4)	One stop	L + 6.50%		N/A(5)	03/2020	—	(6)	—	—
Bomgar Corporation^	One stop	L + 7.50%	(c)	8.50%	06/2022	4,888	4,794	0.6	4,888
Bomgar Corporation(4)	One stop	L + 7.50%		N/A(5)	06/2022	—	(2)	—	—
CIBT Holdings, Inc.^	Senior loan	L + 5.25%	(c)	6.25%	06/2022	1,973	1,954	0.2	1,973
CIBT Holdings, Inc.	Senior loan	L + 5.25%		N/A(5)	06/2022	—	—	—	—
Clearwater Analytics, LLC#	One stop	L + 7.50%	(c)	8.50%	09/2022	10,050	9,877	1.1	9,925
Clearwater Analytics, LLC(4)	One stop	L + 7.50%		N/A(5)	09/2022	—	(2)	—	(1)
Daxko Acquisition Corporation#	One stop	L + 6.50%	(c)	7.50%	09/2022	8,557	8,430	1.0	8,472
Daxko Acquisition Corporation(4)	One stop	L + 6.50%		N/A(5)	09/2022	—	(1)	—	—
EGD Security Systems, LLC	One stop	L + 6.25%	(c)	7.25%	06/2022	11,114	10,876	1.3	11,114
EGD Security Systems, LLC	One stop	L + 6.25%	(c)	7.25%	06/2022	98	96	—	98
EGD Security Systems, LLC(4)	One stop	L + 6.25%		N/A(5)	06/2022	—	(2)	—	—
HealthcareSource HR, Inc.	One stop	L + 6.75%	(c)	7.75%	05/2020	17,724	17,416	2.0	17,724
HealthcareSource HR, Inc.(4)	One stop	L + 6.75%		N/A(5)	05/2020	—	(1)	—	—
Host Analytics, Inc.	One stop	N/A		8.50% cash/2.25% PIK	02/2020	3,028	2,978	0.3	3,005
Host Analytics, Inc.	One stop	N/A		8.50% cash/2.25% PIK	08/2021	2,552	2,530	0.3	2,533
Host Analytics, Inc.(4)	One stop	N/A		N/A(5)	02/2020	—	(8)	—	(6)
III US Holdings, LLC#	One stop	L + 6.00%	(c)	7.00%	09/2022	5,510	5,400	0.6	5,400
III US Holdings, LLC(4)	One stop	L + 6.00%		N/A(5)	09/2022	—	(1)	—	(1)
Integration Appliance, Inc.*^	One stop	L + 8.25%	(c)	9.50%	09/2020	16,123	15,986	1.8	16,123
Integration Appliance, Inc.	One stop	L + 8.25%	(c)	9.50%	09/2020	7,914	7,771	0.9	7,914
Integration Appliance, Inc.	One stop	L + 8.25%	(c)	9.50%	09/2020	5,396	5,307	0.6	5,396
Integration Appliance, Inc.*	One stop	L + 8.25%	(b)	9.50%	09/2020	719	709	0.1	719
Integration Appliance, Inc.(4)	One stop	L + 8.25%		N/A(5)	09/2018	—	(8)	—	—
Jensen Hughes, Inc.#	Senior loan	L + 5.00%	(c)	6.00%	12/2021	156	155	—	156

Netsmart Technologies, Inc.#	Senior loan	L + 4.75%	(a)	5.75%	04/2023	1,772	1,755	0.2	1,783

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Diversified Conglomerate Service – (continued)									
Netsmart Technologies, Inc.(4)	Senior loan	L + 4.75%		N/A(5)	01/1900	$ —	$ (9)	— %	$ —
Project Alpha Intermediate Holding, Inc.*#	One stop	L + 8.25%	(c)	9.25%	08/2022	17,257	16,749	1.9	16,912
PT Intermediate Holdings III, LLC	One stop	L + 6.50%	(c)	7.50%	06/2022	22,250	21,719	2.5	22,250
PT Intermediate Holdings III, LLC	One stop	P + 5.50%	(e)	9.00%	06/2022	25	21	—	25
Secure-24, LLC*	One stop	L + 6.00%	(c)	7.25%	08/2017	9,777	9,723	1.1	9,777
Secure-24, LLC^	One stop	L + 6.00%	(c)	7.25%	08/2017	1,430	1,424	0.2	1,430
Secure-24, LLC(4)	One stop	L + 6.00%		N/A(5)	08/2017	—	(1)	—	—
Severin Acquisition, LLC^	Senior loan	L + 5.38%	(c)	6.38%	07/2021	892	884	0.1	905
Severin Acquisition, LLC^	Senior loan	L + 5.00%	(c)	6.00%	07/2021	794	788	0.1	794
Severin Acquisition, LLC^	Senior loan	L + 5.38%	(c)	6.38%	07/2021	607	601	0.1	616
Severin Acquisition, LLC^	Senior loan	L + 4.88%	(c)	5.88%	07/2021	196	194	—	195
Source Medical Solutions, Inc.	Second lien	L + 11.00%	(c)	9.00% cash/3.00% PIK	03/2018	9,475	9,340	1.1	9,475
Steelwedge Software, Inc.^	One stop	L + 10.00%	(c)	9.00% cash/2.00% PIK	09/2020	2,197	2,109	0.2	2,197
Steelwedge Software, Inc.	One stop	L + 10.00%		N/A(5)	09/2020	—	—	—	—
TA MHI Buyer, Inc. ^	One stop	L + 6.50%	(c)	7.50%	09/2021	8,232	8,172	0.9	8,232
TA MHI Buyer, Inc.*	One stop	L + 6.50%	(c)	7.50%	09/2021	1,281	1,269	0.2	1,281
TA MHI Buyer, Inc. ^	One stop	L + 6.50%	(c)	7.50%	09/2021	666	659	0.1	666
TA MHI Buyer, Inc. ^	One stop	L + 6.50%	(c)	7.50%	09/2021	237	235	—	237
TA MHI Buyer, Inc.	One stop	L + 6.50%		N/A(5)	09/2021	—	—	—	—
Trintech, Inc. *^#	One stop	L + 6.00%	(c)	7.00%	10/2021	10,959	10,841	1.3	10,959
Trintech, Inc. (4)	One stop	L + 6.00%		N/A(5)	10/2021	—	(1)	—	—
Vendavo, Inc.	One stop	L + 8.50%	(c)	9.50%	10/2019	17,982	17,717	2.0	17,672
Vendavo, Inc.(4)	One stop	L + 8.50%		N/A(5)	10/2019	—	(9)	—	(25)
Vendor Credentialing Service LLC	One stop	L + 6.00%	(a)	7.00%	11/2021	10,194	9,970	1.2	10,194
Vendor Credentialing Service LLC(4)	One stop	L + 6.00%		N/A(5)	11/2021	—	(1)	—	—
Vitalyst, LLC	Senior loan	L + 5.25%	(c)	6.50%	09/2017	1,385	1,381	0.2	1,385
Vitalyst, LLC(4)	Senior loan	L + 4.25%		N/A(5)	09/2017	—	—	—	(2)
Workforce Software, LLC^	One stop	L + 10.50%	(c)	4.50% cash/7.00% PIK	06/2021	5,039	5,004	0.6	5,001
Workforce Software, LLC	One stop	L + 3.50%		N/A(5)	06/2021	—	—	—	—
	One stop	L + 8.50%	(a)	9.50%	08/2021	4,629	4,563	0.5	4,594

Xmatters, Inc. and Alarmpoint, Inc.								
Xmatters, Inc. and Alarmpoint, Inc.	One stop	L + 8.50%	N/A(5)	08/2021	—	—	—	—
					271,121	266,919	30.7	270,028
Ecological								
Pace Analytical Services, LLC	One stop	L + 6.25% (c)	7.25%	09/2022	15,500	15,074	1.7	15,345
Pace Analytical Services, LLC(4)	One stop	L + 6.25%	N/A(5)	09/2022	—	(2)	—	(1)
Pace Analytical Services, LLC(4)	One stop	L + 6.25%	N/A(5)	09/2022	—	(6)	—	(3)
					15,500	15,066	1.7	15,341
Electronics								
Appriss Holdings, Inc.*#	Senior loan	L + 5.25% (c)	6.25%	11/2020	15,451	15,268	1.7	15,451
Appriss Holdings, Inc.	Senior loan	L + 5.25% (c)	6.25%	11/2020	800	770	0.1	800
Compusearch Software Holdings, Inc.^	Senior loan	L + 4.25% (c)	5.25%	05/2021	1,308	1,305	0.1	1,308
Diligent Corporation*	One stop	L + 6.75% (c)	7.75%	04/2022	4,888	4,786	0.6	4,888
Diligent Corporation(4)	One stop	L + 6.75%	N/A(5)	04/2022	—	(2)	—	—
ECI Acquisition Holdings, Inc.*^#	One stop	L + 6.25% (c)	7.25%	03/2019	21,668	21,467	2.5	21,668
ECI Acquisition Holdings, Inc.*	One stop	L + 6.25% (c)	7.25%	03/2019	1,403	1,390	0.2	1,403
ECI Acquisition Holdings, Inc.(4)	One stop	L + 6.25%	N/A(5)	03/2019	—	(9)	—	—
Gamma Technologies, LLC^#	One stop	L + 5.00% (c)	6.00%	06/2021	18,001	17,859	2.0	18,001

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Electronics – (continued)									
Gamma Technologies, LLC(4)	One stop	L + 5.00%		N/A(5)	06/2021	$ —	$ (1)	— %	$ —
Park Place Technologies LLC*#	One stop	L + 5.25%	(c)	6.25%	06/2022	12,466	12,301	1.4	12,466
Park Place Technologies LLC	One stop	L + 5.25%	(c)	6.25%	06/2022	100	98	—	100
Sloan Company, Inc., The#	One stop	L + 7.25%	(c)	8.25%	04/2020	7,513	7,411	0.8	7,138
Sloan Company, Inc., The	One stop	L + 7.25%	(c)	8.25%	04/2020	6	5	—	4
Sovos Compliance*^	One stop	L + 7.25%	(c)	8.25%	03/2022	9,423	9,247	1.1	9,234
Sovos Compliance(4)	One stop	L + 7.25%		N/A(5)	03/2022	—	(1)	—	(1)
Sparta Holding Corporation*^#	One stop	L + 5.50%	(c)	6.50%	07/2020	22,309	22,131	2.5	22,309
Sparta Holding Corporation(4)	One stop	L + 5.50%		N/A(5)	07/2020	—	(24)	—	—
Syncsort Incorporated*^#	One stop	L + 5.50%	(c)	6.50%	11/2021	16,609	16,325	1.9	16,609
Syncsort Incorporated(4)	One stop	L + 5.50%		N/A(5)	11/2021	—	(2)	—	—
Systems Maintenance Services Holding, Inc.^	Senior loan	L + 4.00%	(a)(e)	5.00%	10/2019	2,603	2,597	0.3	2,603
Watchfire Enterprises, Inc.	Second lien	L + 8.00%	(c)	9.00%	10/2021	9,434	9,274	1.1	9,434
						143,982	142,195	16.3	143,415
Grocery									
MyWebGrocer, Inc.*	One stop	L + 8.75%	(c)	10.00%	05/2017	14,271	14,190	1.6	14,271
Teasdale Quality Foods, Inc.#	Senior loan	L + 4.75%	(c)(e)	5.77%	10/2020	726	712	0.1	735
Teasdale Quality Foods, Inc.#	Senior loan	L + 4.75%	(c)(e)	5.77%	10/2020	543	538	0.1	551
						15,540	15,440	1.8	15,557
Healthcare, Education and Childcare									
Active Day, Inc.	One stop	L + 6.00%	(c)	7.00%	12/2021	13,538	13,216	1.5	13,538
Active Day, Inc.(4)	One stop	L + 6.00%		N/A(5)	12/2021	—	(1)	—	—

Active Day, Inc.(4)	One stop	L + 6.00%		N/A(5)	12/2021	—	(37)	—	—
ADCS Clinics Intermediate Holdings, LLC	One stop	L + 5.75%	(c)	6.75%	05/2022	21,496	20,891	2.4	21,496
ADCS Clinics Intermediate Holdings, LLC	One stop	L + 5.75%	(c)	6.75%	05/2022	109	107	—	109
ADCS Clinics Intermediate Holdings, LLC	One stop	L + 5.75%	(c)	6.75%	05/2022	32	32	—	32
ADCS Clinics Intermediate Holdings, LLC	One stop	P + 4.75%	(e)	8.25%	05/2022	27	26	—	27
ADCS Clinics Intermediate Holdings, LLC(4)	One stop	L + 5.75%		N/A(5)	05/2022	—	(4)	—	—
Agilitas USA, Inc.^	Senior loan	L + 4.00%	(c)	5.00%	10/2020	2,125	2,110	0.2	2,040
Aris Teleradiology Company, LLC*	Senior loan	L + 4.75%	(c)	5.75%	03/2021	941	933	0.1	941
Aris Teleradiology Company, LLC	Senior loan	L + 4.75%		N/A(5)	03/2021	—	—	—	—
Avalign Technologies, Inc.^	Senior loan	L + 4.50%	(a)	5.50%	07/2021	1,136	1,132	0.1	1,136
BIORECLAMATIONIVT, LLC *^#	One stop	L + 6.25%	(c)	7.25%	01/2021	14,392	14,177	1.6	14,392
BIORECLAMATIONIVT, LLC (4)	One stop	L + 6.25%		N/A(5)	01/2021	—	(1)	—	—
California Cryobank, LLC^	One stop	L + 5.50%	(c)	6.50%	08/2019	1,550	1,542	0.2	1,550
California Cryobank, LLC	One stop	L + 5.50%	(c)	6.50%	08/2019	234	234	—	234
California Cryobank, LLC(4)	One stop	L + 5.50%		N/A(5)	08/2019	—	(1)	—	—
Certara L.P.*^#	One stop	L + 6.25%	(c)	7.25%	12/2018	29,063	28,870	3.3	29,063
Certara L.P.(4)	One stop	L + 6.25%		N/A(5)	12/2018	—	(10)	—	—
CLP Healthcare Services, Inc.^	Senior loan	L + 5.25%	(c)	6.25%	12/2020	3,964	3,928	0.5	3,964
CPI Buyer, LLC (Cole-Parmer)*^	Senior loan	L + 4.50%	(c)	5.50%	08/2021	7,740	7,522	0.9	7,702
Curo Health Services LLC#	Senior loan	L + 5.50%	(b)	6.50%	02/2022	1,970	1,955	0.2	1,976
DCA Investment Holding, LLC*^#	One stop	L + 5.25%	(c)	6.25%	07/2021	18,968	18,634	2.2	18,968
DCA Investment Holding, LLC*^#	One stop	L + 5.25%	(c)	6.25%	07/2021	13,604	13,460	1.5	13,604
DCA Investment Holding, LLC	One stop	P + 4.25%	(e)	7.75%	07/2021	1,340	1,325	0.2	1,340
Deca Dental Management LLC*^	One stop	L + 6.25%	(c)	7.25%	07/2020	4,146	4,100	0.5	4,146
Deca Dental Management LLC	One stop	L + 6.25%	(c)	7.25%	07/2020	504	496	0.1	504

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Healthcare, Education and Childcare – (continued)									
Deca Dental Management LLC	One stop	L + 6.25%	(a)	7.25%	07/2020	$ 50	$ 49	— %	$ 50
Delta Educational Systems*[6]	Senior loan	P + 4.75%	(e)	8.25%	12/2016	1,438	1,433	—	216
Delta Educational Systems[4][6]	Senior loan	L + 6.00%		N/A[5]	12/2016	—	—	—	(60)
Dental Holdings Corporation	One stop	L + 5.50%	(c)	6.50%	02/2020	7,599	7,480	0.9	7,599
Dental Holdings Corporation	One stop	L + 5.50%	(c)	6.50%	02/2020	1,155	1,143	0.1	1,155
Dental Holdings Corporation	One stop	P + 4.25%	(e)	7.75%	02/2020	213	204	—	213
eSolutions, Inc.	One stop	L + 6.50%	(a)	7.50%	03/2022	12,866	12,605	1.5	12,866
eSolutions, Inc.[4]	One stop	L + 6.50%		N/A[5]	03/2022	—	(1)	—	—
G & H Wire Company, Inc.*^	One stop	L + 5.75%	(c)	6.75%	12/2017	13,157	13,112	1.5	13,157
G & H Wire Company, Inc.	One stop	P + 4.50%	(e)	8.00%	12/2017	357	355	—	357
Joerns Healthcare, LLC*^	One stop	L + 5.00%	(a)	6.00%	05/2020	3,838	3,802	0.4	3,647
Katena Holdings, Inc.^	One stop	L + 6.25%	(c)	7.25%	06/2021	8,699	8,627	1.0	8,699
Katena Holdings, Inc.	One stop	P + 5.25%	(e)	8.75%	06/2021	850	843	0.1	850
Katena Holdings, Inc.	One stop	P + 5.25%	(e)	8.75%	06/2021	13	12	—	13
Lombart Brothers, Inc.	One stop	L + 6.75%	(c)	7.75%	04/2022	3,508	3,411	0.4	3,508
Lombart Brothers, Inc.	One stop	L + 6.75%	(a)	7.75%	04/2022	8	7	—	8
Maverick Healthcare Group, LLC*	Senior loan	L + 7.50%	(c)	7.25% cash/2.00% PIK	04/2017	1,921	1,915	0.2	1,921
Northwestern Management Services, LLC (Sage Dental)	One stop	L + 5.25%	(c)	6.50%	10/2019	72	71	—	71
Northwestern Management Services, LLC (Sage Dental)	One stop	P + 4.00%	(e)	7.50%	10/2019	17	16	—	16
	One stop			N/A[5]	10/2019	—	(2)	—	(3)

Northwestern Management Services, LLC (Sage Dental)(4)		L + 5.25%							
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.50%	(c)	7.50%	05/2022	8,605	8,369	1.0	8,605
Oliver Street Dermatology Holdings, LLC	One stop	L + 6.50%	(c)	7.50%	05/2022	58	57	—	58
Oliver Street Dermatology Holdings, LLC(4)	One stop	L + 6.50%		N/A(5)	05/2022	—	(3)	—	—
Pinnacle Treatment Centers, Inc.	One stop	L + 6.25%	(c)	7.25%	08/2021	10,081	9,812	1.1	9,980
Pinnacle Treatment Centers, Inc.	One stop	P + 5.00%	(e)	8.50%	08/2021	5	3	—	4
Pinnacle Treatment Centers, Inc.(4)	One stop	L + 6.25%		N/A(5)	08/2021	—	(3)	—	(1)
PPT Management, LLC#	One stop	L + 5.00%	(c)	6.00%	04/2020	4,179	4,143	0.5	4,179
PPT Management, LLC	One stop	L + 5.00%	(c)	6.00%	04/2020	137	136	—	137
PPT Management, LLC(4)	One stop	L + 5.00%		N/A(5)	04/2020	—	(1)	—	—
Premise Health Holding Corp.#	One stop	L + 4.50%	(c)	5.50%	06/2020	14,963	14,881	1.7	14,963
Premise Health Holding Corp.(4)	One stop	L + 4.50%		N/A(5)	06/2020	—	(16)	—	—
Pyramid Healthcare, Inc.#	One stop	L + 5.75%	(c)	6.75%	08/2019	1,484	1,471	0.2	1,484
Radiology Partners, Inc.#	One stop	L + 5.50%	(c)	6.50%	09/2020	22,570	22,295	2.6	22,344
Radiology Partners, Inc.	One stop	L + 5.50%	(c)	6.50%	09/2020	708	708	0.1	701
Radiology Partners, Inc.(4)	One stop	L + 5.50%		N/A(5)	09/2020	—	(4)	—	(4)
Radiology Partners, Inc.(4)	One stop	L + 5.50%		N/A(5)	09/2020	—	(18)	—	(8)
Reliant Pro ReHab, LLC*	Senior loan	L + 5.00%	(c)	6.00%	12/2017	2,548	2,533	0.3	2,548
Reliant Pro ReHab, LLC	Senior loan	P + 4.00%	(e)	7.50%	12/2017	59	54	—	59
RXH Buyer Corporation*^	One stop	L + 5.75%	(c)	6.75%	09/2021	17,435	17,148	1.9	16,738
RXH Buyer Corporation	One stop	L + 5.75%	(c)	6.75%	09/2021	1,973	1,940	0.2	1,894
RXH Buyer Corporation	One stop	P + 4.75%	(e)	8.25%	09/2021	35	32	—	27
RXH Buyer Corporation(4)	One stop	L + 5.75%		N/A(5)	09/2021	—	(14)	—	(34)
Southern Anesthesia and Surgical	One stop	L + 5.50%	(c)	6.50%	11/2017	5,537	5,502	0.6	5,537
Southern Anesthesia and Surgical^	One stop	L + 5.50%	(c)	6.50%	11/2017	2,715	2,701	0.3	2,715

Southern Anesthesia and Surgical[(4)]	One stop	L + 5.50%		N/A[(5)]	11/2017	—	(3)	—	—
Spear Education, LLC#	One stop	L + 6.00%	(c)	7.00%	08/2019	4,732	4,697	0.5	4,732

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Healthcare, Education and Childcare – (continued)									
Spear Education, LLC	One stop	L + 6.00%	(c)	7.00%	08/2019	$ 76	$ 76	— %	$ 76
Spear Education, LLC	One stop	L + 6.00%		N/A[(5)]	08/2019	—	—	—	—
Summit Behavioral Holdings I, LLC*	One stop	L + 5.00%	(c)	6.00%	06/2021	4,382	4,330	0.5	4,382
Summit Behavioral Holdings I, LLC[(4)]	One stop	L + 5.00%		N/A[(5)]	06/2021	—	(1)	—	—
Summit Behavioral Holdings I, LLC[(4)]	One stop	L + 5.00%		N/A[(5)]	06/2021	—	(2)	—	—
Surgical Information Systems, LLC^	Senior loan	L + 3.00%	(c)(e)	4.50%	09/2018	1,701	1,699	0.2	1,701
U.S. Anesthesia Partners, Inc.#	One stop	L + 5.00%	(c)(e)	6.12%	12/2019	5,882	5,864	0.7	5,882
WIRB-Copernicus Group, Inc.*^	Senior loan	L + 5.00%	(c)	6.00%	08/2022	9,912	9,815	1.1	9,812
WIRB-Copernicus Group, Inc.[(4)]	Senior loan	L + 5.00%		N/A[(5)]	08/2022	—	(1)	—	(1)
Young Innovations, Inc.*#	Senior loan	L + 4.25%	(a)(c)	5.25%	01/2019	1,733	1,725	0.2	1,739
Young Innovations, Inc.*	Senior loan	L + 4.75%	(a)	5.75%	01/2019	304	299	0.1	308
Young Innovations, Inc.	Senior loan	P + 3.25%	(e)	6.75%	01/2018	34	34	—	33
						314,488	309,976	35.4	311,635
Home and Office Furnishings, Housewares, and Durable Consumer									
Plano Molding Company, LLC*^#	One stop	L + 6.50%	(c)	7.50%	05/2021	17,934	17,796	1.9	16,498
Hotels, Motels, Inns, and Gaming									
Aimbridge Hospitality, LLC^	Senior loan	L + 4.50%	(a)	5.75%	10/2018	815	804	0.1	815
Insurance									
Captive Resources Midco, LLC*^#	One stop	L + 5.75%	(c)	6.75%	06/2020	26,127	25,876	3.0	26,127
Captive Resources Midco, LLC[(4)]	One stop			N/A[(5)]	06/2020	—	(16)	—	—

		L + 5.75%							
Captive Resources Midco, LLC(4)	One stop	L + 5.75%		N/A(5)	06/2020	—	(17)	—	—
Higginbotham Insurance Agency, Inc.*	Senior loan	L + 5.25%	(a)	6.25%	11/2021	1,301	1,290	0.1	1,303
Internet Pipeline, Inc.	One stop	L + 7.25%	(c)	8.25%	08/2022	4,910	4,797	0.6	4,910
Internet Pipeline, Inc.(4)	One stop	L + 7.25%		N/A(5)	08/2021	—	(1)	—	—
RSC Acquisition, Inc.#	Senior loan	L + 5.25%	(c)	6.25%	11/2022	629	624	0.1	629
						32,967	32,553	3.8	32,969
Leisure, Amusement, Motion Pictures and Entertainment									
NFD Operating, LLC*	One stop	L + 7.00%	(c)	8.25%	06/2021	2,349	2,315	0.3	2,349
NFD Operating, LLC	One stop	L + 7.00%		N/A(5)	06/2021	—	—	—	—
NFD Operating, LLC(4)	One stop	L + 7.00%		N/A(5)	06/2021	—	(1)	—	—
Self Esteem Brands, LLC^	Senior loan	L + 4.00%	(a)	5.00%	02/2020	2,934	2,924	0.3	2,934
Self Esteem Brands, LLC(4)	Senior loan	L + 4.00%		N/A(5)	02/2020	—	(3)	—	—
Teaching Company, The	One stop	L + 6.25%	(c)	7.25%	08/2020	18,926	18,705	2.2	18,926
Teaching Company, The	One stop	L + 6.25%	(c)(e)	7.25%	08/2020	40	39	—	40
Titan Fitness, LLC*	One stop	L + 6.50%	(a)	7.75%	09/2019	13,223	13,070	1.5	13,223
Titan Fitness, LLC	One stop	L + 6.50%	(a)	7.75%	09/2019	1,747	1,733	0.2	1,747
Titan Fitness, LLC	One stop	L + 6.50%	(a)	7.75%	09/2019	582	546	0.1	582
Titan Fitness, LLC	One stop	P + 5.25%	(e)	8.75%	09/2019	419	406	—	419
						40,220	39,734	4.6	40,220
Mining, Steel, Iron and Non-Precious Metals									
Benetech, Inc.*	One stop	L + 9.00%	(a)	10.25%	10/2017	4,425	4,413	0.4	3,894
Benetech, Inc.	One stop	P + 7.75%	(e)	11.25%	10/2017	152	149	—	20
						4,577	4,562	0.4	3,914

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Oil and Gas									
Drilling Info, Inc.^#(9)	One stop	L + 5.50%	(c)	6.50%	06/2020	$ 1,806	$ 1,782	0.2 %	$ 1,792
Drilling Info, Inc.(9)	One stop	L + 5.50%	(c)	6.50%	06/2020	516	506	0.1	513
Drilling Info, Inc.(4)(9)	One stop	L + 5.50%		N/A(5)	06/2020	—	(1)	—	—
						2,322	2,287	0.3	2,305
Personal and Non-Durable Consumer Products									
Georgica Pine Clothiers, LLC	One Stop	L + 5.50%	(c)	6.50%	11/2021	5,736	5,638	0.7	5,736
Georgica Pine Clothiers, LLC^	One Stop	L + 5.50%	(c)	6.50%	11/2021	500	495	0.1	500
Georgica Pine Clothiers, LLC(4)	One Stop	L + 5.50%		N/A(5)	11/2021	—	(1)	—	—
Massage Envy, LLC*	One Stop	L + 7.25%	(c)	8.50%	09/2018	15,151	15,025	1.7	15,151
Massage Envy, LLC(4)	One Stop	L + 7.25%		N/A(5)	09/2018	—	(6)	—	—
Orthotics Holdings, Inc *#	One Stop	L + 5.00%	(c)	6.00%	02/2020	8,375	8,303	0.9	7,956
Orthotics Holdings, Inc *#(7)	One Stop	L + 5.00%	(c)	6.00%	02/2020	1,373	1,361	0.1	1,304
Orthotics Holdings, Inc	One Stop	L + 5.00%	(c)	6.00%	02/2020	139	129	—	77
Orthotics Holdings, Inc (4)	One Stop	L + 5.00%		N/A(5)	02/2020	—	(12)	—	(70)
Orthotics Holdings, Inc (4)(7)	One Stop	L + 5.00%		N/A(5)	02/2020	—	(1)	—	(7)
Team Technologies Acquisition Company^	Senior loan	L + 5.00%	(c)(e)	6.25%	12/2017	4,660	4,644	0.5	4,613
Team Technologies Acquisition Company#	Senior loan	L + 5.50%	(c)(e)	6.75%	12/2017	859	854	0.1	857
Team Technologies Acquisition Company(4)	Senior loan	L + 5.00%		N/A(5)	12/2017	—	(1)	—	(3)
						36,793	36,428	4.1	36,114
Personal, Food and Miscellaneous Services									
Community Veterinary Partners, LLC	One stop	L + 5.50%	(c)	6.50%	10/2021	16	16	—	16

Focus Brands Inc.*^	Second lien	L + 9.00%	(a)	10.25%	08/2018	9,000	8,965	1.0	9,000
Ignite Restaurant Group, Inc. (Joe's Crab Shack)^	One stop	L + 7.00%	(b)	8.00%	02/2019	4,322	4,286	0.5	4,236
PetVet Care Centers LLC^	Senior loan	L + 4.75%	(c)	5.75%	12/2020	5,837	5,753	0.7	5,837
PetVet Care Centers LLC^	Senior loan	L + 4.75%	(c)	5.75%	12/2020	1,219	1,203	0.1	1,219
PetVet Care Centers LLC(4)	Senior loan	L + 4.75%		N/A(5)	12/2019	—	(9)	—	—
Vetcor Professional Practices LLC*^#	One stop	L + 6.25%	(c)	7.25%	04/2021	29,043	28,526	3.3	29,043
Vetcor Professional Practices LLC*	One stop	L + 6.25%	(c)	7.25%	04/2021	966	956	0.1	966
Vetcor Professional Practices LLC	One stop	L + 6.25%	(c)	7.25%	04/2021	550	501	0.1	550
Vetcor Professional Practices LLC#	One stop	L + 6.25%	(c)	7.25%	04/2021	288	285	—	288
Vetcor Professional Practices LLC	One stop	L + 6.25%	(c)	7.25%	04/2021	236	234	—	236
Vetcor Professional Practices LLC(4)	One stop	L + 6.25%		N/A(5)	04/2021	—	(16)	—	—
Vetcor Professional Practices LLC(4)	One stop	L + 6.25%		N/A(5)	04/2021	—	(4)	—	—
Veterinary Specialists of North America, LLC*^	One stop	L + 5.25%	(c)	6.25%	07/2021	6,101	6,029	0.7	6,041
Veterinary Specialists of North America, LLC	One stop	L + 5.25%	(c)	6.25%	07/2021	64	63	—	63
Veterinary Specialists of North America, LLC(4)	One stop	L + 5.25%		N/A(5)	07/2021	—	(3)	—	(3)
Veterinary Specialists of North America, LLC(4)	One stop	L + 5.25%		N/A(5)	07/2021	—	(18)	—	(13)
Wetzel's Pretzels, LLC	One stop	L + 6.75%	(c)	7.75%	09/2021	7,064	6,873	0.8	6,993
Wetzel's Pretzels, LLC(4)	One stop	L + 6.75%		N/A(5)	09/2021	—	(1)	—	—
						64,706	63,639	7.3	64,472
Printing and Publishing									
Brandmuscle, Inc.#	Senior loan	L + 5.00%	(c)	6.00%	12/2021	631	624	0.1	636
Market Track, LLC*^#	One stop	L + 7.00%	(c)	8.00%	10/2019	28,603	28,354	3.3	28,603
Market Track, LLC*	One stop	L + 7.00%	(c)	8.00%	10/2019	2,175	2,156	0.2	2,175
Market Track, LLC#	One stop	L + 7.00%	(c)	8.00%	10/2019	2,141	2,126	0.2	2,141
Market Track, LLC	One stop	L + 7.00%	(c)	8.00%	10/2019	1,353	1,334	0.2	1,353

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Printing and Publishing – (continued)									
Market Track, LLC	One stop	L + 7.00%	(c)	8.00%	10/2019	$ 1,284	$ 1,278	0.1 %	$ 1,284
Marketo, Inc.	One stop	L + 9.50%	(c)	10.50%	08/2021	9,940	9,649	1.1	9,791
Marketo, Inc.(4)	One stop	L + 9.50%		N/A(5)	08/2021	—	(2)	—	(1)
						46,127	45,519	5.2	45,982
Retail Stores									
Batteries Plus Holding Corporation	One stop	L + 6.75%	(a)	7.75%	07/2022	13,860	13,516	1.6	13,791
Batteries Plus Holding Corporation(4)	One stop	L + 6.75%		N/A(5)	07/2022	—	(2)	—	(1)
CVS Holdings I, LP*^#	One stop	L + 6.25%	(c)	7.25%	08/2021	22,283	21,920	2.5	21,948
CVS Holdings I, LP*	One stop	L + 6.25%	(c)	7.25%	08/2021	321	315	—	316
CVS Holdings I, LP(4)	One stop	L + 6.25%		N/A(5)	08/2020	—	(3)	—	(3)
CVS Holdings I, LP(4)	One stop	L + 6.25%		N/A(5)	08/2021	—	(8)	—	(6)
Cycle Gear, Inc.^	One stop	L + 6.50%	(c)	7.50%	01/2020	10,533	10,379	1.2	10,533
Cycle Gear, Inc.(4)	One stop	L + 6.50%		N/A(5)	01/2020	—	(17)	—	—
Cycle Gear, Inc.(4)	One stop	L + 6.50%		N/A(5)	01/2020	—	(9)	—	—
DTLR, Inc.*^	One stop	L + 6.50%	(c)	7.50%	10/2020	11,394	11,303	1.3	11,394
Elite Sportswear, L.P.	Senior loan	L + 5.00%	(c)	6.00%	03/2020	2,821	2,781	0.3	2,814
Elite Sportswear, L.P.	Senior loan	L + 5.25%	(c)	6.25%	03/2020	1,451	1,431	0.2	1,458
Elite Sportswear, L.P.	Senior loan	L + 5.25%	(c)	6.25%	03/2020	220	216	—	221
Elite Sportswear, L.P.	Senior loan	P + 3.75%	(e)	7.25%	03/2020	117	112	—	116
Express Oil Change, LLC	Senior loan	L + 5.00%	(c)(e)	6.01%	12/2017	1,210	1,197	0.1	1,210
	Senior loan		(c)	6.00%	12/2017	473	470	0.1	473

Express Oil Change, LLC^		L + 5.00%							
Feeders Supply Company, LLC	One stop	L + 5.75%	(a)	6.75%	04/2021	4,298	4,211	0.5	4,298
Feeders Supply Company, LLC	Subordinated debt	N/A		12.50% cash/7.00% PIK	04/2021	43	43	—	43
Feeders Supply Company, LLC(4)	One stop	L + 5.75%		N/A(5)	04/2021	—	(1)	—	—
Marshall Retail Group, LLC, The^#	One stop	L + 6.00%	(c)	7.00%	08/2020	12,207	12,107	1.3	11,474
Marshall Retail Group, LLC, The	One stop	L + 6.00%	(b)(c)(e)	7.00%	08/2019	410	392	—	278
Mills Fleet Farm Group LLC*^	One stop	L + 5.50%	(a)	6.50%	02/2022	4,776	4,641	0.5	4,776
Paper Source, Inc.*^#	One stop	L + 6.25%	(c)	7.25%	09/2018	12,757	12,679	1.5	12,757
Paper Source, Inc.	One stop	L + 6.25%	(c)	7.25%	09/2018	1,694	1,680	0.2	1,694
Paper Source, Inc.	One stop	P + 5.00%	(e)	8.50%	09/2018	339	331	—	339
Pet Holdings ULC*^(7)(8)	One stop	L + 5.50%	(c)	6.50%	07/2022	14,775	14,491	1.7	14,627
Pet Holdings ULC(7)(8)	One stop	P + 4.50%	(e)	8.00%	07/2022	37	35	—	36
Pet Holdings ULC(4)(7)(8)	One stop	L + 5.50%		N/A(5)	07/2022	—	(1)	—	(1)
Sneaker Villa, Inc.*^	One stop	L + 7.75%	(c)	8.75%	12/2020	12,467	12,361	1.4	12,467
						128,486	126,570	14.4	127,052
Telecommunications									
Arise Virtual Solutions, Inc.^	One stop	L + 6.50%	(c)	7.75%	12/2018	1,382	1,373	0.2	1,313
Arise Virtual Solutions, Inc.(4)	One stop	L + 6.50%		N/A(5)	12/2018	—	(1)	—	(4)
Hosting.com Inc.*	Senior loan	L + 4.50%	(c)	5.75%	12/2017	720	717	0.1	720
Hosting.com Inc.	Senior loan	L + 4.50%	(a)	5.75%	12/2017	82	81	—	82
						2,184	2,170	0.3	2,111
Textile and Leather									
SHO Holding I Corporation*	Senior loan	L + 5.00%	(a)	6.00%	10/2022	2,062	2,016	0.2	2,062
SHO Holding I Corporation(4)	Senior loan	L + 4.00%		N/A(5)	10/2021	—	(1)	—	(1)
						2,062	2,015	0.2	2,061

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Utilities										
Arcos, LLC	One stop	L + 6.50%	(c)	7.50%	02/2021	$4,014	$3,944	0.5	%	$4,014
Arcos, LLC	One stop	L + 6.50%		N/A(5)	02/2021	—	—	—		—
PowerPlan Holdings, Inc.*#	Senior loan	L + 4.75%	(a)	5.75%	02/2022	6,790	6,699	0.8		6,790
PowerPlan Holdings, Inc.(4)	Senior loan	L + 4.75%		N/A(5)	02/2021	—	(6)	—		—
						10,804	10,637	1.3		10,804
Total non-controlled/non-affiliate company debt investments						$1,505,637	$1,485,448	169.2	%	$1,487,093
Equity Investments (10)(11)										
Aerospace and Defense										
NTS Technical Systems	Common stock	N/A		N/A	N/A	2	$1,506	0.2	%	$1,317
Tresys Technology Holdings, Inc.	Common stock	N/A		N/A	N/A	295	295	—		—
Whitcraft LLC	Warrant	N/A		N/A	N/A	—	—	—		232
Whitcraft LLC	Preferred stock B	N/A		N/A	N/A	1	670	0.1		1,194
							2,471	0.3		2,743
Automobile										
K&N Engineering, Inc.	Preferred stock A	N/A		N/A	N/A	—	—	—		27
K&N Engineering, Inc.	Preferred stock B	N/A		N/A	N/A	—	—	—		27
K&N Engineering, Inc.	Common stock	N/A		N/A	N/A	—	—	—		213
Polk Acquisition Corp.	LP interest	N/A		N/A	N/A	1	144	0.1		144
							144	0.1		411
Beverage, Food and Tobacco										
Atkins Nutritionals, Inc	LLC interest	N/A		N/A	N/A	57	746	0.3		2,630
Benihana, Inc.	LLC units	N/A		N/A	N/A	43	699	0.1		501
C. J. Foods, Inc.	Preferred stock	N/A		N/A	N/A	—	157	—		309
		N/A		N/A	N/A	9	964	0.2		1,712

First Watch Restaurants, Inc.	Common stock							
Hopdoddy Holdings, LLC	LLC interest	N/A	N/A	N/A	27	130	—	50
Hopdoddy Holdings, LLC	LLC interest	N/A	N/A	N/A	12	36	—	14
Julio & Sons Company	LLC interest	N/A	N/A	N/A	521	521	0.1	801
Purfoods, LLC	LLC interest	N/A	N/A	N/A	381	381	—	381
Richelieu Foods, Inc.	LP interest	N/A	N/A	N/A	220	220	0.1	588
Rubio's Restaurants, Inc.	Preferred stock A	N/A	N/A	N/A	2	945	0.3	2,625
Tate's Bake Shop, Inc.	LP interest	N/A	N/A	N/A	462	428	0.1	483
Uinta Brewing Company	LP interest	N/A	N/A	N/A	462	462	—	—
						5,689	1.2	10,094
Buildings and Real Estate								
Brooks Equipment Company, LLC	Common stock	N/A	N/A	N/A	10	1,021	0.1	1,248
Chemicals, Plastics and Rubber								
Flexan, LLC	Preferred stock	N/A	N/A	N/A	—	73	—	75
Flexan, LLC	Common stock	N/A	N/A	N/A	1	—	—	—
						73	—	75
Diversified Conglomerate Manufacturing								
Chase Industries, Inc.	LLC units	N/A	N/A	N/A	1	1,186	0.2	1,666
Inventus Power, Inc	Preferred stock	N/A	N/A	N/A	—	370	—	137
Inventus Power, Inc	Common stock	N/A	N/A	N/A	—	—	—	—
Reladyne, Inc.	LP interest	N/A	N/A	N/A	—	249	—	249

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Diversified Conglomerate Manufacturing – (continued)								
Sunless Merger Sub, Inc.	LP interest	N/A	N/A	N/A	—	$ 160	— %	$ —
						1,965	0.2	2,052
Diversified Conglomerate Service								
Actiance, Inc.	Warrant	N/A	N/A	N/A	344	95	—	99
Agility Recovery Solutions Inc.	Preferred stock	N/A	N/A	N/A	67	341	0.1	610
Bomgar Corporation	Common stock	N/A	N/A	N/A	100	108	—	108
Bomgar Corporation	Common stock	N/A	N/A	N/A	72	1	—	1
DISA Holdings Acquisition Subsidiary Corp.	Common stock	N/A	N/A	N/A	—	154	—	43
HealthcareSource HR, Inc.	LLC interest	N/A	N/A	N/A	—	348	—	323
Host Analytics, Inc.	Warrant	N/A	N/A	N/A	180	—	—	155
Marathon Data Operating Co., LLC	LLC units	N/A	N/A	N/A	1	264	0.1	385
Marathon Data Operating Co., LLC	LLC units	N/A	N/A	N/A	1	264	—	—
Project Alpha Intermediate Holding, Inc.	Common stock	N/A	N/A	N/A	1	417	—	417
Project Alpha Intermediate Holding, Inc.	Common stock	N/A	N/A	N/A	103	4	—	4
Secure-24, LLC	LLC units	N/A	N/A	N/A	263	263	0.1	445
Steelwedge Software, Inc.	Warrant	N/A	N/A	N/A	36,575	76	—	84
TA MHI Buyer, Inc.	Preferred stock	N/A	N/A	N/A	—	202	—	260
Vendavo, Inc.	Preferred stock A	N/A	N/A	N/A	827	827	0.1	852
Vitalyst, LLC	Preferred stock A	N/A	N/A	N/A	—	61	—	44
Vitalyst, LLC	Common stock	N/A	N/A	N/A	1	7	—	—
Workforce Software, LLC	LLC units	N/A	N/A	N/A	308	308	0.1	308
Xmatters, Inc. and Alarmpoint, Inc.	Warrant	N/A	N/A	N/A	40	32	—	32
						3,772	0.5	4,170
Ecological								
Pace Analytical Services, LLC	LLC units	N/A	N/A	N/A	2	277	—	277
						277	—	277
Electronics								
Diligent Corporation	Preferred stock	N/A	N/A	N/A	83	83	—	83

ECI Acquisition Holdings, Inc.	Common stock	N/A	N/A	N/A	9	873	0.1	1,130
Gamma Technologies, LLC	LLC units	N/A	N/A	N/A	1	134	—	188
SEI, Inc.	LLC units	N/A	N/A	N/A	340	340	—	317
Sloan Company, Inc., The	LLC units	N/A	N/A	N/A	—	122	—	23
Sloan Company, Inc., The	LLC units	N/A	N/A	N/A	1	14	—	—
Sparta Holding Corporation	Common stock	N/A	N/A	N/A	1	567	0.1	688
Sparta Holding Corporation	Common stock	N/A	N/A	N/A	235	6	—	162
Syncsort Incorporated	Preferred stock	N/A	N/A	N/A	90	226	0.1	313
						2,365	0.3	2,904
Grocery								
MyWebGrocer, Inc.	LLC units	N/A	N/A	N/A	1,418	1,446	0.2	2,038
MyWebGrocer, Inc.	Preferred stock	N/A	N/A	N/A	71	165	—	267
						1,611	0.2	2,305
Healthcare, Education and Childcare								
Active Day, Inc.	LLC interest	N/A	N/A	N/A	1	614	0.1	706
ADCS Clinics Intermediate Holdings, LLC	Preferred stock	N/A	N/A	N/A	1	579	0.1	579
ADCS Clinics Intermediate Holdings, LLC	Common stock	N/A	N/A	N/A	—	6	—	6
Advanced Pain Management Holdings, Inc.	Preferred stock	N/A	N/A	N/A	8	829	0.1	382
Advanced Pain Management Holdings, Inc.	Common stock	N/A	N/A	N/A	67	67	—	—

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Healthcare, Education and Childcare – (continued)								
Advanced Pain Management Holdings, Inc.	Preferred stock	N/A	N/A	N/A	1	$ 64	— %	$ 199
BIORECLAMATIONIVT, LLC	LLC interest	N/A	N/A	N/A	—	365	0.1	399
California Cryobank, LLC	LLC units	N/A	N/A	N/A	—	28	—	31
California Cryobank, LLC	LLC units	N/A	N/A	N/A	—	—	—	—
Certara L.P.	LP interest	N/A	N/A	N/A	—	635	0.1	1,266
DCA Investment Holding, LLC	LLC units	N/A	N/A	N/A	6,386	864	0.1	940
DCA Investment Holding, LLC	LLC units	N/A	N/A	N/A	65	9	—	146
Deca Dental Management LLC	LLC units	N/A	N/A	N/A	357	357	—	392
Dental Holdings Corporation	LLC units	N/A	N/A	N/A	734	775	0.1	925
Encore GC Acquisition, LLC	LLC units	N/A	N/A	N/A	14	182	—	200
Encore GC Acquisition, LLC	LLC units	N/A	N/A	N/A	14	—	—	36
G & H Wire Company, Inc	LP interest	N/A	N/A	N/A	102	102	—	107
Global Healthcare Exchange, LLC	Common stock	N/A	N/A	N/A	—	287	—	289
Global Healthcare Exchange, LLC	Common stock	N/A	N/A	N/A	—	5	0.1	350
IntegraMed America, Inc.	LLC interest	N/A	N/A	N/A	—	458	—	51
IntegraMed America, Inc.	LLC interest	N/A	N/A	N/A	—	417	0.1	404
Katena Holdings, Inc.	LLC units	N/A	N/A	N/A	—	387	0.1	459
Lombart Brothers, Inc.	Common stock	N/A	N/A	N/A	—	106	—	106
Northwestern Management Services, LLC	LLC units	N/A	N/A	N/A	—	249	—	335
Northwestern Management Services, LLC	LLC units	N/A	N/A	N/A	3	3	—	215
Oliver Street Dermatology Holdings, LLC	LLC units	N/A	N/A	N/A	234	234	—	234
Pentec Acquisition Sub, Inc.	Preferred stock	N/A	N/A	N/A	1	116	—	238
Pinnacle Treatment Centers, Inc.	Preferred stock	N/A	N/A	N/A	2	221	—	221
Pinnacle Treatment Centers, Inc.	Common stock	N/A	N/A	N/A	—	2	—	2
Radiology Partners, Inc.	LLC units	N/A	N/A	N/A	43	85	—	149
Reliant Pro ReHab, LLC	Preferred stock A	N/A	N/A	N/A	2	183	0.1	998
RXH Buyer Corporation	LP interest	N/A	N/A	N/A	7	683	0.1	376
Southern Anesthesia and Surgical	LLC units	N/A	N/A	N/A	487	487	0.1	594
Spear Education, LLC	LLC units	N/A	N/A	N/A	—	62	—	65
Spear Education, LLC	LLC units	N/A	N/A	N/A	1	1	—	41
SSH Corporation		N/A	N/A	N/A	—	40	—	92

	Common stock							
Surgical Information Systems, LLC	Common stock	N/A	N/A	N/A	4	414	0.1	482
U.S. Renal Care, Inc.	LP interest	N/A	N/A	N/A	1	2,665	0.3	2,979
Young Innovations, Inc.	LLC units	N/A	N/A	N/A	—	236	0.1	315
Young Innovations, Inc.	Common stock	N/A	N/A	N/A	2	—	—	343
						12,817	1.8	15,652
Insurance								
Captive Resources Midco, LLC	LLC units	N/A	N/A	N/A	1	—	0.1	186
Internet Pipeline, Inc.	Preferred stock	N/A	N/A	N/A	—	98	—	113
Internet Pipeline, Inc.	Common stock	N/A	N/A	N/A	43	1	—	35
						99	0.1	334
Leisure, Amusement, Motion Pictures and Entertainment								
LMP TR Holdings, LLC	LLC units	N/A	N/A	N/A	712	712	0.1	782
Titan Fitness, LLC	LLC units	N/A	N/A	N/A	6	712	0.1	777
						1,424	0.2	1,559

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(In thousands)

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Personal and Non-Durable Consumer Products								
C.B. Fleet Company, Incorporated	LLC units	N/A	N/A	N/A	2	$134	0.1 %	$270
Georgica Pine Clothiers, LLC	LLC interest	N/A	N/A	N/A	11	106	—	116
Massage Envy, LLC	LLC interest	N/A	N/A	N/A	749	749	0.1	1,149
Team Technologies Acquisition Company	Common stock	N/A	N/A	N/A	—	114	—	246
						1,103	0.2	1,781
Personal, Food and Miscellaneous Services								
Community Veterinary Partners, LLC	Common stock	N/A	N/A	N/A	1	114	—	144
R.G. Barry Corporation	Preferred stock	N/A	N/A	N/A	—	161	—	156
Vetcor Professional Practices LLC	LLC units	N/A	N/A	N/A	766	525	0.1	536
Vetcor Professional Practices LLC	LLC units	N/A	N/A	N/A	85	85	0.1	624
Veterinary Specialists of North America, LLC	LLC units	N/A	N/A	N/A	—	106	—	106
Wetzel's Pretzels, LLC	Common stock	N/A	N/A	N/A	—	160	—	160
						1,151	0.2	1,726
Printing and Publishing								
Brandmuscle, Inc.	LLC interest	N/A	N/A	N/A	—	240	—	273
Market Track, LLC	Preferred stock	N/A	N/A	N/A	—	145	—	215
Market Track, LLC	Common stock	N/A	N/A	N/A	1	145	0.1	344
						530	0.1	832
Retail Stores								
Barcelona Restaurants, LLC	LP interest	N/A	N/A	N/A	1,996	—	0.6	5,507
Batteries Plus Holding Corporation	LLC units	N/A	N/A	N/A	5	529	0.1	529
Cycle Gear, Inc.	LLC interest	N/A	N/A	N/A	19	248	—	397
DentMall MSO, LLC	LLC units	N/A	N/A	N/A	2	97	—	—
DentMall MSO, LLC	LLC units	N/A	N/A	N/A	2	—	—	—
Elite Sportswear, L.P.	LLC interest	N/A	N/A	N/A	—	83	—	111

Express Oil Change, LLC	LLC interest	N/A	N/A	N/A	81	81	—	272
Feeders Supply Company, LLC	Preferred stock	N/A	N/A	N/A	2	155	—	155
Feeders Supply Company, LLC	Common stock	N/A	N/A	N/A	—	—	—	—
Marshall Retail Group LLC, The	LLC units	N/A	N/A	N/A	15	154	—	46
Paper Source, Inc.	Common stock	N/A	N/A	N/A	8	1,387	0.2	1,423
Pet Holdings ULC(7)(8)	LP interest	N/A	N/A	N/A	455	387	—	351
RCP PetPeople LP	LP interest	N/A	N/A	N/A	889	889	0.2	1,556
Sneaker Villa, Inc.	LLC interest	N/A	N/A	N/A	4	411	0.1	541
						4,421	1.2	10,888
Utilities								
PowerPlan Holdings, Inc.	Common stock	N/A	N/A	N/A	—	303	0.1	349
PowerPlan Holdings, Inc.	Common stock	N/A	N/A	N/A	151	3	—	273
						306	0.1	622
Total non-controlled/non-affiliate company equity investments						$41,239	6.8 %	$59,673
Total non-controlled/non-affiliate company investments					$1,505,637	$1,526,687	176.0 %	$1,546,766

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	Investment Type	Spread Above Index[1]		Interest Rate[2]	Maturity Date	Principal/Par Amount[3]	Amortized Cost	Percentage of Net Assets		Fair Value
Non-controlled affiliate company investments[12]										
Debt investments										
Leisure, Amusement, Motion Pictures and Entertainment										
Competitor Group, Inc.*#[7]	One stop	L + 9.25%	(c)	5.00% cash/5.50% PIK	11/2018	$ 9,233	$ 8,837	1.0	%	$ 8,540
Competitor Group, Inc.[7]	One stop	L + 9.25%	(c)	5.00% cash/5.50% PIK	11/2018	1,095	1,063	0.1		1,013
Competitor Group, Inc.[7]	One stop	L + 9.25%	(c)	5.00% cash/5.50% PIK	11/2018	6	6	—		6
						10,334	9,906	1.1		9,559
Total non-controlled affiliate company debt investments						$ 10,334	$ 9,906	1.1	%	$ 9,559
Equity Investments (10)(11)										
Leisure, Amusement, Motion Pictures and Entertainment										
Competitor Group, Inc.*#[7]	Preferred stock	N/A		N/A	N/A	4	$ 4,226	—	%	$ 59
Competitor Group, Inc.[7]	LLC interest	N/A		N/A	N/A	1	714	—		—
Competitor Group, Inc.*#[7]	Common stock	N/A		N/A	N/A	27	—	—		—
							$ 4,940	—	%	$ 59
Total non-controlled affiliate company equity investments							$ 4,940	—	%	$ 59
Total non-controlled affiliate company investments						$ 10,334	$ 14,846	1.1	%	$ 9,618

Controlled affiliate company investments(13)								
Debt investments								
Investment Funds and Vehicles								
Senior Loan Fund LLC(7)	Subordinated debt	L + 8.00% (c)	8.47%	05/2020	$77,301	$77,301	8.8%	$77,301
Total controlled affiliate company debt investments					$77,301	$77,301	8.8%	$77,301
Equity Investments(10)								
Investment Funds and Vehicles								
Senior Loan Fund LLC(7)	LLC interest	N/A	N/A	N/A		$31,339	3.1%	$26,927
Total controlled affiliate company equity investments						$31,339	3.1%	$26,927
Total controlled affiliate company investments					$77,301	$108,640	11.9%	$104,228
Total investments					$1,593,272	$1,650,173	189.0%	$1,660,612
Cash, cash equivalents and restricted cash and cash equivalents								
Cash and Restricted Cash						$45,259	5.1%	$45,259
BlackRock Liquidity Funds T-Fund Institutional Shares (CUSIP 09248U718)			0.21% (14)			44,281	5.0	44,281
Total cash, cash equivalents and restricted cash and cash equivalents						$89,540	10.1%	$89,540
Total investments and cash, cash equivalents and restricted cash and cash equivalents						$1,739,713	199.1%	$1,750,152

See Notes to Consolidated Financial Statements.

Golub Capital BDC, Inc. and Subsidiaries
Consolidated Schedule of Investments - (continued)
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* Denotes that all or a portion of the loan secures the notes offered in the 2010 Debt Securitization (as defined in Note 6).

^ Denotes that all or a portion of the loan secures the notes offered in the 2014 Debt Securitization (as defined in Note 6).

# Denotes that all or a portion of the loan collateralizes the Credit Facility (as defined in Note 6).

(1) The majority of the investments bear interest at a rate that may be determined by reference to LIBOR or Prime and which reset daily, quarterly or semiannually. For each, the Company has provided the spread over LIBOR or Prime and the weighted average current interest rate in effect at September 30, 2016. Certain investments are subject to a LIBOR or Prime interest rate floor. For fixed rate loans, a spread above a reference rate is not applicable. The actual index rate for each loan listed may not be the applicable index rate outstanding as of September 30, 2016, as the loan may have priced or repriced based on an index rate prior to September 30, 2016.

(a) Denotes that all or a portion of the loan was indexed to the 30-day LIBOR, which was 0.53% as of September 30, 2016.

(b) Denotes that all or a portion of the loan was indexed to the 60-day LIBOR, which was 0.65% as of September 30, 2016.

(c) Denotes that all or a portion of the loan was indexed to the 90-day LIBOR, which was 0.85% as of September 30, 2016.

(d) Denotes that all or a portion of the loan was indexed to the 180-day LIBOR, which was 1.24% as of September 30, 2016.

(e) Denotes that all or a portion of the loan was indexed to the Prime rate, which was 3.50% as of September 30, 2016.

(2) For portfolio companies with multiple interest rate contracts, the interest rate shown is a weighted average current interest rate in effect at September 30, 2016.

(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 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.

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

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

(7) 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, 2016, total non-qualifying assets at fair value represented 7.4% of the Company's assets calculated in accordance with the 1940 Act.

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

(9) The sale of a portion of this loan does not qualify for sale accounting under ASC Topic 860 - Transfers and Servicing, and therefore, the entire one stop loan asset remains in the Consolidated Schedule of Investments. (See Note 6 in the accompanying notes to the consolidated financial statements.)

(10) Non-income producing securities.

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

(12)

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 non-controlled affiliates for the year ended September 30, 2016 were as follows:

Portfolio Company	Fair value at September 30, 2015	Purchases (cost)[(a)]	Redemptions (cost)	Transfer in (out)	Discount accretion	Net change in unrealized gain/(loss)	Fair value at September 30, 2016	Net realized gain/(loss)	Interest and fee income	Dividend income
Barcelona Restaurants, LLC[(b)]	$ 5,523	$ —	$ (1,995)	$ (4,871)	$ —	$ 1,343	$ —	$ 2,722	$ —	$ —
Competitor Group, Inc.[(c)]	—	289	—	13,743	99	(4,513)	9,618	—	660	—
Total Non-Controlled Affiliates	$ 5,523	$ 289	$ (1,995)	$ 8,872	$ 99	$ (3,170)	$ 9,618	$ 2,722	$ 660	$ —

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

(b) During the three months ended December 31, 2015, a portion of the Company's investment was sold diluting the Company's ownership to less than five percent of the portfolio company's voting securities. Effective as of and for periods subsequent to December 31, 2015, the Company no longer classified the portfolio company as a non-controlled affiliate company.

(c) During the three months ended March 31, 2016, the Company's ownership increased to over five percent of the portfolio company's voting securities as a result of a partial debt to equity conversion.

(13) 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). Transactions related to investments with both controlled affiliates for the year ended September 30, 2016 were as follows:

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Portfolio Company	Fair value at September 30, 2015	Purchases (cost)(d)	Redemptions (cost)	Transfer in (out)	Discount accretion	Net change in unrealized gain/(loss)	Fair value at September 30, 2016	Net realized gain/(loss)	Interest and fee income	Dividend income
Senior Loan Fund LLC(E)	$ 98,936	$ 20,440	$ (11,586)	$ —	$ —	$ (3,562)	$ 104,228	$ —	$ 6,939	$ 4,099
Total Controlled Affiliates	$ 98,936	$ 20,440	$ (11,586)	$ —	$ —	$ (3,562)	$ 104,228	$ —	$ 6,939	$ 4,099

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

(e) 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 believe that it has control over SLF for purposes of the 1940 Act or otherwise.

(14) The rate shown is the annualized seven-day yield as of September 30, 2016.

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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 senior secured and one stop (a loan that combines characteristics of traditional first lien senior secured loans and second lien or subordinated loans) 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 an investment advisory agreement (the "Investment Advisory Agreement") 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.

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") and pursuant to the requirements for reporting on Form 10-K and Articles 6 and 10 of 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

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Note 2. Significant Accounting Policies and Recent Accounting Updates - (continued)
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 5.
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 Funding LLC (“Funding”), 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”) and, prior to its dissolution on January 27, 2016, Golub Capital BDC Revolver Funding LLC (“Revolver Funding”) in its consolidated financial statements. The Company does not consolidate its non-controlling interest in Senior Loan Fund LLC ("SLF"). See further description of the Company’s investment in SLF in Note 4.
Assets related to transactions that do not meet ASC Topic 860 - Transfers and Servicing (“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 2010 Issuer, 2014 Issuer and Funding, 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 and cash equivalents: Cash and cash equivalents 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: Restricted cash and cash equivalents 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 is held by the trustees for payment of interest expense and principal on the outstanding borrowings or reinvestment into new assets. In addition, restricted cash and cash equivalents 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.
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, 2017, 2016 and 2015, interest income included $9,498, $8,662 and $9,002, respectively, of accretion of discounts. For the years ended September 30, 2017, 2016 and 2015, the Company received loan origination fees of $8,593, $11,686 and $12,922, respectively.
For investments with contractual payment-in-kind (“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, 2017, 2016 and 2015, the Company recorded PIK income of $2,401, $1,171 and $1,260, respectively, and received PIK payments in cash of $481, $9 and $465, respectively.

Golub Capital BDC, Inc. and Subsidiaries
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Note 2. Significant Accounting Policies and Recent Accounting Updates - (continued)

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 received. All other income is recorded into income when earned. For the years ended September 30, 2017, 2016 and 2015, fee income included $1,441, $1,066 and $2,035 of prepayment premiums, respectively, which fees are non recurring.

For the years ended September 30, 2017, 2016 and 2015, the Company received interest and fee income in cash, which excludes capitalized loan origination fees, in the amounts of $120,429, $113,172 and $108,677, 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, 2017, 2016 and 2015, the Company recorded dividend income of $5,558, $4,638 and $1,562, respectively, and return of capital distributions, excluding the Company's investment in LLC equity interests in SLF, of $999, $2,492 and $128, respectively, and return of capital distributions from the Company's investment in LLC equity interest in SLF of $25,112, $2,704 and $0, respectively.

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 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 $2,955 and $1,326 as of September 30, 2017 and 2016, 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 for additional information.

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

Note 2. Significant Accounting Policies and Recent Accounting Updates - (continued)

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 each of the years ended September 30, 2017 and 2016, $17 and $333 was incurred for U.S. federal excise tax, respectively. For the year ended September 30, 2015, no amount 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, 2017. The Company's tax returns for 2014 through 2016 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 up to $75,000 of 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 2017 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. The Company did not make any repurchases of its common stock during the years ended September 30, 2017 and 2016.

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Note 2. Significant Accounting Policies and Recent Accounting Updates - (continued)

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, 2017 and 2016, the Company had deferred debt issuance costs of $4,273 and $5,627 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 the years ended September 30, 2017, 2016 and 2015 was $3,289, $4,184 and $4,506, respectively.

Deferred offering costs: Deferred offering costs consist of fees paid in relation to legal, accounting, regulatory and printing work completed in preparation of equity offerings. Deferred offering costs are charged against the proceeds from equity offerings when received. As of September 30, 2017 and 2016, deferred offering costs, which are included in other assets on the Consolidated Statements of Financial Condition, were $111 and $145, respectively.

Accounting for derivative instruments: The Company does not utilize hedge accounting and marks its derivatives, if any, to market through a net change in unrealized appreciation (depreciation) on derivative instruments in the Consolidated Statements of Operations.

Recent accounting pronouncements: In November 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash Restricted Cash, a consensus of the FASB Emerging Issues Task Force, which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. This guidance is effective for annual reporting periods, and the interim periods within those periods, beginning after December 15, 2017 and early adoption is permitted. The Company has elected to adopt the ASU which did not have a material impact on the Company's consolidated financial statements. Prior to adoption, the Company presented the change in restricted cash and cash equivalents separately as a cash flow from investing activity. Upon adoption, the Company included the restricted cash and cash equivalents in each of the balances of the cash, cash equivalents and restricted cash and cash equivalents at the beginning of and end of periods and included the change in restricted cash and cash equivalents as part of the net change in cash, cash equivalents, and restricted cash and cash equivalents in the Consolidated Statements of Cash Flows and retrospectively restated the years ended September 30, 2016 and 2015.

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 most recently reapproved the Investment Advisory Agreement in May 2017. The Investment Adviser is a registered investment adviser with the Securities and Exchange Commission (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 is voluntarily excluding assets funded with secured borrowing proceeds from the base management fee. 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

Note 3. Related Party Transactions - (continued)
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 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 Incentive Fee Cap in any quarter is equal to the difference between (a) 20.0% of Cumulative Pre-Incentive Fee Net Income and (b) cumulative Incentive Fees of any kind paid to the Investment Adviser by GBDC since April 13, 2010. 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" is equal to the sum of (a) Pre-Incentive Fee Net Investment Income (as defined below) for each period since April 13, 2010 and (b) cumulative aggregate realized capital gains, cumulative aggregate realized capital losses, cumulative aggregate unrealized capital depreciation and cumulative aggregate unrealized capital appreciation since April 13, 2010.
"Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that 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, 2017, 2016 and 2015, the Income Incentive Fee incurred was $4,741, $6,022 and $7,489, respectively.
Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the Income 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

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Note 3. Related Party Transactions - (continued)

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 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 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 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.

Note 3. Related Party Transactions - (continued)
The Capital Gain Incentive Fee payable as calculated under the Investment Advisory Agreement (as described above) for each of the years ended September 30, 2017, 2016 and 2015 was $388, $0, and $0. However, in accordance with GAAP, the Company 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 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 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. From inception through September 30, 2017, the Company has not made any Capital Gain Incentive Fee payments. For the years ended September 30, 2017, 2016 and 2015, the Company accrued a capital gain incentive fee under GAAP of $2,819, $1,244 and $2,737, respectively, which accruals are included in incentive fee in the Consolidated Statements of Operations.
As of September 30, 2017 and September 30, 2016, included in management and incentive fees payable on the Consolidated Statements of Financial Condition were $6,896 and $4,077, respectively, for accruals for capital gain incentive fees under GAAP.
The sum of the Income Incentive Fee and the Capital Gain Incentive Fee is the “Incentive Fee.”
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. GBDC reimburses the Administrator the allocable portion subject to the review and approval of the Board 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 GBDC’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 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 accrued expenses is $620 and $566 as of September 30, 2017 and 2016, respectively, for accrued allocated shared services under the Administration Agreement.
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, 2017, 2016 and 2015 were $2,255, $2,438 and $960, respectively.
As of September 30, 2017 and 2016, included in accounts payable and accrued expenses were $799 and $582, respectively, for accrued expenses paid on behalf of the Company by the Administrator.

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Note 3. Related Party Transactions - (continued)
During the years ended September 30, 2017, 2016 and 2015 the Company sold $119,982, $157,795 and $288,971, respectively, of investments and unfunded commitments to SLF at fair value and recognized $776, $1,124 and $2,083, respectively, of net realized gains.
On June 22, 2016, the Company entered into an unsecured revolving credit facility with the Investment Adviser (the "Adviser Revolver"), with a maximum credit limit of $20,000 and expiration date of June 22, 2019. Refer to Note 6 for discussion of the Adviser Revolver.
For the years ended September 30, 2017, 2016 and 2015, SLF incurred an administrative service fee of $477, $457 and $249, respectively, to reimburse the Administrator for expenses pursuant to an administrative and loan services agreement by and between SLF and the Administrator.

Note 4. Investments
Investments as of September 30, 2017 and 2016 consisted of the following:

	As of September 30, 2017			As of September 30, 2016		
	Principal	Amortized Cost	Fair Value	Principal	Amortized Cost	Fair Value
Senior secured	$197,734	$195,790	$195,029	$164,818	$162,969	$162,849
One stop	1,348,625	1,331,008	1,334,084	1,321,494	1,303,056	1,304,467
Second lien	9,434	9,306	9,434	27,909	27,579	27,909
Subordinated debt	59	59	59	1,750	1,750	1,427
Subordinated notes in SLF[(1)(2)]	—	—	—	77,301	77,301	77,301
LLC equity interests in SLF[(1)(2)]	N/A	97,457	95,015	N/A	31,339	26,927
Equity	N/A	37,619	51,394	N/A	46,179	59,732
Total	$1,555,852	$1,671,239	$1,685,015	$1,593,272	$1,650,173	$1,660,612

(1) On December 30, 2016, SLF issued a capital call in an aggregate amount of $89,930 the proceeds of which were used to redeem in full the outstanding balance on the subordinated notes previously issued by SLF and terminate all remaining subordinated note commitments.
(2) SLF's proceeds from the subordinated notes and LLC equity interests invested in SLF were utilized by SLF to invest in senior secured loans.

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Note 4. Investments - (continued)

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, 2017		As of September 30, 2016	
Amortized Cost:				
United States				
Mid-Atlantic	$341,612	20.4 %	$411,509	24.9 %
Midwest	405,901	24.3	353,117	21.4
West	266,546	16.0	289,208	17.5
Southeast	354,663	21.2	364,203	22.1
Southwest	153,520	9.2	117,168	7.1
Northeast	134,164	8.0	100,056	6.1
Canada	14,833	0.9	14,912	0.9
Total	$1,671,239	100.0%	$1,650,173	100.0%
Fair Value:				
United States				
Mid-Atlantic	$339,358	20.1 %	$403,536	24.3 %
Midwest	406,694	24.1	357,059	21.5
West	270,185	16.0	288,047	17.3
Southeast	356,846	21.2	368,450	22.2
Southwest	152,312	9.1	119,641	7.2
Northeast	144,468	8.6	108,866	6.6
Canada	15,152	0.9	15,013	0.9
Total	$1,685,015	100.0%	$1,660,612	100.0%

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Note 4. Investments - (continued)
The industry compositions of the portfolio at amortized cost and fair value as of September 30, 2017 and 2016 were as follows:

	As of September 30, 2017		As of September 30, 2016	
Amortized Cost:				
Aerospace and Defense	$59,296	3.6 %	$64,220	3.9 %
Automobile	16,507	1.0	25,293	1.5
Banking	17,144	1.0	17,447	1.1
Beverage, Food and Tobacco	105,466	6.3	141,879	8.6
Broadcasting and Entertainment	1,458	0.1	1,471	0.1
Buildings and Real Estate	66,317	4.0	24,386	1.5
Chemicals, Plastics and Rubber	2,407	0.1	73	0.0*
Containers, Packaging and Glass	—	—	3,477	0.2
Diversified/Conglomerate Manufacturing	98,121	5.9	84,255	5.1
Diversified/Conglomerate Service	287,765	17.2	270,691	16.4
Ecological	18,081	1.1	15,343	0.9
Electronics	84,454	5.1	144,560	8.8
Grocery	15,876	0.9	17,051	1.0
Healthcare, Education and Childcare	336,386	20.1	322,793	19.6
Home and Office Furnishings, Housewares, and Durable Consumer	16,906	1.0	17,796	1.1
Hotels, Motels, Inns, and Gaming	9,889	0.6	804	0.0*
Insurance	34,225	2.1	32,652	2.0
Investment Funds and Vehicles	97,457	5.8	108,640	6.6
Leisure, Amusement, Motion Pictures, Entertainment	76,717	4.6	56,004	3.4
Mining, Steel, Iron and Non-Precious Metals	4,806	0.3	4,562	0.3
Oil and Gas	6,362	0.4	2,287	0.1
Personal and Non Durable Consumer Products (Mfg. Only)	68,871	4.1	37,531	2.3
Personal, Food and Miscellaneous Services	73,718	4.4	64,790	3.9
Printing and Publishing	10,567	0.6	46,049	2.8
Retail Stores	135,892	8.1	130,991	7.9
Telecommunications	8,504	0.5	2,170	0.1
Textiles and Leather	2,209	0.1	2,015	0.1
Utilities	15,838	1.0	10,943	0.7
Total	$1,671,239	100.0%	$1,650,173	100.0%

*Represents an amount less than 0.1%

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Note 4. Investments - (continued)

	As of September 30, 2017		As of September 30, 2016	
Fair Value:				
Aerospace and Defense	$56,458	3.4 %	$59,120	3.6 %
Automobile	16,677	1.0	25,911	1.6
Banking	17,182	1.0	17,529	1.1
Beverage, Food and Tobacco	107,582	6.4	145,658	8.8
Broadcasting and Entertainment	1,469	0.1	1,483	0.1
Buildings and Real Estate	67,376	4.0	24,852	1.5
Chemicals, Plastics and Rubber	2,460	0.1	75	0.0*
Containers, Packaging and Glass	—	—	3,489	0.2
Diversified/Conglomerate Manufacturing	98,664	5.9	84,306	5.1
Diversified/Conglomerate Service	293,632	17.4	274,198	16.5
Ecological	18,536	1.1	15,618	0.9
Electronics	85,381	5.1	146,319	8.8
Grocery	16,603	1.0	17,862	1.1
Healthcare, Education and Childcare	335,880	19.9	327,287	19.7
Home and Office Furnishings, Housewares, and Durable Consumer	14,954	0.9	16,498	1.0
Hotels, Motels, Inns, and Gaming	10,057	0.6	815	0.0*
Insurance	35,082	2.1	33,303	2.0
Investment Funds and Vehicles	95,015	5.6	104,228	6.3
Leisure, Amusement, Motion Pictures, Entertainment	76,954	4.5	51,397	3.1
Mining, Steel, Iron and Non-Precious Metals	3,707	0.2	3,914	0.2
Oil and Gas	6,351	0.4	2,305	0.1
Personal and Non Durable Consumer Products (Mfg. Only)	70,192	4.2	37,895	2.3
Personal, Food and Miscellaneous Services	72,517	4.3	66,198	4.0
Printing and Publishing	10,805	0.6	46,814	2.8
Retail Stores	144,336	8.6	137,940	8.3
Telecommunications	8,598	0.5	2,111	0.1
Textiles and Leather	2,247	0.1	2,061	0.1
Utilities	16,300	1.0	11,426	0.7
Total	$1,685,015	100.0%	$1,660,612	100.0%

*Represents an amount less than 0.1%

Senior Loan Fund LLC:
The Company co-invests with RGA Reinsurance Company (“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 5.
As of September 30, 2017, SLF is capitalized by LLC equity interest subscriptions from its members. On December 14, 2016, the SLF investment committee approved the recapitalization of the commitments of SLF’s members. On

December 30, 2016, SLF’s members entered into additional LLC equity interest subscriptions totaling $160,000, SLF issued capital calls totaling $89,930 to the Company and RGA and the subordinated notes previously issued by SLF were redeemed and terminated.

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Note 4. Investments - (continued)
As of September 30, 2017 and 2016, 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. As of September 30, 2016, the Company and RGA owned 87.5% and 12.5%, respectively, of the outstanding subordinated notes issued by SLF.
Additionally, 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, 2017, allowed SLF II to borrow up to $300,000 at any one time outstanding, subject to leverage and borrowing base restrictions.
As of September 30, 2017 and 2016, SLF had the following commitments from its members (in the aggregate):

	As of September 30, 2017		As of September 30, 2016	
	Committed	Funded[1]	Committed	Funded[1][2]
Subordinated note commitments	$—	$—	$160,000	$ 88,344
LLC equity commitments	200,000	111,380	40,000	35,816
Total	$200,000	$111,380	$200,000	$ 124,160

(1) Funded LLC equity commitments are presented net of return of capital distributions subject to recall.
(2) Funded subordinated note commitments as of September 30, 2016 are presented net of repayments subject to recall. The subordinated note commitments were terminated as of December 30, 2016.

As of September 30, 2017 and 2016, SLF had total assets at fair value of $306,235 and $332,786, respectively. As of September 30, 2017, SLF had one portfolio company investment on non-accrual status and the total fair value of non-accrual loans was $329. As of September 30, 2016, SLF had one portfolio company investment on non-accrual status and the total fair value of non-accrual loans was $6,686. 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, 2017 and 2016, SLF had commitments to fund various undrawn revolvers and delayed draw investments to its portfolio companies totaling $13,318 and $24,104, 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, 2017 and 2016:

	As of September 30,	
	2017	2016
Senior secured loans [1]	$301,583	$331,473
Weighted average current interest rate on senior secured loans [2]	6.4 %	6.0 %
Number of borrowers in SLF	50	62
Largest portfolio company investments [1]	$13,820	$13,050
Total of five largest portfolio company investments [1]	$61,187	$61,118

(1) At principal amount.

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Note 4. Investments - (continued)

(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, 2017

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	6.1 %	$ 2,094	$ 2,105
1A Smart Start LLC	Home and Office Furnishings, Housewares, and Durable Consumer	Senior loan	02/2022	5.8	928	928
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	6,805	5,784
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	466	396
Argon Medical Devices, Inc.	Healthcare, Education and Childcare	Senior loan	12/2021	6.0	3,184	3,184
Arise Virtual Solutions, Inc. [4]	Telecommunications	Senior loan	12/2018	7.3	9,856	9,856
Boot Barn, Inc.	Retail Stores	Senior loan	06/2021	5.8	10,073	10,073
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	6.1	4,851	4,845
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.6	8,590	8,418
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.6	4,328	4,242
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8	2,442	2,442
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8	1,227	1,227
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8	59	59
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.8	41	41
Curo Health Services LLC [4]	Healthcare, Education and Childcare	Senior loan	02/2022	5.3	5,850	5,867
DISA Holdings Acquisition Subsidiary Corp.	Diversified/Conglomerate Service	Senior loan	12/2020	5.5	4,401	4,401
DISA Holdings Acquisition Subsidiary	Diversified/Conglomerate Service	Senior loan	12/2020	5.6	428	428

Corp.						
EAG, INC. (Evans Analytical Group)	Diversified/Conglomerate Service	Senior loan	07/2018	5.5	1,964	1,964
Encore GC Acquisition, LLC	Healthcare, Education and Childcare	Senior loan	01/2020	6.8	4,725	4,725
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.1	6,029	6,029
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	7.1	1,686	1,686
Flexan, LLC (4)	Chemicals, Plastics and Rubber	Senior loan	02/2020	8.8	47	47
Gamma Technologies, LLC (4)	Electronics	Senior loan	06/2021	6.0	10,264	10,264
Harvey Tool Company, LLC	Diversified/Conglomerate Manufacturing	Senior loan	03/2020	6.1	3,064	3,064
III US Holdings, LLC	Diversified/Conglomerate Service	Senior loan	09/2022	7.9	5,044	5,044
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.3	2,293	2,293
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.4	102	102
Jensen Hughes, Inc.	Buildings and Real Estate	Senior loan	12/2021	6.4	64	64
Joerns Healthcare, LLC (4)	Healthcare, Education and Childcare	Senior loan	05/2020	7.8	8,745	8,202
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.7	6,762	6,762
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.7	2,226	2,226
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.7	822	822
Loar Group Inc.	Aerospace and Defense	Senior loan	01/2022	6.0	2,164	2,164
Loar Group Inc.	Aerospace and Defense	Senior loan	01/2022	6.0	1,492	1,492
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.2	1,977	1,977
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.2	596	596

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Note 4. Investments - (continued)
SLF Investment Portfolio as of September 30, 2017 – (continued)

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate(1)	Principal ($) / Shares (2)	Fair Value(3)
Park Place Technologies LLC (4)	Electronics	Senior loan	06/2022	6.3 %	$ 5,341	$ 5,287
Pasternack Enterprises, Inc. and Fairview Microwave, Inc	Diversified/Conglomerate Manufacturing	Senior loan	05/2022	6.2	5,372	5,372
Payless ShoeSource, Inc.	Retail Stores	Senior loan	08/2022	10.3	768	757
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	6.2	4,560	4,469
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	6.7	83	81
Polk Acquisition Corp.	Automobile	Senior loan	06/2022	6.2	53	52
PowerPlan Holdings, Inc. (4)	Utilities	Senior loan	02/2022	6.5	11,365	11,365
Premise Health Holding Corp. (4)	Healthcare, Education and Childcare	Senior loan	06/2020	5.8	11,772	11,772
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2019	7.7	9,738	9,738
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2019	7.9	597	597
R.G. Barry Corporation	Personal, Food and Miscellaneous Services	Senior loan	09/2019	6.2	5,217	5,217
Radiology Partners, Inc. (4)	Healthcare, Education and Childcare	Senior loan	09/2020	7.1	7,793	7,793
Radiology Partners, Inc. (4)	Healthcare, Education and Childcare	Senior loan	09/2020	7.1	595	595
Radiology Partners, Inc. (4)	Healthcare, Education and Childcare	Senior loan	09/2020	7.1	505	505
Reliant Pro ReHab, LLC (4)	Healthcare, Education and Childcare	Senior loan	12/2017	6.3	3,240	3,240
RSC Acquisition, Inc. (4)	Insurance	Senior loan	11/2022	6.6	3,864	3,864
RSC Acquisition, Inc.	Insurance	Senior loan	11/2020	6.1	15	15
Rubio's Restaurants, Inc. (4)	Beverage, Food and Tobacco	Senior loan	11/2018	6.1	4,992	4,992
Rug Doctor LLC	Personal and Non Durable Consumer Products (Mfg. Only)	Senior loan	06/2018	6.6	5,792	5,792
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	7.0	4,782	4,686

Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	7.8	70	69	
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	7.0	50	49	
Sage Dental Management, LLC	Healthcare, Education and Childcare	Senior loan	10/2019	8.8	34	33	
Saldon Holdings, Inc. (4)	Diversified/Conglomerate Service	Senior loan	09/2022	5.8	2,521	2,490	
Sarnova HC, LLC	Healthcare, Education and Childcare	Senior loan	01/2022	6.0	3,684	3,684	
SEI, Inc.	Electronics	Senior loan	07/2021	6.0	13,820	13,820	
Self Esteem Brands, LLC (4)	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2020	6.0	11,313	11,313	
Severin Acquisition, LLC (4)	Diversified/Conglomerate Service	Senior loan	07/2021	6.1	4,832	4,830	
Severin Acquisition, LLC	Diversified/Conglomerate Service	Senior loan	07/2021	6.0	5,290	5,265	
Severin Acquisition, LLC	Diversified/Conglomerate Service	Senior loan	07/2021	6.2	668	670	
Severin Acquisition, LLC (5)	Diversified/Conglomerate Service	Senior loan	07/2021	N/A (6)	—	(1	)
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	867	754	
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	68	60	
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	68	59	
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	68	59	
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	68	59	
Smashburger Finance LLC (5)	Beverage, Food and Tobacco	Senior loan	05/2018	N/A (6)	—	(15	)
Stomatcare DSO, LLC (7)	Healthcare, Education and Childcare	Senior loan	05/2022	6.2% PIK	625	329	
Tate's Bake Shop, Inc. (4)	Beverage, Food and Tobacco	Senior loan	08/2019	6.3	2,926	2,926	
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	5.5	4,553	4,553	

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Note 4. Investments - (continued)
SLF Investment Portfolio as of September 30, 2017 – (continued)

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate(1)	Principal ($) / Shares (2)	Fair Value(3)
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1 %	$3,567	$3,567
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1	687	687
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.0	514	514
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	6.1	252	252
Transaction Data Systems, Inc.	Diversified/Conglomerate Service	Senior loan	06/2021	6.6	7,393	7,393
Transaction Data Systems, Inc.	Diversified/Conglomerate Service	Senior loan	06/2020	5.8	22	21
W3 Co.	Oil and Gas	Senior loan	03/2022	7.2	1,266	1,269
WHCG Management, LLC (4)	Healthcare, Education and Childcare	Senior loan	03/2023	6.1	7,980	7,980
WIRB-Copernicus Group, Inc.	Healthcare, Education and Childcare	Senior loan	08/2022	6.3	5,666	5,666
Young Innovations, Inc. (4)	Healthcare, Education and Childcare	Senior loan	01/2019	6.3	10,369	10,369
Young Innovations, Inc. (4)	Healthcare, Education and Childcare	Senior loan	01/2019	6.3	209	209
Total senior loan investments					$301,583	$298,941
Payless ShoeSource, Inc. (8)(9)	Retail Stores	LLC interest	N/A	N/A	35	$843
W3 Co. (8)(9)	Oil and Gas	LLC units	N/A	N/A	3	1,146
Total equity investments						$1,989
Total investments					$301,583	$300,930

(1) Represents the weighted average annual current interest rate as of September 30, 2017.
(2) The total principal amount is presented for debt investments while the number of shares or units owned is presented for equity investments.
(3) Represents the fair value in accordance with ASC Topic 820. The determination of such fair value is not included in the 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) The negative fair value is the result of the unfunded commitment being valued below par.
(6) The entire commitment was unfunded at September 30, 2017. 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, 2017, meaning that SLF has ceased recognizing interest income on the loan.
(8) Equity investment received as a result of the portfolio company's debt restructuring.
(9) Non-income producing.

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Note 4. Investments – (continued)
SLF Investment Portfolio as of September 30, 2016

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	5.8 %	$ 2,116	$ 2,111
ACTIVE Network, Inc.	Electronics	Senior loan	11/2020	5.5	1,945	1,938
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	6,805	6,601
Advanced Pain Management Holdings, Inc.	Healthcare, Education and Childcare	Senior loan	02/2018	6.3	466	452
Advanced Pain Management Holdings, Inc.(4)	Healthcare, Education and Childcare	Senior loan	02/2018	N/A (5)	—	(35)
Aimbridge Hospitality, LLC (3)	Hotels, Motels, Inns, and Gaming	Senior loan	10/2018	5.8	5,037	5,037
American Seafoods Group LLC	Beverage, Food and Tobacco	Senior loan	08/2021	6.0	4,818	4,806
Argon Medical Devices, Inc.	Healthcare, Education and Childcare	Senior loan	12/2021	5.8	3,895	3,895
Arise Virtual Solutions, Inc.(3)	Telecommunications	Senior loan	12/2018	7.8	10,804	10,264
Arise Virtual Solutions, Inc.(3)(4)	Telecommunications	Senior loan	12/2018	N/A (5)	—	(28)
Atkins Nutritionals, Inc.(3)	Beverage, Food and Tobacco	Senior loan	01/2019	6.3	5,664	5,664
BMC Software, Inc.	Electronics	Senior loan	09/2020	5.0	1,876	1,813
Boot Barn, Inc.	Retail Stores	Senior loan	06/2021	5.5	10,667	10,667
Brandmuscle, Inc.	Printing and Publishing	Senior loan	12/2021	5.8	4,948	4,938
C.B. Fleet Company, Incorporated	Personal and Non Durable Consumer Products	Senior loan	12/2021	5.8	7,613	7,613
Checkers Drive-In Restaurants, Inc.	Beverage, Food and Tobacco	Senior loan	01/2022	6.5	4,460	4,427
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.3	8,677	8,677
CLP Healthcare Services, Inc.	Healthcare, Education and Childcare	Senior loan	12/2020	6.3	4,373	4,373
Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.5	2,466	2,454

Community Veterinary Partners, LLC	Personal, Food and Miscellaneous Services	Senior loan	10/2021	6.5	1,240	1,234
CPI Buyer, LLC (Cole-Parmer)(3)	Healthcare, Education and Childcare	Senior loan	08/2021	5.5	5,805	5,776
Curo Health Services LLC(3)	Healthcare, Education and Childcare	Senior loan	02/2022	6.5	5,910	5,928
DentMall MSO, LLC(6)	Retail Stores	Senior loan	07/2019	6.0	10,147	6,088
DentMall MSO, LLC(6)	Retail Stores	Senior loan	07/2019	6.0	1,000	598
DISA Holdings Acquisition Subsidiary Corp.	Diversified/Conglomerate Service	Senior loan	12/2020	5.5	4,568	4,431
DISA Holdings Acquisition Subsidiary Corp.	Diversified/Conglomerate Service	Senior loan	12/2020	5.5	255	224
EAG, INC. (Evans Analytical Group)	Diversified/Conglomerate Service	Senior loan	07/2017	5.0	2,113	2,113
Encore GC Acquisition, LLC(3)	Healthcare, Education and Childcare	Senior loan	01/2020	6.3	4,773	4,773
Encore GC Acquisition, LLC(3)	Healthcare, Education and Childcare	Senior loan	01/2020	7.8	164	164
Express Oil Change, LLC(3)	Retail Stores	Senior loan	12/2017	6.0	4,841	4,841
Extreme Reach Inc.	Broadcasting and Entertainment	Senior loan	02/2020	7.3	1,976	1,998
Federal-Mogul Corporation	Automobile	Senior loan	04/2021	4.8	3,920	3,799
Flexan, LLC	Chemicals, Plastics and Rubber	Senior loan	02/2020	6.3	6,090	6,090
Harvey Tool Company, LLC(3)	Diversified/Conglomerate Manufacturing	Senior loan	03/2020	6.0	3,108	3,108
Jensen Hughes, Inc.	Diversified/Conglomerate Service	Senior loan	12/2021	6.3	2,342	2,342
Jensen Hughes, Inc.	Diversified/Conglomerate Service	Senior loan	12/2021	6.0	104	104
Jensen Hughes, Inc.	Diversified/Conglomerate Service	Senior loan	12/2021	6.2	65	65
Joerns Healthcare, LLC(3)	Healthcare, Education and Childcare	Senior loan	05/2020	6.0	9,598	9,118
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.5	6,834	6,834

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Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate(1)	Principal ($)	Fair Value(2)
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.5 %	$ 1,061	$ 1,061
Julio & Sons Company	Beverage, Food and Tobacco	Senior loan	12/2018	6.5	596	596
K&N Engineering, Inc.(3)	Automobile	Senior loan	07/2019	6.8	3,781	3,781
K&N Engineering, Inc.(3)	Automobile	Senior loan	07/2019	5.3	179	179
Loar Group Inc.	Aerospace and Defense	Senior loan	01/2022	5.8	2,233	2,233
Mediaocean LLC(3)	Diversified/Conglomerate Service	Senior loan	08/2022	5.8	3,137	3,137
Northwestern Management Services, LLC(3)	Healthcare, Education and Childcare	Senior loan	10/2019	6.5	4,288	4,224
Northwestern Management Services, LLC(3)	Healthcare, Education and Childcare	Senior loan	10/2019	6.5	470	463
Northwestern Management Services, LLC(3)	Healthcare, Education and Childcare	Senior loan	10/2019	7.5	1	1
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.5	1,998	1,958
Paradigm DKD Group, LLC	Buildings and Real Estate	Senior loan	11/2018	6.7	180	166
Pasternack Enterprises, Inc. and Fairview Microwave, Inc(3)	Diversified/Conglomerate Manufacturing	Senior loan	05/2022	6.0	1,640	1,623
Payless ShoeSource, Inc.	Retail Stores	Senior loan	03/2021	5.0	1,955	1,163
Pentec Acquisition Sub, Inc.	Healthcare, Education and Childcare	Senior loan	05/2018	6.3	1,419	1,419
PetVet Care Centers LLC(3)	Personal, Food and Miscellaneous Services	Senior loan	12/2020	5.8	5,895	5,895
PetVet Care Centers LLC(3)	Personal, Food and Miscellaneous Services	Senior loan	12/2020	5.8	1,219	1,219
PowerPlan Holdings, Inc.(3)	Utilities	Senior loan	02/2022	5.8	11,994	11,994
PPT Management, LLC	Healthcare, Education and Childcare	Senior loan	04/2020	6.0	13,026	13,026
PPT Management, LLC	Healthcare, Education and Childcare	Senior loan	04/2020	6.0	10	10
Premise Health Holding Corp.(3)	Healthcare, Education and Childcare	Senior loan	06/2020	5.5	11,891	11,891
Pyramid Healthcare, Inc.(3)			08/2019	6.8	8,354	8,354

	Healthcare, Education and Childcare	Senior loan					
Pyramid Healthcare, Inc.	Healthcare, Education and Childcare	Senior loan	08/2019	7.8	373	373	
R.G. Barry Corporation	Personal, Food and Miscellaneous Services	Senior loan	09/2019	6.0	5,880	5,821	
Radiology Partners, Inc.(3)	Healthcare, Education and Childcare	Senior loan	09/2020	6.5	7,072	7,001	
Radiology Partners, Inc.(3)	Healthcare, Education and Childcare	Senior loan	09/2020	6.5	801	792	
Radiology Partners, Inc.(3)	Healthcare, Education and Childcare	Senior loan	09/2020	6.5	510	505	
Radiology Partners, Inc.(3)(4)	Healthcare, Education and Childcare	Senior loan	09/2020	N/A (5)	—	(6	)
Radiology Partners, Inc.(3)(4)	Healthcare, Education and Childcare	Senior loan	09/2020	N/A (5)	—	(3	)
Reliant Pro ReHab, LLC(3)	Healthcare, Education and Childcare	Senior loan	12/2017	6.0	3,337	3,337	
RSC Acquisition, Inc.(3)	Insurance	Senior loan	11/2022	6.3	3,732	3,732	
RSC Acquisition, Inc.(3)	Insurance	Senior loan	11/2022	6.3	172	172	
RSC Acquisition, Inc.	Insurance	Senior loan	11/2020	6.8	33	33	
Rubio's Restaurants, Inc.(3)	Beverage, Food and Tobacco	Senior loan	11/2018	6.0	5,044	5,044	
Rug Doctor LLC	Personal and Non Durable Consumer Products	Senior loan	06/2018	6.3	7,780	7,780	

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Note 4. Investments - (continued)
SLF Investment Portfolio as of September 30, 2016 – (continued)

Portfolio Company	Business Description	Security Type	Maturity Date	Current Interest Rate[1]	Principal ($)	Fair Value[2]
Saldon Holdings, Inc.	Diversified/Conglomerate Service	Senior loan	09/2021	5.5 %	$2,718	$2,718
Sarnova HC, LLC	Healthcare, Education and Childcare	Senior loan	01/2022	5.8	3,722	3,722
SEI, Inc.	Electronics	Senior loan	07/2021	5.8	8,711	8,711
Self Esteem Brands, LLC[3]	Leisure, Amusement, Motion Pictures, Entertainment	Senior loan	02/2020	5.0	6,342	6,342
Severin Acquisition, LLC[3]	Diversified/Conglomerate Service	Senior loan	07/2021	5.9	4,882	4,858
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	951	932
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	75	74
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	75	73
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	75	73
Smashburger Finance LLC	Beverage, Food and Tobacco	Senior loan	05/2018	6.8	75	73
Smashburger Finance LLC[4]	Beverage, Food and Tobacco	Senior loan	05/2018	N/A[5]	—	(2)
Systems Maintenance Services Holding, Inc.[3]	Electronics	Senior loan	10/2019	5.0	2,396	2,396
Tate's Bake Shop, Inc.[3]	Beverage, Food and Tobacco	Senior loan	08/2019	6.0	2,955	2,955
Teasdale Quality Foods, Inc.	Grocery	Senior loan	10/2020	5.3	4,582	4,566
Transaction Data Systems, Inc.[3]	Diversified/Conglomerate Service	Senior loan	06/2021	6.3	5,260	5,260
Transaction Data Systems, Inc.	Diversified/Conglomerate Service	Senior loan	06/2020	5.5	9	8
W3 Co.	Oil and Gas	Senior loan	03/2020	5.8	2,924	2,295
Worldwide Express Operations, LLC	Cargo Transport	Senior loan	07/2019	6.0	4,869	4,869
Worldwide Express Operations, LLC	Cargo Transport	Senior loan	07/2019	6.0	100	100
Young Innovations, Inc.[3]	Healthcare, Education and Childcare	Senior loan	01/2019	5.3	3,804	3,818
Young Innovations, Inc.[3]	Healthcare, Education and Childcare		01/2018	6.8	122	118

Zest Holdings, LLC	Healthcare, Education and Childcare	Senior loan Senior loan	08/2020	5.8	5,282	5,282
					$331,473	$323,510

(1) Represents the weighted average annual current interest rate as of September 30, 2016. All interest rates are payable in cash.
(2) Represents the fair value in accordance with ASC Topic 820. The determination of such fair value is not included in 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 negative fair value is the result of the unfunded commitment being valued below par.
(5) The entire commitment was unfunded at September 30, 2016. As such, no interest is being earned on this investment.
(6) Loan was on non-accrual status as of September 30, 2016, meaning that SLF has ceased recognizing interest income on the loan.

As of September 30, 2017, the Company has committed to fund $175,000 of LLC equity interest subscriptions to SLF. As of September 30, 2017 and 2016, $97,457 and $31,339, 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, 2017 and 2016, the Company received $4,929 and $4,099, respectively, in dividend income from the SLF LLC equity interests.

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Note 4. Investments - (continued)
As of September 30, 2016, the amortized cost, net of principal repayments that were subject to recall, and fair value of the subordinated notes held by the Company was $77,301 and $77,301, respectively. As of September 30, 2016, the subordinated notes paid a weighted average interest rate of three-month LIBOR plus 8.0%. For the years ended September 30, 2017 and 2016, the Company earned interest income on the subordinated notes of $1,639 and $6,939, respectively.
See below for certain summarized financial information for SLF as of and for the years ended September 30, 2017 and 2016:

	As of September 30,	
	2017	2016
Selected Balance Sheet Information:		
Investments, at fair value	$300,930	$323,510
Cash and other assets	5,305	7,281
Receivable from investments sold	—	1,995
Total assets	$306,235	$332,786
Senior credit facility	$197,700	$214,050
Unamortized debt issuance costs	(712)	(949)
Other liabilities	658	567
Total liabilities	197,646	213,668
Subordinated notes and members’ equity	108,589	119,118
Total liabilities and members' equity	$306,235	$332,786

	Years ended September 30,	
	2017	2016
Selected Statement of Operations Information:		
Interest income	$21,455	$22,016
Fee income	5	84
Total investment income	21,460	22,100
Interest and other debt financing expense	10,236	15,715
Administrative service fee	477	457
Other expenses	131	151
Total expenses	10,844	16,323
Net investment income	10,616	5,777
Net realized gain (loss) on investments	(7,379)	(479)
Net change in unrealized appreciation (depreciation) on investments and subordinated notes	4,647	(4,685)
Net increase (decrease) in members' equity	$7,884	$613

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Note 5. 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 the years ended September 30, 2017, 2016 and 2015. 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, 2017 and 2016, with the exception of money market funds included in cash, cash equivalents and restricted cash and cash equivalents (Level 1 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

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Note 5. Fair Value Measurements - (continued)

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, 2017, there were no secured borrowings outstanding. As of September 30, 2016 all 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.

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Note 5. Fair Value Measurements - (continued)

The following tables present fair value measurements of the Company's investments and secured borrowings and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value as of September 30, 2017 and 2016:

As of September 30, 2017	Fair Value Measurements Using			
Description	Level 1	Level 2	Level 3	Total
Assets:				
Debt investments[1]	$—	$ —	$1,538,606	$1,538,606
Equity investments[1]	—	—	51,394	51,394
Money market funds[1][2]	13,825	—	—	13,825
Investment measured at NAV[3][4]	—	—	—	95,015
Total assets:	$13,825	$ —	$1,590,000	$1,698,840

As of September 30, 2016	Fair Value Measurements Using			
Description	Level 1	Level 2	Level 3	Total
Assets:				
Debt investments[1]	$—	$ —	$1,573,953	$1,573,953
Equity investments[1]	—	—	59,732	59,732
Money market funds[1][2]	44,281	—	—	44,281
Investment measured at NAV[3][4]	—	—	—	26,927
Total assets:	$44,281	$ —	$1,633,685	$1,704,893
Secured borrowings:	$—	$ —	$475	$475

(1) Refer to the Consolidated Schedules of Investments for further details.

(2) Included in cash and cash equivalents and restricted cash and cash equivalents 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 investment in LLC equity interests in SLF. The fair value of this investment has 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, 2017, 2016 and 2015 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 year was $4,846, $2,528 and $10,064, respectively.

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Note 5. Fair Value Measurements - (continued)
The following table presents the changes in investments and secured borrowings measured at fair value using Level 3 inputs for the years ended September 30, 2017 and 2016:

	Year ended September 30, 2017			
	Debt Investments	Equity Investments	Total Investments	Secured Borrowings
Fair value, beginning of period	$1,573,953	$ 59,732	$1,633,685	$ 475
Net change in unrealized appreciation (depreciation) on investments	1,146	222	1,368	—
Net change in unrealized appreciation (depreciation) on secured borrowings	—	—	—	(3)
Realized gain (loss) on investments	(372)	9,774	9,402	—
Funding of (proceeds from) revolving loans, net	331	—	331	—
Fundings of investments	570,950	4,677	575,627	—
PIK interest	1,839	—	1,839	—
Proceeds from principal payments and sales of portfolio investments	(540,050)	(23,011)	(563,061)	—
Non-cash proceeds from principal payments on subordinated notes investment in SLF	(78,689)	—	(78,689)	—
Repayments on secured borrowings	—	—	—	(475)
Accretion of discounts and amortization of premiums	9,498	—	9,498	3
Fair value, end of period	$1,538,606	$ 51,394	$1,590,000	$ —

	Year ended September 30, 2016			
	Debt Investments	Equity Investments	Total Investments	Secured Borrowings
Fair value, beginning of period	$1,449,603	$ 57,808	$1,507,411	$ 355
Net change in unrealized appreciation (depreciation) on investments	4,274	(2,742)	1,532	—
Realized gain (loss) on investments	(5,529)	11,783	6,254	—
Funding of (proceeds from) revolving loans, net	587	—	587	—
Fundings of investments	630,523	13,420	643,943	155
PIK interest	1,201	—	1,201	—
Proceeds from principal payments and sales of portfolio investments	(515,368)	(20,537)	(535,905)	—
Repayments on secured borrowings	—	—	—	(35)
Accretion of discounts and amortization of premiums	8,662	—	8,662	—
Fair value, end of period	$1,573,953	$ 59,732	$1,633,685	$ 475

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Note 5. Fair Value Measurements - (continued)
The following tables present quantitative information about the significant unobservable inputs of the Company's Level 3 investments and secured borrowings as of September 30, 2017 and 2016.
Quantitative information about Level 3 Fair Value Measurements

	Fair value as of September 30, 2017	Valuation Techniques	Unobservable Input	Range (Weighted Average)
Assets:				
Senior secured loans[(1)(2)]	$ 184,529	Market rate approach	Market interest rate	5.6% - 12.5% (6.9%)
		Market comparable companies	EBITDA multiples	5.0x - 17.5x (11.6x)
	10,560	Market comparable	Broker/dealer bids or quotes	N/A
One stop loans[(1)(3)(4)]	$ 1,327,788	Market rate approach	Market interest rate	2.3% - 39.5% (8.1%)
		Market comparable companies	EBITDA multiples	4.0x - 35.0x (12.5x)
			Revenue multiples	2.0x - 7.5x (3.9x)
	3,281	Market comparable	Broker/dealer bids or quotes	N/A
Subordinated debt and second lien loans[(1)]	$ 9,493	Market rate approach	Market interest rate	9.3% - 19.5% (9.4%)
		Market comparable companies	EBITDA multiples	10.5x - 11.0x (10.5x)
Equity[(5)]	$ 51,394	Market comparable companies	EBITDA multiples[(6)]	4.0x - 43.3x (12.5x)
			Revenue multiples[(6)]	2.0x - 5.8x (3.0x)

(1) The fair value of this asset class was determined using the market rate approach 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, 2017 was determined using the market rate approach.
(2) Excludes $(60) of non-accrual loans at fair value, which the Company valued on a liquidation basis. The negative fair value is the result of the unfunded commitment being valued below par.
(3) Excludes $3,015 of non-accrual loans at fair value, which the Company valued on a liquidation basis.
(4) The Company valued $1,189,176 and $138,612 of one stop loans using EBITDA and revenue multiples, respectively. All one stop loans were also valued using the market rate approach.
(5) Excludes $95,015 of LLC equity interests in SLF at fair value, which the Company valued using the NAV.
(6) The Company valued $47,092 and $4,302 of equity investments using EBITDA and revenue multiples, respectively.

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Note 5. Fair Value Measurements - (continued)
Quantitative information about Level 3 Fair Value Measurements

	Fair value as of September 30, 2016	Valuation Techniques	Unobservable Input	Range (Weighted Average)
Assets:				
Senior secured loans(1)(2)	$ 148,446	Market rate approach	Market interest rate	4.0% - 10.0% (6.4%)
		Market comparable companies	EBITDA multiples	6.0x - 17.5x (11.5x)
	$ 14,247	Market comparable	Broker/dealer bids or quotes	N/A
Subordinated Notes of SLF	$ 77,301	Discounted cash flow analysis	Discount rate	8.2%
One stop loans(1)(3)(4)	$ 1,299,650	Market rate approach	Market interest rate	4.5% - 23.5% (7.9%)
		Market comparable companies	EBITDA multiples(5)	4.0x - 35.4x (10.6x)
			Revenue multiples(5)	2.0x - 7.5x (3.9x)
	$ 3,647	Market comparable	Broker/dealer bids or quotes	N/A
Subordinated debt and second lien loans(1)	$ 29,336	Market rate approach	Market interest rate	9.0% - 29.5% (11.3%)
		Market comparable companies	EBITDA multiples	6.5x - 20.0x (13.1x)
Equity(5)	$ 59,732	Market comparable companies	EBITDA multiples(6)	4.0x – 16.7x (10.9x)
			Revenue multiples(6)	2.0x – 5.5x (3.2x)
Liabilities:				
Secured borrowings(7)	$ 475	Market rate approach	Market interest rate	7.0%
		Market comparable companies	EBITDA multiples	16.0x

(1) The fair value of this asset class was determined using the market rate approach 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, 2016 was determined using the market rate approach.
(2) Excludes $156 of non-accrual loans at fair value, which the Company valued on a liquidation basis.
(3) Excludes $1,170 of non-accrual loans at fair value, which the Company valued on a liquidation basis.
(4) The Company valued $1,171,240 and $128,410 of one stop loans using EBITDA and revenue multiples, respectively. All one stop loans were also valued using the market rate approach.
(5) Excludes $26,927 of LLC equity interests in SLF at fair value, which the Company valued using the NAV.
(6) The Company valued $55,897 and $3,835 of equity investments using EBITDA and revenue multiples, respectively.
(7)

The fair value of the secured borrowings was determined using the market rate approach as the corresponding investments 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, 2016 was determined using the market rate approach.

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Note 5. Fair Value Measurements - (continued)
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 and secured borrowings 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 and secured borrowings to determine any credit gains or losses. Increases or decreases in either of these inputs in isolation would result 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 is significantly less than the market yield for a similar loan with a similar credit profile, then the resulting fair value of the loan may be 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.
The following are the carrying values and fair values of the Company’s debt as of September 30, 2017 and 2016. Fair value is estimated by discounting remaining payments using applicable market rates or market quotes for similar instruments at the measurement date, if available.

	As of September 30, 2017		As of September 30, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Debt	$781,100	$788,762	$864,700	$873,980

Note 6. Borrowings
In accordance with the 1940 Act, with certain limited exceptions, the Company is only allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing. 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 this calculation. As such, the Company’s ratio of total consolidated assets to outstanding indebtedness may be less than 200%. This provides the Company with increased investment flexibility but also increases its risks related to leverage. As of September 30, 2017, the Company’s asset coverage for borrowed amounts was 285.2% (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”). 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 June 25, 2015, the Company and the 2010 Issuer amended the 2010 Debt Securitization to, among other things, (a) extend the reinvestment period two years to July 20, 2017, (b) make certain modifications for purposes of compliance with the loan securitization exclusion of the Volcker Rule and (c) modify the computation of the weighted average life test which relates to the loans securing the 2010 Notes. 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 bear interest at a rate of three-month LIBOR plus 1.90%, (b) refinance the Class B Notes by redeeming in full the Class B

2010 Notes and issuing new Class B-Refi 2010 Notes in an aggregate principal

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Note 6. Borrowings - (continued)
amount of $10,000 that bear interest at a rate of three-month LIBOR plus 2.40%, and (c) extend the reinvestment period applicable to the 2010 Issuer to July 20, 2018. Following the refinancing, Holdings retained the Class B-Refi 2010 Notes. The Class A-Refi 2010 Notes and Class B-Refi 2010 Notes are secured by the assets held by the 2010 Issuer.

The Class A-Refi 2010 Notes are included in the September 30, 2017 consolidated statement of financial condition as debt of the Company and the Class B-Refi 2010 Notes were eliminated in consolidation. The Class A and Class B 2010 Notes are included in the September 30, 2016 consolidated statement of financial condition as debt of the Company. As of September 30, 2017 and September 30, 2016, the Subordinated 2010 Notes were eliminated in consolidation.

Through July 20, 2018, all principal collections received on the underlying collateral may be 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 are scheduled to mature on July 20, 2023.

As of September 30, 2017 and 2016, there were 81 and 77 portfolio companies with a total fair value of $345,750 and $319,288, respectively, securing the 2010 Notes. The pool of loans in the 2010 Debt Securitization must meet certain requirements, including asset mix and concentration, collateral coverage, term, agency rating, minimum coupon, minimum spread and sector diversity requirements.

The interest charged under the 2010 Debt Securitization is based on three-month LIBOR, which as of September 30, 2017 was 1.3%. For the years ended September 30, 2017, 2016 and 2015, 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,		
	2017	2016	2015
Stated interest expense	$6,156	$5,078	$4,439
Amortization of debt issuance costs	256	390	931
Total interest and other debt financing expenses	$6,412	$5,468	$5,370
Cash paid for interest expense	$5,901	$4,900	$4,404
Average stated interest rate	3.0 %	2.4 %	2.1 %
Average outstanding balance	$205,520	$215,000	$215,000

As of September 30, 2017, the amounts, ratings and interest rates (expressed as a spread to three-month LIBOR) of the Class A-Refi 2010 Notes are as follows:

Description	Class A-Refi 2010 Notes
Type	Senior Secured Floating Rate
Amount Outstanding	$205,000
Moody's Rating	"Aaa"
S&P Rating	"AAA"
Interest Rate	LIBOR + 1.90%

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 diversifed portfolio of senior secured and second lien loans held by the 2014 Issuer. The 2014 Debt Securitization consists of $191,000 of Aaa/AAA Class A-1 2014 Notes, $20,000 of Aaa/AAA Class A-2 2014 Notes and $35,000

(In thousands, except shares and per share data)

Note 6. Borrowings - (continued)

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 $37,500 of Class C 2014 Notes and $119,069 of LLC equity interests in the 2014 Issuer. The Company retained all of the Class C 2014 Notes and LLC equity interests totaling $37,500 and $119,069, respectively. The Class A-1, Class A-2 and Class B 2014 Notes are included in the September 30, 2017 and 2016 consolidated statements of financial condition as debt of the Company. As of September 30, 2017 and 2016, the Class C 2014 Notes and LLC equity interests were eliminated in consolidation.

Through April 28, 2018, all principal collections received on the underlying collateral may be 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. The 2014 Notes are scheduled to mature on April 25, 2026.

As of September 30, 2017 and 2016, there were 85 and 79 portfolio companies with a total fair value of $382,957 and $391,752, 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.

The interest charged under the 2014 Debt Securitization is based on three-month LIBOR, which as of September 30, 2017 was 1.3%. For the years ended September 30, 2017, 2016 and 2015, the components of interest expense, cash paid for interest, annualized average interest rates and average outstanding balances for the 2014 Debt Securitization were as follows:

	For the years ended September 30,		
	2017	2016	2015
Stated interest expense	$7,311	$6,029	$5,213
Amortization of debt issuance costs	639	641	638
Total interest and other debt financing expenses	$7,950	$6,670	$5,851
Cash paid for interest expense	$7,032	$5,786	$5,906
Average stated interest rate	3.0 %	2.5 %	2.1 %
Average outstanding balance	$246,000	$246,000	$246,000

As of September 30, 2017 the classes, amounts, ratings and interest rates (expressed as a spread to three-month LIBOR) of the Class A-1, A-2 and B 2014 Notes are as follows:

Description	Class A-1 2014 Notes	Class A-2 2014 Notes	Class B 2014 Notes
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Floating Rate
Amount Outstanding	$191,000	$20,000	$35,000
Moody's Rating	"Aaa"	"Aaa"	"Aa2"
S&P Rating	"AAA"	"AAA"	"AA"
Interest Rate	LIBOR + 1.75%	LIBOR + 1.95%	LIBOR + 2.50%

The Investment Adviser serves as collateral manager to the 2010 Issuer and the 2014 Issuer under separate collateral management agreements and receives a fee for providing these services. The total fees payable by the Company under its Investment Advisory Agreement are reduced by an amount equal to the total aggregate fees that are paid to the Investment Adviser by the 2010 Issuer and the 2014 Issuer for rendering such collateral management services. are paid to the Investment Adviser by the 2010 Issuer and the 2014 Issuer for rendering such collateral management services.

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As part of each of the 2010 Debt Securitization and the 2014 Debt Securitization, GBDC entered into 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 and the 2014 Issuer, as applicable, and to purchase or otherwise acquire the Subordinated 2010 Notes and the LLC equity interests in the 2014 Issuer, as applicable. The 2010 Notes (other than the 2010 Subordinated Notes) and the 2014 Notes are the secured obligations of the 2010 Issuer and 2014 Issuer, respectively, and indentures governing each of the 2010 Notes and the 2014 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.
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 $150,000. As of September 30, 2017, SBIC IV, SBIC V and SBIC VI had $125,000, $133,000 and $9,000, respectively, of outstanding SBA-guaranteed debentures respectively, that mature between September 2021 and September 2027, leaving incremental borrowing capacity of $17,000 and $41,000 for SBIC V and SBIC VI, respectively, under present SBIC regulations. As of September 30, 2016, SBIC IV and SBIC V had $150,000 and $127,000 of outstanding SBA-guaranteed debentures, respectively.
The interest rate on $267,000 of outstanding debentures as of September 30, 2017 is fixed at an average annualized interest rate of 3.4%. For the years ended September 30, 2017, 2016 and 2015, the components of interest expense, cash paid for interest, average interest rates and average outstanding balances for the SBA debentures were as follows:

	For the years ended September 30,		
	2017	2016	2015
Stated interest expense	$9,782	$8,554	$7,749
Amortization of debt issuance costs	1,357	1,815	1,954
Total interest and other debt financing expenses	$11,139	$10,369	$9,703
Cash paid for interest expense	$9,777	$8,475	$7,722
Average stated interest rate	3.5 %	3.6 %	3.6 %
Average outstanding balance	$282,674	$239,432	$213,516

Revolving Credit Facility: On July 21, 2011, Funding entered into a senior secured revolving credit facility (as amended, the “Credit Facility”) with Wells Fargo Securities, N.A., as administrative agent and lender, which as of September 30, 2017, allowed Funding to borrow up to $225,000 at any one time outstanding, subject to leverage and borrowing base restrictions.

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Note 6. Borrowings - (continued)
Through a series of amendments during the year ended September 30, 2017, most recently on September 28, 2017, the Company and Funding amended the Credit Facility to, among other thing, extend the expiration of the reinvestment period to September 27, 2018, during which period Funding, subject to certain conditions, may make borrowing under the facility, and extend the stated maturity date from September 28, 2020 to September 28, 2022.
The Credit Facility bears interest at one-month LIBOR plus 2.25% per annum. In addition to the stated interest rate on the Credit Facility, the Company is required to pay a non-usage fee at a rate between 0.50% and 2.00% per annum depending on the size of the unused portion of the Credit Facility.
The Credit Facility is collateralized by all of the assets held by Funding, and GBDC has 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 have made customary representations and warranties and are required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities. Borrowing under the Credit Facility is subject to the leverage restrictions contained in the 1940 Act.
The Company has transferred certain loans and debt securities it has originated or acquired from time to time to Funding through a purchase and sale agreement and may cause Funding to originate or acquire loans in the future, consistent with the Company’s investment objectives.
As of September 30, 2017 and 2016, the Company had outstanding debt under the Credit Facility of $63,100 and $126,700, respectively. For the years ended September 30, 2017 and 2016, the Company had borrowings on the Credit Facility of $530,000 and $379,150, respectively, and repayments on the Credit Facility of $593,600 and $379,700, respectively. For the years ended September 30, 2017, 2016 and 2015, the components of interest expense, cash paid for interest and facility fees, average interest rates and average outstanding balances for the Credit Facility were as follows:

	For the years ended September 30,		
	2017	2016	2015
Stated interest expense	$4,445	$3,403	$1,934
Facility fees	539	460	616
Amortization of debt issuance costs	1,037	1,304	789
Total interest and other debt financing expenses	$6,021	$5,167	$3,339
Cash paid for interest expense and facility fees	$4,952	$3,856	$2,393
Average stated interest rate	3.2 %	2.7 %	2.5 %
Average outstanding balance	$138,786	$125,908	$78,051

Revolvers: On November 22, 2013, Revolver Funding entered into a $15,000 revolving line of credit (as amended, the “Revolver”), which could have been increased up to $30,000, with The PrivateBank and Trust Company. On October 21, 2015, the Company and Revolver Funding terminated the Revolver. There were no borrowings outstanding on the Revolver at the time of termination, and Revolver Funding was released of all obligations under the Revolver and all liens on the assets held by Revolver Funding collateralizing the Revolver were released.
The Revolver was collateralized by all of the assets held by Revolver Funding. Both GBDC and Revolver 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 Revolver was subject to the leverage restrictions contained in the 1940 Act. In addition, the Company paid a fee of 0.25% per annum on any unused portion of the Revolver.

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Note 6. Borrowings - (continued)
The revolver was not in existence for the year ended September 30, 2017. For the three months ended June 30, 2016, the revolver was not in existence and the Company did not incur any expense. For both the years ended September 30, 2016 and 2015, the weighted average outstanding balance was $0. For the years ended September 30, 2016 and 2015, Cash paid for facility fees was $2 and $38, respectively and total interest expense of $36 and $232 included $2 and $38 of facility fees and $34 and $194 of amortization of deferred debt issuance costs, respectively.
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. The Adviser Revolver bears an interest rate equal to the short-term Applicable Federal Rate, which was 1.3% as of September 30, 2017. For the year ended September 30, 2017, the Company had no borrowings and repayments, did not incur any interest expense and no cash was paid for interest on the Adviser Revolver. For the year ended September 30, 2016, the annualized average stated interest rate was 0.7% on average outstanding borrowings of $26, interest expense was an amount less than $1 and cash paid for interest was an amount less than $1. For the year ended September 30, 2016, the Company had borrowings on the Adviser Revolver of $9,500 and repayments on the Adviser Revolver of $9,500.
The average total debt outstanding (including the debt under the 2010 Debt Securitization, the 2014 Debt Securitization, SBA debentures, Credit Facility, Revolver and Adviser Revolver) for the years ended September 30, 2017, 2016 and 2015 was $872,980, $826,366 and $752,567, respectively.
For the years ended September 30, 2017, 2016 and 2015, the effective average annual interest rate, which includes amortization of debt financing costs and non-usage facility fees, on the Company's total debt outstanding (excluding secured borrowings) was 3.6%, 3.4% and 3.3%, respectively.
A summary of the Company's maturity requirements for borrowings as of September 30, 2017 is as follows:

	Payments Due by Period				
	Total	Less Than 1 Year	1 – 3 Years	3 – 5 Years	More Than 5 Years
2010 Debt Securitization	$205,000	$ —	$ —	$ —	$205,000
2014 Debt Securitization	246,000	—	—	—	246,000
SBA debentures	267,000	—	—	103,500	163,500
Credit Facility	63,100	—	—	63,100	—
Adviser Revolver	—	—	—	—	—
Total borrowings	$781,100	$ —	$ —	$166,600	$614,500

Secured Borrowings: Certain partial loan sales do not qualify for sale accounting under ASC Topic 860 because these sales do not 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 as an investment on the consolidated statement of financial condition and the portion sold is recorded as a secured borrowing in the liabilities section of the consolidated statement of financial condition. For these partial loan sales, the interest earned on the entire loan balance is recorded within "interest income" and the interest earned by the buyer in the partial loan sale is recorded within "interest and other debt financing expenses" in the consolidated statement of operations.
As of September 30, 2017, there were no secured borrowings outstanding. As of September 30, 2016, the Company recognized secured borrowings at fair value of $475 and the fair values of the loans that are associated with these secured borrowings was $2,305. These secured borrowings were the result of the Company's completion of partial loan sales of one stop loans associated with a portfolio company that did not meet the definition of a "participating interest." As a result, sale treatment was not allowed and the partial loan sales were treated as secured borrowings.

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Note 6. Borrowings - (continued)

During the years ended September 30, 2017, 2016 and 2015, there were no partial loan sales and net fundings on revolving and delayed draw secured borrowings totaling $0, $155 and $0, respectively, and repayments on secured borrowings totaled $475, $35 and $34, respectively. For the years ended September 30, 2017, 2016 and 2015, the effective average interest rate on secured borrowings, which includes amortization of original issuance costs, was 3.4%, 4.2%, and 4.5%, respectively, interest expense was $9, $14, and $13, respectively, and amortization of original issue discount was $3, $0 and $2, respectively.

Note 7. 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, 2017, 2016 and 2015:

	Years ended September 30,		
	2017	2016	2015
Increase/(decrease) in Paid in Capital in Excess of Par	$38	$(341)	$(71)
Increase/(decrease) in Capital Distributions in Excess of and Undistributed Net Investment Income	(1,120)	4,083	(242)
Increase/(decrease) in Net Realized Gain (Loss) on Investments	1,082	(3,742)	313

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, 2017, the Company estimates that it will not have any capital loss carryforward available for use in subsequent tax years.

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Note 7. Federal Income Tax Matters - (continued)

The following table reconciles net increase in net assets resulting from operations to taxable income for the years ended September 30, 2017, 2016 and 2015:

	Years ended September 30,		
	2017	2016	2015
Net increase in net assets resulting from operations	$82,288	$69,204	$70,791
Net change in unrealized (appreciation) depreciation on investments	(3,337)	2,030	(2,438)
Net change in unrealized (appreciation) depreciation on secured borrowings	(3)	—	(2)
Other income not currently taxable	(7,509)	(6,129)	(1,244)
Expenses not currently deductible	2,911	1,665	—
Other income for tax but not book	9,346	5,774	2,797
Other deductions/losses for tax not book	(36)	(279)	(873)
Other realized gain/loss differences	(5,575)	1,275	1,994
Taxable income before deductions for distributions	$78,085	$73,540	$71,025

The tax character of distributions paid during the years ended September 30, 2017, 2016 and 2015 was as follows:

	Years ended September 30,		
	2017	2016	2015
Ordinary Income	$85,304	$54,461	$58,152
Long-Term Capital Gains	1,139	12,418	4,817

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, 2017, 2016 and 2015 were as follows:

	As of September 30,		
	2017	2016	2015
Undistributed ordinary income – tax basis	$4,374	$14,792	$3,869
Undistributed realized gains – tax basis	2,958	1,993	6,182
Net unrealized appreciation (depreciation) on investments	18,532	10,416	13,433
Other temporary differences	(7,285)	(4,429)	(3,378)
Total accumulated earnings (deficit) – book basis	$18,579	$22,772	$20,106

For the tax year ended September 30, 2017, 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 2018. The amount carried forward to 2018 is estimated to be approximately $7,332, although this amount will not be finalized until the 2017 tax returns are filed in 2018.

As of September 30, 2017, the Federal tax cost of investments was $1,669,152 resulting in estimated gross unrealized gains and losses of $42,422 and $26,559, respectively.

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Note 7. Federal Income Tax Matters - (continued)

The differences between the components of distributable earnings on a tax basis and the amounts reflected in the consolidated statements of changes in net assets are primarily due to temporary book-tax differences that will reverse in a subsequent period.

Note 8. Commitments and Contingencies

Commitments: The Company had outstanding commitments to fund investments totaling $60,497 and $81,417 under various undrawn revolvers and other credit facilities as of September 30, 2017 and 2016, respectively. As described in Note 4, the Company had commitments of up to $77,543 and $66,360 to SLF as of September 30, 2017 and 2016, respectively, that may be contributed primarily for the purpose of funding new investments approved by the SLF investment committee.

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. There were no commitments outstanding for derivative contracts as of September 30, 2017 and 2016. 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.

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Note 9. Financial Highlights

The financial highlights for the Company are as follows:

	Years ended September 30,				
Per share data[1]:	2017	2016	2015	2014	2013
Net asset value at beginning of period	$15.96	$ 15.80	$ 15.55	$ 15.21	$ 14.60
Net increase in net assets as a result of issuance of shares[2]	0.01	0.06	—	—	—
Net increase in net assets as a result of public offering	0.19	0.05	0.09	0.18	0.57
Costs related to public offering	—	—	—	—	(0.03)
Distributions declared:					
From net investment income	(1.51)	(1.04)	(1.18)	(1.28)	(1.15)
From capital gains	(0.02)	(0.24)	(0.10)	—	—
From return of capital	—	—	—	—	(0.13)
Net investment income [3]	1.23 [3]	1.25 [3]	1.20	1.26	1.29
Net realized gain (loss) on investments	0.16	0.12	0.19	0.11	(0.04)
Net change in unrealized appreciation (depreciation) on investments	0.06	(0.04)	0.05	0.07	0.10
Net asset value at ending of period	$16.08	$ 15.96	$ 15.80	$ 15.55	$ 15.21
Per share market value at end of period	$18.82	$ 18.57	$ 15.98	$ 15.95	$ 17.32
Total return based on market value[4]	10.23 %	25.36 %	8.21 %	(0.52)%	16.98 %
Number of common shares outstanding	59,577,293	55,059,067	51,300,193	47,119,498	43,282,932

	Years ended September 30,				
Listed below are supplemental data and ratios to the financial highlights:	2017	2016	2015	2014	2013
Ratio of net investment income to average net assets	7.67 %	7.88 %	7.66 %	8.12 %	8.62 %
Ratio of total expense to average net assets[5]	7.52 %	7.58 %	7.92 %	7.61 %	7.65 %
Ratio of incentive fees to average net assets[5]	0.83 %	0.88 %	1.33 %	1.46 %	1.91 %
Ratio of expenses (without incentive fees) to average net assets	6.69 %	6.70 %	6.59 %	6.16 %	5.73 %
Total return based on average net asset value[6]	9.08 %	8.39 %	9.19 %	9.39 %	9.03 %
Net assets at end of period	$957,946	$878,825	$810,870	$732,739	$658,236
Average debt outstanding	$872,980	$826,366	$752,567	$587,624	$378,843
Average debt outstanding per share	$14.65	$15.01	$14.67	$12.47	$8.75
Asset coverage ratio[7]	285.23 %	248.78 %	237.28 %	249.12 %	373.20 %
Portfolio turnover	34.06 %	33.73 %	47.69 %	46.50 %	40.05 %
Asset coverage ratio per unit[8]	$2,852	$2,488	$2,373	$2,491	$3,717
Average market value per unit:[9]					
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
SBA Debentures	N/A	N/A	N/A	N/A	N/A
Credit Facility	N/A	N/A	N/A	N/A	N/A
Revolver	N/A	N/A	N/A	N/A	N/A
Adviser Revolver	N/A	N/A	N/A	N/A	N/A

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Golub Capital BDC, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(In thousands, except shares and per share data)

Note 9. Financial Highlights - (continued)

(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 shares issued through the DRIP and private placement.

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

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

(5) During the year ended September 30, 2013, the Investment Adviser irrevocably waived $250 of incentive fees. Had the Investment Adviser not waived these fees, the annualized ratio of incentive fees to average net assets and the annualized ratio of total expenses to average net assets would have been 1.96% and 7.69%, respectively, for the year ended September 30, 2013.

(6) Total return based on average net asset value is calculated as (a) the net increase in net assets resulting from operations divided (b) the daily average of total net assets. Total return does not include sales load.

(7) In accordance with the 1940 Act, with certain limited exceptions, the Company is only allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing (excluding the Company's SBA debentures pursuant to exemptive relief received by the Company from the SEC).

(8) 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 aggreate amount of senior securities representing indebtedness. Asset coverage ratio per unit is expressed in terms of dollars 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.

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

Note 10. Earnings Per Share

The following information sets forth the computation of the net increase in net assets per share resulting from operations for the years ended September 30, 2017, 2016 and 2015:

	Years ended September 30,		
	2017	2016	2015
Earnings available to stockholders	$82,288	$ 69,204	$ 70,791
Basic and diluted weighted average shares outstanding	56,913,064	51,948,378	49,017,777
Basic and diluted earnings per share	$1.45	$ 1.33	$ 1.44

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Golub Capital BDC, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(In thousands, except shares and per share data)

Note 11. Common Stock Offerings
The following table summarizes the total shares issued and proceeds received in private placements and public offerings, net of underwriting discounts and offering costs, of the Company’s common stock for the years ended September 30, 2017, 2016 and 2015:

	Years ended September 30,		
	2017	2016	2015
Shares issued	3,982,721	3,320,456	4,002,292
Offering price per share	Various	Various	17.42
Proceeds net of underwriting discounts and offering costs	$73,614	$ 58,260	$ 67,370

On April 10, 2015, GBDC priced a public offering of 3,500,000 shares of its common stock at a public offering price of $17.42 per share. On May 7, 2015, GBDC sold an additional 502,292 shares of its common stock at a public offering price of $17.42 per share pursuant to the underwriters’ partial exercise of the option to purchase additional shares granted in connection with the public offering in April 2015.
On July 18, 2016, GBDC entered into a Securities Purchase Agreement between the Company and a third party institutional investor for the sale of 1,433,486 shares of Company's common stock at a price per share of $17.44 per share.
On August 15, 2016, GBDC priced a public offering of 1,750,000 shares of its common stock at a public offering price of $18.35 per share. On September 19, 2016, GBDC sold an additional 136,970 shares of its common stock at a public offering price of $18.35 per share pursuant to the underwriters’ partial exercise of the option to purchase additional shares granted in connection with the public offering in August 2016.
On March 21, 2017, GBDC priced a public offering of 1,750,000 shares of 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.

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Golub Capital BDC, Inc. and Subsidiaries
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(In thousands, except shares and per share data)

Note 12. 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, 2017, 2016 and 2015:

Date Declared	Record Date	Payment Date	Amount Per Share		Cash Distribution	DRIP Shares Issued	DRIP Shares Value
Fiscal Year ended September 30, 2015							
11/17/2014	12/18/2014	12/29/2014	$ 0.32		$ 14,193	52,020	$885
02/03/2015	03/20/2015	03/27/2015	$ 0.32		$ 14,187	53,694	$908
05/11/2015	06/18/2015	06/29/2015	$ 0.32		$ 15,888	31,930	$505
08/04/2015	09/07/2015	09/29/2015	$ 0.32		$ 15,762	40,759	$641
Fiscal Year ended September 30, 2016							
11/17/2015	12/11/2015	12/29/2015	$ 0.32		$ 15,149	79,594	$1,267
02/02/2016	03/07/2016	03/30/2016	$ 0.32		$ 14,287	131,434	$2,155
05/03/2016	06/06/2016	06/29/2016	$ 0.32		$ 14,558	112,104	$1,926
08/03/2016	09/05/2016	09/29/2016	$ 0.32		$ 15,515	115,286	$2,022
Fiscal Year ended September 30, 2017							
11/14/2016	12/12/2016	12/29/2016	$ 0.57	(1)	$ 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 $0.25 per share.

Note 13. Subsequent Events
On November 17, 2017, the Board declared a quarterly distribution of $0.32 per share and a special distribution of $0.08 per share both of which are payable on December 28, 2017 to holders of record as of December 12, 2017.

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Golub Capital BDC, Inc. and Subsidiaries
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Note 14. Selected Quarterly Financial Data (Unaudited)

	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	18,238	17,808	16,547 (1)	16,953 (1)
Net gain (loss) on investments and secured borrowings	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

	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Total investment income	$ 34,503	$ 32,106	$ 30,762	$ 30,500
Net investment income	17,228	15,885	16,868 (2)	14,999 (2)
Net gain (loss) on investments and secured borrowings	(1,129)	2,404	(2,691)	5,640
Net increase in net assets resulting from operations	16,099	18,289	14,177	20,639
Earnings per share	0.30	0.35	0.28	0.40
Net asset value per common share at period end	$ 15.96	$ 15.88	$ 15.85	$ 15.89

	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014
Total investment income	$ 33,552	$ 30,410	$ 28,461	$ 27,545
Net investment income	15,481	15,205	13,754	14,557
Net gain (loss) on investments and secured borrowings	3,989	3,083	4,107	615
Net increase in net assets resulting from operations	19,470	18,288	17,861	15,172
Earnings per share	0.38	0.36	0.38	0.32
Net asset value per common share at period end	$ 15.80	$ 15.74	$ 15.61	$ 15.55

(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.

(2) Net investment income for the three months ended March 31, 2016 and December 31, 2015 is shown after a net expense of $31 and $302, respectively, for U.S. federal excise tax.

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Golub Capital BDC, Inc. and Subsidiaries
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(In thousands, except shares and per share data)

Note 15. Summarized Financial Information for SLF (Unaudited)
Provided in the table below is a Statements of Financial Condition for SLF as of September 30, 2017 and 2016:
Senior Loan Fund LLC
Statements of Financial Condition

	September 30, 2017	September 30, 2016
Assets		
Investments, at fair value	$ 300,930	$ 323,510
Cash and cash equivalents	823	651
Restricted cash and cash equivalents	3,966	6,086
Interest receivable	516	544
Receivable from investments sold	—	1,995
Total Assets	$ 306,235	$ 332,786
Liabilities		
Senior credit facility	$ 197,700	$ 214,050
Less unamortized debt issuance costs	712	949
Senior credit facility less unamortized debt issuance costs	196,988	213,101
Subordinated notes, at fair value (proceeds of $0 and $88,344, respectively)	—	88,344
Interest payable	457	384
Accounts payable and accrued expenses	201	183
Total Liabilities	197,646	302,012
Members' equity	108,589	30,774
Total Liabilities and Members' equity	$ 306,235	$ 332,786

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Golub Capital BDC, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
(In thousands, except shares and per share data)

Note 15. Summarized Financial Information for SLF (Unaudited) - (continued)
Provided in the table below is a Statements of Operations for SLF for the years ended September 30, 2017, 2016 and 2015:
Senior Loan Fund LLC
Statements of Operations

	Years ended September 30,		
	2017	2016	2015
Investment income			
Interest income	$21,455	$22,016	$10,906
Fee income	5	84	4
Total investment income	21,460	22,100	10,910
Expenses			
Interest and other debt financing expenses	10,236	15,715	7,701
Administrative service fee	477	457	249
Professional fees	128	150	102
General and administrative expenses	3	1	1
Total expenses	10,844	16,323	8,053
Net investment income	10,616	5,777	2,857
Net gain (loss) on investments, subordinated notes and secured borrowings			
Net realized gain (loss):			
Non-controlled/non-affiliate company investments	(7,379)	(479)	9
Net realized gain (loss)	(7,379)	(479)	9
Net unrealized appreciation (depreciation):			
Net change in unrealized appreciation (depreciation) on investments	4,647	(4,685)	(2,217)
Net change in unrealized appreciation (depreciation) on secured borrowings	—	—	11
Net change in unrealized appreciation (depreciation)	4,647	(4,685)	(2,206)
Net gain (loss) on investments, subordinated notes and secured borrowings	(2,732)	(5,164)	(2,197)
Net increase (decrease) in members' equity	$7,884	$613	$660

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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, 2017 (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 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

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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 2018 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 2018 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 2018 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 2018 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 2018 Annual Meeting of Stockholders, to be filed with the SEC within 120 days following the end of our fiscal year.

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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 91

(2) Financial Statement Schedules — None

(3) Exhibits

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).
10.1	Second Amended and Restated Investment Advisory Agreement between Registrant and GC Advisors LLC (Incorporated by reference to Exhibit 10.6 to Registrant's Quarterly Report on Form 10-Q (File No. 814-00794), filed on August 7, 2014).
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 25, 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 25, 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	Purchase Agreement, dated July 16, 2010, by and among the Registrant, Golub Capital BDC 2010-1 Holdings LLC, Golub Capital BDC 2010-1 LLC and Wells Fargo Securities, LLC (Incorporated by reference to Exhibit 10.1 to Registrant's Report on Form 8-K (File No. 814-00794), filed on July 16, 2010).
10.7	Master Loan Sale Agreement, dated July 16, 2010, by and between the Registrant, Golub Capital BDC 2010-1 LLC and Golub Capital BDC 2010-1 Holdings LLC (Incorporated by reference to Exhibit 10.2 to Registrant's Report on Form 8-K (File No. 814-00794), filed on July 16, 2010).
10.8	Indenture, dated July 16, 2010, by and between Golub Capital BDC 2010-1 LLC and U.S. Bank, National Association (Incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K (File No. 814-00794), filed on July 16, 2010).
10.9	Collateral Management Agreement, dated July 16, 2010, by and between Golub Capital BDC 2010-1 LLC and GC Advisors LLC (Incorporated by reference to Exhibit 10.4 to Registrant's Current Report on Form 8-K (File No. 814-00794), filed on July 16, 2010).
10.10	Purchase and Sale Agreement, dated July 21, 2011, by and between the Registrant and Golub Capital BDC Funding LLC (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K (File No. 814-00794), filed on July 21, 2011).

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10.11	Supplemental Indenture No. 1, dated as of February 15, 2013, by and between Golub Capital BDC 2010-1 LLC and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on February 19, 2013).
10.12	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).
10.14	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).
10.15	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).
10.16	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).
10.17	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).
10.18	Amendment No. 1 to Credit Agreement, dated as of November 24, 2014, by and among Golub Capital BDC Revolver Funding LLC, as the borrower; Golub Capital BDC, Inc., as servicer; and The PrivateBank and Trust Company as lender and administrative agent (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on November 26, 2014).
10.19	Amended and Restated Loan and Servicing Agreement, dated as of December 18, 2014, by and among Golub Capital BDC Funding LLC, as the Borrower; Golub Capital BDC, Inc., as Transferor and Servicer; Wells Fargo Securities, LLC, as the Administrative Agent; the lenders from time to time party thereto; the lender agents from time to time party thereto; and Wells Fargo Bank, N.A., as the Collateral Agent, the Account Bank, and the 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 January 2, 2015).
10.20	Supplemental Indenture No. 2, dated as of June 25, 2015, by and between Golub Capital BDC 2010-1 LLC and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on June 26, 2015).
10.21	First Amendment to Amended and Restated Loan and Servicing Agreement, dated as of July 30, 2015, by and among Golub Capital BDC Funding LLC, as the borrower; Golub Capital BDC, Inc., as the transferor and servicer; certain institutional lenders identified on the signature pages thereto; Wells Fargo Bank, N.A., as the swingline lender, Wells Fargo Bank, N.A., as the collateral agent, account bank and collateral custodian, and Wells Fargo Securities, LLC, as the administrative agent (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (file No. 814-00794), filed on August 4, 2015).
10.22	Credit Facility Termination Agreement, dated as of October 21, 2015, by and among Golub Capital BDC Revolver Funding LLC as the borrower, the Registrant, as the servicer, U.S. Bank National Association, as collateral custodian, and The PrivateBank and Trust Company, as the lender and administrative agent.
10.23	Second Amendment to Amended and Restated Loan and Servicing Agreement, dated as of March 1, 2016, by and among Golub Capital BDC Funding LLC, as the borrower; Golub Capital BDC, Inc., as the transferor and servicer; certain institutional lenders identified on the signature pages thereto; Wells Fargo Bank, N.A., as the swingline lender, Wells Fargo Bank, N.A., as the collateral agent, account bank and collateral custodian, and Wells Fargo Securities, LLC, as the administrative agent. (Incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q (File No. 814-00794), filed on May 5, 2016).
10.24	Unsecured revolving loan agreement, dated as of June 22, 2016, by Golub Capital BDC, Inc., as the borrower, and GC Advisors LLC, as the lender. (Incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q (File No. 814-00794), filed on August 3, 2016).

10.25	Supplemental Indenture No. 3, dated as of October 20, 2016, by and between Golub Capital BDC 2010-1 LLC and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 814-00794), filed on October 20, 2016).

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10.26	Joiner Supplement, dated as of May 2, 2017, by and among Golub Capital BDC Funding LLC, as the borrower; the lender identified therein, and Wells Fargo Securities, LLC, as the administrative agent. (Incorporated by reference to Exhibit 10.1 to Registrant’s Quarterly Report on Form 10-Q (File No. 814-00794), filed on August 7, 2017).
10.27	Third Amendment to Amended and Restated Loan and Servicing Agreement, dated as of July 28, 2017, by and among Golub Capital BDC Funding LLC, as the borrower; Golub Capital BDC, Inc., as the transferor and 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 the Registrant’s Current Report on Form 8-K (File No. 814-00794), filed on July 28, 2017).
10.28	Fourth Amendment to Amended and Restated Loan and Servicing Agreement, dated as of September 28, 2017, by and among Golub Capital BDC Funding LLC, as the borrower; Golub Capital BDC, Inc., as the transferor and 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 the Registrant’s Current Report on Form 8-K (File No. 814-00794), filed on September 28, 2017).
11.1	Computation of per share earnings (included in the notes to the audited financial statements included in this report).
14.1	Code of Ethics of the Registrant and GC Advisors.
14.2	Code of Ethics of GC Advisors LLC.
21.1	List of Subsidiaries.
24	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 section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Privacy Policy of the Registrant.

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 20, 2017 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 20, 2017
David B. Golub	(Principal Executive Officer)	
/s/ Ross A. Teune	Chief Financial Officer	November 20, 2017
Ross A. Teune	(Principal Financial and Accounting Officer)	
/s/ Lawrence E. Golub	Chairman of the Board of Directors	November 20, 2017
Lawrence E. Golub		
/s/ John T. Baily	Director	November 20, 2017
John T. Baily		
/s/ Kenneth F. Bernstein	Director	November 20, 2017
Kenneth F. Bernstein		
/s/ Anita R. Rosenberg	Director	November 20, 2017
Anita R. Rosenberg		
/s/ William M. Webster IV	Director	November 20, 2017
William M. Webster IV		